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Determining Factors on
Digital Change in the Music Industries

A qualitative analysis of the

Kristiansand Roundtable Conferences

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Abbreviations[1]

CISAC   *International Confederation of Societies of Authors and Composers* represents a broad range international collecting societies, working to enhance creators' rights. They are an important political actor on matters that involve authors and composer's rights. http://www.cisac.org/

DRM   *Digital Rights Management* is a broader term referring to different actions and initiatives providing copyright protection for digital media.

GEMA   *Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte* is the German collecting society/performing rights society, collecting and distributing performing rights royalties and mechanical rights royalties. https://www.gema.de/en/

GRD   *Global Repertoire Database*. The GRD was an attempt to create a central, multi-territorial source of copyright metadata on the global repertoire of musical works. The Original working group on the project was initiated by the European Union and EU Commissioner Neelie Kroes in 2008. The GRD failed in July 2014 and a brief but informative comment on this can be read here: http://www.thembj.org/2015/08/grds-failure/

ICT   *Information and Communications Technology* (or technologies) is an umbrella term that includes any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems and so on, as well as the various services and applications

IFPI   *International Federation of the Phonographic Industry* – represents the recording industry and around 1300 record companies worldwide. Commonly associated with the major record companies and their political and economic interests. http://www.ifpi.org/

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[1] All website-links were last visited on 01.11.2016

IMPALA   *Independent Music Companies Association* is the trade organization for the independent music companies, in particular the record labels. http://www.impalamusic.org/

IMR   *International Music Registry*. The ambitions of the IMR was in many ways similar to the GRD – to provide a comprehensive and authoritative database for the metadata on music rights. The initiative was funded by WIPO and started in 2011. The project has in 2016 been laid dead.

ISP   *Internet Service Provider* – a company or organization that provide access to the Internet.

KODA   KODA is the Danish collecting society/performing rights society, collecting and distributing performing rights royalties and mechanical rights royalties. http://www.koda.dk/eng

NMPA   *National Music Publishers' Association* is the trade association representing all American music publishers and their song writing partners. http://nmpa.org/

RIAA   *Recording Industry Association of America* is the American trade organization for the recorded music industry. RIAA certifies the sales charts and sales awards, such as Gold, Platinum and Diamond albums. The RIAA is a significant political actor in the American and International music industry. https://www.riaa.com/

SACEM   *Society of Authors, Composers and Publishers of Music* is the French collecting society/performing rights society, collecting and distributing performing rights royalties and mechanical rights royalties. https://societe.sacem.fr/en

TONO   TONO is the Norwegian collecting society/performing rights society, collecting and distributing performing rights royalties and mechanical rights royalties. TONO is owned and governed by its members, Norwegian composers, songwriters, lyricists and music publishers. http://www.tono.no/en/

WIPO   *World Intellectual Property Organization* – agency under the United Nations on intellectual property, such as copyright, patents, trademarks and designs. http://www.wipo.int/portal/en/index.html

Preface

I've always loved music. I loved performing it, I loved listening to it and I loved working with it, watching it on stage and being surrounded by it and by other fans and friends. And not least have I enjoyed taking part in creating, producing, supporting and arranging music and music events for my own band and others. For various reasons, my band never reached an international audience or achieved widespread acclaim (beyond a modest impact in the French market), but I've nevertheless had the pleasure of touring, recording and releasing albums for a number of years, which means I've experienced some of the excitement of seeing a crowd respond to our music, of reading a good review and of listening to the first mix of a recording.

Equally, I've experienced the disappointments of (close to) empty venues and mediocre reviews of music I've put my heart and soul into creating. And I know the tedious procedures of loading in and out, waiting for the drummer to do his sound check and, right before the doors open, consuming a contractual "one hot meal" that may or may not meet expectations, or even hopes.

In parallel with trying to establish a music career, I was also involved in the live scene in Kristiansand, Norway, first and foremost through DJ-ing, arranging concerts and later through managing Quart - at the time one of Norway's largest music festival - where, as Director, I ended up trying to reorganize and refinance it[2]. This short and cumbersome career as a festival manager culminated with the bankruptcy and cancelation of the event in the summer of 2008, which in many ways terminated any ambitions for a professional career in the music industries. However, it also opened the door to opportunities for my academic ambitions, and further amplified an interest in the dynamics and powers in the music industries, in particular, the impacts and effects of the digitalization processes within and around them.

And so, in 2009, when I was offered a PhD scholarship at the University of Agder, I considered it a tremendous opportunity to understand more thoroughly which factors determine the developments in the field, and immerse myself in its complexities

Over the following pages, I present the results of these efforts, and some of the theoretical contributions to the field of study. I define and limit the scope of my endeavours, elaborate on my methodological approach, and the considerations I've

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[2] For a brief overview of the Quart festival, see; https://en.wikipedia.org/wiki/Quart_Festival (last visited 01.12.2016)

taken throughout my work. However, the most important part of my project lies in my data, which builds on an opportunity that appeared two years prior to my admission to the University of Agder's doctorate program. In some ways, it may bridge a gap between my current academic ambitions and former experiences in the music industries, but it also represents what I consider most important to my own academic work, namely to strive for some degree of participation or involvement in the field of study. Great academic work has been contributed from a distance, but I believe that fields as complex as the music industries demand a thorough understanding of the often-confusing and opaque structures and dynamics constituting it, and I believe these can best be understood and appreciated through some degree of involvement. And although I come to this through my own experiences, the real opportunity is to gain significant understanding of the field was presented to me in 2007.

An opportunity to sit in: The Kristiansand Roundtable Conferences

In June 2007, I was invited by Peter Jenner and Bendik Hofseth to take part in a closed event for invited stakeholders within and around the international music industries: The Kristiansand Roundtable Conferences. This was the first of what became a series of exclusive, invite-only, meetings taking place in my hometown of Kristiansand at the University of Agder, and conducted under Chatham House Rules, which dictate that no statements can be attributed to any participant, encouraging free-flowing debate while protecting anonymity.

At the time, I was just getting involved with the Quart Festival, trying to reorganize and manage it, and although I had some experience of the business as a musician, my position, knowledge and insight was nothing compared to the rest of the delegates. The overall objective was to gather international stakeholders within and outside the traditional music industries to discuss and influence the complex processes of adapting to a digital era - processes that in many ways seemed gridlocked. The goal was to identify and agree on what obstacles lay ahead, which stakeholders were involved, which actions needed to be taken and, not the least, who should act on these issues.

When I was invited to take part I was as surprised by the very invitation, as much as by the impressive list of delegates to meet in my hometown. It included an exclusive but broad gathering of stakeholders, ranging from management, record companies, publishing, collecting societies, to streaming services, ISPs (Internet Service Providers) and many of the digital giants which have become household

names. The delegates were for the most part at executive level, working with some of the world's most acclaimed artists. Over the next couple of years, the Roundtable Conferences in Kristiansand became an event that spawned initiatives and discussions on such a level that it attracted policy and decision-makers from international organisations within and outside the music industries. Although I was partly involved in music at the time, it was obvious that my invitation to the event was the result of regional funding more than any substantial contribution I was likely to make to the talks. Either way, I was happy and excited to be allowed to observe and follow the conversation and debate.

An incredible pool of data

Beyond the impressive list of attendants and the nature of the talks, there was one thing in particular I remember noticing; the presence of a microphone in the room. The proceedings were being recorded! This was especially interesting given that the participants were speaking so openly about the opportunities, challenges and problems concerning the music industries in general, as well as their own affiliated industries, companies and organisations. A number of the attendants were as inwardly critical as they were of digital pirates and 'outside' actors.

Many controversial points were raised and discussed and I was fascinated to witness the extent of disagreement on subjects that were (and still are) contentious, but which are seldom debated in public. Perhaps the central dimension of the talks was the inherent complexity surrounding the topics. There were specific suggestions that may have led to meaningful progress, but were dependent on so many stakeholders, most with vested interests in competing solutions (and others more interested in the status quo), that any advancement seemed highly unlikely. Many of these complexities stem from internal power struggles within the structures of the music industries, though some can be traced to 'outside' actors - the tech industries, "the pipes and lines to people", as one of the delegates put it, and whose business is dependent on content - and whose direct or indirect influence in the processes became evident during the talks.

An additional dimension was the role of policy-making and legislation, both national and international; forces that exert pressure on the processes, while at the same time being a key component to solutions, leading to a considerable proportion of the talks addressing political and legislative issues. And during that first meeting in 2007, this triangular mix of interests and solutions was being discussed in its full range

and with all three 'parties' represented, although with a majority of delegates from the traditional music industries. As I will explore more thoroughly, the true value of the Kristiansand Roundtable Conferences lies not only in the level of insight among the delegates, but also the range of affiliations and interests represented in the meetings, triggering dynamic, multi-faceted discourse.

In 2009, I was encouraged by the University of Agder to apply for a PhD scholarship to study the music industries, music business and music management in the throes of a digital transformation. Remembering the Roundtable Conferences and the recordings of the talks, I asked Peter Jenner and Bendik Hofseth if I could be allowed access to them, and to use them as the empirical foundation for my doctorate thesis. Since the Conferences were held under Chatham House rules, their consent wasn't a given. On the other hand, Peter Jenner had himself explained to the attendees at the beginning of the meeting in 2007 (as well as the following Roundtable Conferences) that the microphones were there to document the talks, that he might organize someone to do something with them in the future and, importantly, that their anonymity would be respected. I was hoping I could be that someone.

Thanks to the generous and very inclusive nature of both Peter and Bendik, I was not only given access to the recordings, I was also invited to join the team to help organise the continuation of the dialogue, resulting in five recorded Roundtable Conferences from 2007 to 2011[3] , which I'll elaborate on more thoroughly later in the text.

The key initiative: Peter Jenner and Bendik Hofseth

The explanations as to how the small city of Kristiansand could become the crucible for such an esteemed assembly of music industry stakeholders – and subsequently provide the data for my thesis – lies in the background, networks and personalities of Peter Jenner and Bendik Hofseth. Jenner's career in the music industry stretches back to the mid '60s when he founded Blackhill Enterprises with Pink Floyd (Syd Barret, Nick Mason, Roger Waters and Richard Wright) and Andrew King. Beyond managing Pink Floyd, Blackhill Enterprises also organised the first free concerts in Hyde Park, London, including The Rolling Stones in 1969.

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[3] There were six years of recordings – the last one in 2012 – but for reasons I will discuss in my section on methodology, the final year was not included in my research.

As Pink Floyd and Syd Barret departed, Jenner continued his management career, working with T Rex, Ian Dury, Roy Harper, The Clash, The Disposable Heroes of Hiphoprisy, Billy Bragg and others. He also holds (or has held) a range of prominent domestic and global positions, such as Secretary General of the International Music Managers' Forum, as well as Director of the UK Music Managers' Forum. Furthermore, he has been very much involved with various copyright initiatives from World Intellectual Property Organisation (WIPO), the IPO in the UK, and numerous others.

The same holds true for Bendik Hofseth, who has released numerous albums, and tours regularly. His extensive background as an internationally renowned musician and composer accelerated in 1987 when he moved to New York to perform with the acclaimed jazz-fusion band Steps Ahead. More so, Hofseth has held and currently holds many central positions in the Norwegian and international music industries, including Chairman for the International Council of Music Authors (CIAM), Chairman for TONO (the Norwegian performing rights society), Chairman for by:Larm, Chairman for NOPA (Norwegian composer and author's organization) and many more.

Without a doubt, my thesis has been as dependent on their networks and backgrounds, as their trust and inclusiveness.

1   PART 1: IN REVISION: THEORETICAL FRAMEWORKS

While digital advancements have significantly enhanced the possibilities for musicians, creators, producers and consumers to create, share, produce and access music, these transitions have also been subject to considerable controversy and debate. A significant proportion of these debates have mirrored more general discourse on digitalization (see for example Hesmondhalgh, 2013 for a thorough and critical review of some of these contributions), emphasizing society's overall welfare, a general enthusiasm about digital advancements, or simply an aversion to conglomerates and the accompanying accounts of exploitation and misconduct.

Equally, there have been concerns voiced among artists, musicians and rights-owners (see Thom Yorke (Dredge, 2013), Billy Bragg (2014) and David Byrne (2014)) on the evaporation of business models, revenue streams (Nordgård, 2016a) or copyright's public approval (Menell, 2013). Much of this criticism has been directed both externally and internally, with traditional players in the music industries - as well as the new digital entrants - being the target of complaints, and the focus of a great deal of the frustration voiced by artists. And while none of these accounts necessarily represent inaccurate or false claims in isolation, the sheer range of competing arguments and evidence provides a landscape of often contradictory and competing narratives on how to understand the music industries' processes of adapting to a digital, online era.

Furthermore, many of these accounts tend to diminish the complexities of the issues to mere dichotomies or repeated references to the same few examples: Amanda Palmer's success with crowdsourcing, Radiohead's online release of 'In Rainbows', or Trent Reznor's added-value model on his 'Ghost' releases. While all three examples deserve recognition, they've nevertheless become so uncritically overused to emphasize digital success stories that important nuances seem to have been completely abandoned (see Anita Elberse' compelling elaborations on this, 2013).

Studying popular music

The ambitions with this work is to provide an approach to studying the complexities of the music industries' digital adaptations, by adding to- and building on the theoretical frameworks of Popular Music Studies [4] and the growing field of Music Business

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[4] http://www.iaspm.net/ (Last visited 04.12.2016)

Research [5]. This implies the ambitions to offer alternative frameworks for understanding these current processes, and to provide insights and new knowledge on the power-dynamics, agendas and logics that affect and shape them.

The study of popular music is closely linked to the study of popular music industries, as pop music is defined within commercial and industrial contexts. And hence, knowledge on popular music and current changes, also involves analyses of the changes affecting the production and dissemination of popular music, as already established by Simon Frith when stating that 'Pop music as we know it now has been shaped by the problems of making music a commodity and the challenges of adapting money-making to changing technologies' (Frith, 2001:26). The same fundamental condition can be found in Negus' work from the late 90s, where he states that 'the music industry plays a major part in shaping the conditions and divisions within which claims about creativity are asserted, maintained and contested' (Negus, 1998: 362). Hence, in a time when the music industries, the creators, the musicians and its audiences are experiencing such disruptive changes as those experienced after the turn of the millennium, then obviously this must have an interest on the study of popular music.

My own contribution to the field is to provide a thorough, qualitative analysis of the complex and vivid dialogues between international music industry stakeholders on the current changes affecting the music industries. It draws on broad and interdisciplinary frameworks, stretching from the critical accounts of Chapple and Garofalo to the works of Simon Frith, Keith Negus and David Hesmondhalgh, however tilted towards the more sociological contributions to the field and extending it by adding Fligstein and McAdams' Theory of fields (2012). While acknowledging the need to place focus on copyright, revenue distribution, business models and consumption patterns, there is equally a need to understanding the human forces, the power dynamics, logics and motivations that drives the music industries, in order to understand how internal and external forces impact the music industries, music creation and music itself. Popular music studies provide excellent frameworks for this.

The objectives of my work

My initial ambition with this dissertation articulated a very broad and open research question, asking simply: *Why do the music industries seem to have such difficulties adapting to a digital, online era?* This question already signals a direction – that the

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[5] http://www.imbra.eu/index.html#home (Last visited 04.12.2016)

music industries' digital transitions have not been optimal – and one can therefor ask how open my approach to the phenomenon really was. One can of course also question what an optimal transition would look like and for who it would be optimal. Nevertheless, my approach built partly on my own experiences from music business, partly on the public debates on the issues of music business and digitalization, and partly on my first encounters with the Kristiansand Roundtable Conferences in 2007. From this, it seemed obvious that the music industries have had a range of problems adapting to new, digital framework conditions – something that has also been elaborated upon by a broad range of academics and commentators.

Although there are many valuable accounts on these difficulties, it also seem that much of the assessments of these transitions have limitations in focus and scope, not fully exploring the complexities of the structures and power-dynamics embedded in the music industries and the various stakeholders' positions and functions internally in this field.

From my first encounter with the Kristiansand Roundtable Conferences, there was particularly one thing I remember noticing, namely the opposing and contradictory agendas among stakeholders within the same fields or industries (such as the recorded music industry). This was not an aligned and coherent industry, or set of industries. Rather, there were important conflicts of interest between industries (such as the recorded music, or publishing), companies and people. And more importantly, these conflicts of interest were more than just differences of opinions, or nuances in agendas and objectives.

If there was one thing that became obvious with my first meeting with the Kristiansand Roundtable Conferences, it was that these transitions and difficulties stems from complex interrelations of human interests and agendas, and that more research and more focus should be spent on understanding the humans that constitute the music industries and whose control and objectives affect these processes. This is an approach to the field that correlates well with Popular Music Studies and the more sociological contributions on the subject. It's an approach that coincides with Keith Negus' admonitions in 1999, when he calls for more research and study on the human complexities in the music industries:

> "*While I am and have always been, suspicious of simple and one-dimensional explanations of how the music industry operates (whether tales of corruption, the commercial rip-off or the models of melodies passing along bureaucratic assembly lines), I do believe that it's*

possible, from research and study, to gain a useful insight into the complexity of people, organizations, companies and alliances and the historically changing motives, influences and agendas which shape the production of popular music"
(Keith Negus, 1999: 8-9)

During the initial phase of my work my research objectives became more focused as patterns emerged from the data[6]. And rather than simply asking *why* the music industries seemed to have so much trouble adjusting to a digital, online era, I wanted to search for factors that could explain these challenges.

Early in the processes of analyzing the dialogues from the Roundtable conversations, it became possible to extract patterns and themes that suggest that there are factors that influence these processes. Hence, my initial and very open approach to the phenomenon quickly became more focused and targeted, as described in the following main objective:

The main objective of this work is to identify and describe key factors that determine the music industries' processes of adapting to a digital, online era. This involves seeking to understand how political, social and economic forces shape the current digital transitions. It also involves an ambition to look at forces outside the traditional boarders of the music industries, as well internally, to assess how the music industries themselves affect- and are being affected by these transitions.

1.1.1 Structure

I have structured my dissertation in four main parts, where the first section elaborates on the theoretical contributions to the field, providing a theoretical foundation for my thesis, as well a critical discussion of central academic contributions. The second part is as an elaboration on the methodological considerations taken. The third presents my findings, providing a structured description of my primary findings and an analysis of such. In the fourth and last part, I write my conclusion.

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[6] Since my data has been collected annually and continually as the Kristiansand Roundtable Conferences have been conducted, it's been possible for me to assess the data gradually and therefor adjust my approach and focus during my work.

A central ambition in the first part is to establish an understanding of *the music industries* – the field of study – as well as that of *change* – the different dynamics within and around the music industries. I consider the latter understanding to be dependent on the former – that if we don't have a proper concept of the field of study, then it becomes very difficult to define and assess the changes happening. Furthermore, the debates around the digital changes we face offer competing theoretical approaches, with competing theoretical disciplines providing opposing propositions on how to understand the music industries, and subsequently the changes and difficulties they're experiencing. I will therefore use the first part of my dissertation to describe and critically discuss what I consider influential contributions to academic and public debates on the music industries' digital transition.

In order to understand what the music industries are, I will spend some time looking at different propositions and models to enable me to draw lines, and identify which stakeholders and functions to include or exclude. The importance of establishing some sort of model or concept for the music industries is not to agree on any specific number of businesses or activities incorporated in "the music industry", nor the different companies and industries that can be categorized along any specific model. If anything, today's digital progressions have clearly demonstrated that models may change and that lines separating the different stakeholders may become blurred. This includes even the traditional division between supply and demand, as fans and artists experiment with new ways of communication and cooperation.

However, there are two particular concepts I wish to address in Part 1: to establish the nature of the music industries as a plural set of industries with competing agendas and great internal differences, and to establish a boundary of the field – a sense of understanding of where to draw lines between "*the* music industries" and what can be considered external industries. I'm fully aware that this is a difficult (maybe even futile) endeavor, however my point is not to draw any definite line by classifying industries and companies inside or outside the field, but to merely to lay the ground for a discussion of converging fields.

The other central concept that I will focus attention on in this part is *change*. Obviously change is an essential concept in my research and it's a central focus-point in a variety of scholarly writings adding to the discourse, but (as I will argue) with varying accuracy and contributions to the field of study. I consider it equally important to focus on both identifying and defining the structures and boundaries of the music industries, as that of change. I believe it's difficult to provide accurate and useful

insights to the changes affecting the music industries if the very nature of the field is not properly understood and described.

Thus, I will try to provide a narrative where I first focus on the structures and dynamics in the music industries, before focusing on change. Following this, towards the end of Part 1, I will present and discuss the theories of Fligstein and McAdams (2012) on Strategic Action Fields (SAFs) as a proposition of an alternative way to study the changes in the music industries.

In part 2, I will discuss different methodological approaches to the subject and explain my considerations and choices on my research design. I have clearly adopted a qualitative approach. However the nature of my data, the origin and organization of the Kristiansand Roundtable Conferences and my own role in these events, calls for more thorough elaborations on my design. In particular, I will discuss the degree of participation and observation, and the extent to which one can consider the Roundtable Conferences either a focus group or a case study. Either way, the methodological options are not clear cut, and my approach represents a combination of methods that are informed by the opportunities presented to me via my own involvement with music, and the invitation extended to me by Peter Jenner and Bendik Hofseth. The research nevertheless follows a structure, and describes and discusses my considerations.

In part 3, I will present the Kristiansand Roundtable Conferences and the essence of my findings. These are organized under headings that represent what I consider to be important themes during the talks; topics that frequently appear, that represent controversy or consensus in some way, or discussions/arguments with resonating themes from which data can be extracted. I will discuss and further organize these themes and topics into concepts that will help answer the objectives of this research.

In part 4, I will conclude, taking my concepts from part 3 and discussing them against the theoretical frameworks in part 1. While I've adopted an open and explorative approach to the subject, I aim to provide a conclusion that offers a new and accurate understanding of the music industries' digital progressions.

1.2 Defining the music industries

In December 2012, Fran Healy of the UK band Travis, met with the Culture, Media and Sport Select Committee at the House of Commons to discuss the future of the UK music industry[7]. Mr. Healy stressed that at the heart of the music business lies the relationship between the artist and the fan. He also stressed that people tend to see the entire music economy as simply the record business and thus overlook the three other industries, or approximately 75% of the business, as he stated. That is not to say that the recording industry is not important (Healy represented The Featured Artist Coalition), but simply that people tend to have an overly simplified image of how the music industries are organized and connected.

When Mr. Healy mentioned that there are four distinct industries within what is commonly labeled as *the* music industry, he listed these as music publishing, the recording industry, the merchandize business and the live music industry. To cite merchandize as a separate business is unusual, as one would perhaps enlist it as extended parts of respectively the live and the recorded industry, but the deviation is not that important in this context.

A more common suggestion would perhaps be to list publishing, recording and the live music industry (Towse, 1997: 147; Wikström, 2009: 49-60). However, Mr. Healy's list of industries/sectors may also prove a point that the eyes of the observer determine any definition of the music industries. Because Mr. Healy is an artist and tours extensively, merchandize is obviously of importance to him. But, merchandize is not the only sector that one can argue for- and against its inclusion. Historically, scholars have had a tendency to put less emphasis on live music and solely focus on recorded music, publishing and management (See for example Burnett's contribution from 1996). Others have expanded the definition to include a range of industries and sectors with various degrees of relationship to "the center". However, there are two important concepts in Healy's statement that I wish to follow up, namely that the music industry rests on the relationship between the artist and the fan, and that people tend to see the entire field as one organization – the recording industry.

A sacred symbiosis: The fan and the artist

The first concept – the fundamental relationship between the fan and the artist – is a common notion that is often highlighted by scholars (See for example Morris, 2014: Tschmuck, 2016), commentators and journalists, as well as music industry

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[7] http://thefac.org/fran-healy-speaks-out-in-parliament-2/ (Last visited 01.02.2014)

professionals themselves. The Roundtable Conferences frequently refer to this basic concept, either to remind themselves and others about where their loyalty lies, or by limiting the space in which the music industries operates and where focus should be spent in order to transform the business of music.

> *(Private consultant): To me it's all about two things: It's about the creator and the consumer. That is essentially what the business is all about. Connecting those two. In the middle, all the other chess figures have been moved. That's really our mission now: to figure out how this works.*
> (Roundtable Conference 2009)

The above statement support a notion that the core of the field is the relationship between the creator and the fan and that the disorder lies with the structures between these two. It also illustrates that the music industries – although today in a state of disorder – base their business on being intermediaries between these two parties, as also described thoroughly by Keith Negus (Negus, 1992, 1996, 1999).

You find much of the same reasoning in Simon Frith's work (2001), not least when he argues that the music industries consists of two irrational parties; the supply side (the musicians) and the demand side (the fans). The music industries (in his case the recording industry) are making its money from bringing supply and demand into line (2001:33) and by regulating it through copyright and contract regimes. But Mr. Healy's statement must also be regarded in light of the economic transformations within the sector. When Mr. Healy states that the recording industry only adds up to approximately 25% of the music economy, this needs to be interpreted in light of the recent economic turmoil that the music industries have gone through.

One very evident change is the financial shift between live music and recorded music (Elberse, 2013; Frith, 2007; Kreuger, 2005; Nordgård, 2013; Nordgård, 2016b; Tschmuck, 2016), where the live sector has increased in size and the recording industry has decreased dramatically. And so one could argue that today's particular economic weighting in the different sectors may be temporary as the music industries' stakeholders are reorganizing and renegotiating positions – a significant point which I'll return to later.

When it comes to Mr. Healy's second point – that people tend to regard the music industry as one, monolithic organization, commonly labeled as the recording

industry – this refers to a widespread and rather simplistic view people tend to have on the music industries. Healy's concern is very much in line with Negus' apprehensions about one-dimensional explanations of how the music industries work (Negus, 1999:8-9). It's a misunderstanding, or a reduction of a complex structure that often coincides with misconceptions of the music industry as a Fordistic, assembly-like factory of artifacts, which speaks to earlier, critical discourse on the culture industry.

The difference between the music industries and the music industry

A critical first notion to understanding the structures and dynamics of the music industries is to acknowledge just that – that it's a composition of different industries and therefore it should be written in the plural. The music industries, as a sector or as a field, are continually referred to in the singular, as *the* music industry. While this could very well be written off as nothing more than simplifying out of habit (something I can fully relate to), it nevertheless further cements an inaccurate portrait of a singular, coherent and monolithic music industry. And in many ways it also represents an emotive term, referring to a political understanding of the music industries' mission and goal.

The origin of the singular term 'the music industry' can be traced back to the concept of "*the culture industry*", as first put forward by Theodor Adorno and Max Horkheimer and the Frankfurt School of Critical Theory (Adorno, 1991, Adorno and Horkheimer, 2012; Adorno, 2012). *The* music, industry in this sense, is seen as commercial entities, instrumentally producing artifacts for a mass market. The culture industry, when elaborated upon by Adorno and Horkheimer, is considered to have a negative impact on culture, and more importantly on people, as it reduce them to naïve, childlike consumers of mass-produced replicas.

Similar considerations can be found in Paul Hirsch' paper from 1972; *Processing fads and fashion: An Organization-Set Analysis of Cultural Industry Systems*. Here, the music industry is described as a line of production, where *input* (the selection of raw material, as in creative works) are being processed along a set of distinct subsystems within an organization, and added value as it (the creative work) is prepared for its audience. The *output* of the music industry is in this sense the marketing of processed creative works that are channeled to the audience through

autonomous gatekeepers or "surrogate consumers" such as DJs, critics, reviewers and the mass media (Hirsch, 1990).

The two constraints to cultural industries are in relation to the autonomous gatekeepers and the recruitment of creative raw material. These challenges are met with the help of cross-boundary "contact men", an overproduction of new items and co-opting of mass media. In Hirsch' accounts, the distance between artist and fans is overwhelming and any chance of a two-way communication through such a model seems futile.

> *We see the consumer's role in this process as essentially one of rank-ordering cultural styles and items "preselected" for consideration by occupants in the managerial and institutional subsystems. Feedback from consumers, in the form of sales figures and box office receipts, cues producers and disseminators of cultural innovations as to which experiments may be imitated profitably and which should probably be dropped. This process is analogous to the preselecting of electoral candidates by political parties, followed by voter feedback at the ballot box* (Hirsch, 1990: 132-133).

Hirsch describes the cultural industries as mere variations of craft administration. Furthermore, he diminishes *the* music industry to nothing more than promotion, marketing and adjustments to ease gatekeepers' acceptance of the various products. Although his concept of the music industry as necessary to form and channel approved cultural products to passive recipients (the audience) is one that highlights the role of the record companies (Hirsch is solely addressing record companies in the case of the music industry), it also reveals a deterministic and hierarchical view on cultural industries. It's a particular top-down approach that leaves both artist (the process of selection of input) and audience (the receiver of preselected cultural styles and items) as passively dependent on record company decisions.

In some ways one can regard Hirsch' concept as opposite to the previously mentioned bond between the artist and the fan – the symbiosis that the music industries are said to be founded upon. However, it's also a concept that defines the music industries in such an instrumental fashion that it runs the risk of reducing the music industries to mere obstacles between artist and audience. And while this may resonate well with claims for disintermediation and convergence, it also represents a

problematic starting-point when assessing change, as argued convincingly by Keith Negus:

It is not that the music industry has undergone profound change – from the assembly line to a more "flexible disintegration" (Lash and Urry, 1994). It is that the recording industry has been misleadingly characterized as mechanical and factory-like in the first place (Negus, 1999: 17).

The problem, as Negus' points out, is that changes in the music industries are misinterpreted due to misunderstandings or shortcomings in the initial models and theories we base our analysis on. And it follows a broader set of contributions from Negus concerning the need to adopt a more open and explorative description of the music industries.

1.2.1 Dynamic set of intermediaries

Keith Negus proposes that instead of approaching the music industries in a uniform and instrumental way, building on political economy and organization studies (1999: 15-30) – an argument echoed by David Hesmondhalgh (2013: 44-56) - one should acknowledge that all industries are performing within certain frameworks, with certain codes and motifs, through human interaction (ibid).

Negus' idea is that we first have to recognize that all industries exist within a culture, both with regards to internal structures as well as external activities, building on and promoting certain value-systems. No industry exists without a cultural context and in the case of the music industries; such cultures play an important part. And thus, in order to describe and analyze the music industries, we should not focus on the "production of culture", emphasizing 'corporate capital, or formal organizational criteria' (1996:62), but instead on the "culture of production" with its emphasis on culture both as an output, but also as the context from which it emerges.

Negus' proposition is that: *Those who focus on ownership and control through the prism of political economy often forget the less orderly organizational life within the companies; the human beings who inhabit the corporate structures. An instrumental approach neglects the many human mediations, which come in between the corporate structures and the practices and sounds of musicians, most notably the work of the intermediaries* (Negus, 1999:16).

According to Negus, referring to the work of Peter Golding and Graham Murdock (1999: 16), there are two problems related to works that build on the concept of "production of culture": *structuralism* and *instrumentalism*. By *structuralism,* Negus argue that a focus on "production of culture refers to a solid, "building-like" nature of an industry. It gives an impression of the music industries as static and permanent, neglecting to consider that these structures are formed and maintained by human activities and that these are dynamic and constantly changing. The term *instrumentalism* refers to concepts of control and power, and it implies that control over both creative, artistic work, as well as consumer habits and preferences, are framed by corporate pursuit of profit maximization, as proposed by Chapple and Garofalo (1977).

Negus' point however is that corporate structures don't necessarily dictate artistic creativity and consumer taste, nor is it solely a one-way communication from corporate structures to passive recipients (Hirsch, 1990: 132-133). On the contrary, Negus suggests that there is a constant dialogue between the parties involved, referred to as *mediation,* and that mediation is an integral part of the music industries. There are several features in Negus' work that appeals to my own attempts to make sense of the music industries.

First of all, he reduces the focus on structuralism and instrumentalism, placing more emphasis on the human and social forces that make up these industries. He further describes three distinct concepts that can help understand the culture of production and I will briefly go through them here: 1) *Mediation as intermediary action*, 2) *Mediation as transmission* and 3) *Mediation of social relationships* (1996).

Mediation as intermediary action refers to the practices of all people involved in how popular music is produced, distributed and consumed (1996:67). It refers to the human interactions within what can be described as the music industries in its broadest sense (and not in the sense of Pierre Bourdieu's "Cultural Intermediaries" as pointed out by Hesmondhalgh, 2006: 226). This includes record company staff, as well as journalists, DJs, retail workers in record shops, and video directors. Or perhaps to situate it in a 21st century context, we should update the list to include online services, bloggers, festival managers, T-shirt designers and perhaps even fans themselves (Hesmondhalgh, 2013: 316).

As social media fuels a greater involvement from fans and how music can being distributed, promoted and consumed, the line between intermediaries, corporate institutions and fans may have become so blurred that it is hard to categorize exactly

who is the producer, who is the consumer and who is perhaps best labeled as the *prosumer,* as first introduced by Alvin Toffler in 1980 (ibid).

Another important point that Negus makes in 1996 is that such intermediary action in the music industries is not a one-way dialogue, and it involves conflict and tension. The constant disputes and conflicts that surround the creation, distribution and consumption of music has a direct impact on how popular music is produced (1992). I will return to this later.

Mediation as transmission refers to the technological distribution of popular musical content: the media. And here Negus underlines the link between the technologies that allow us to experience, and the experience itself. Music production and consumption is colored and perhaps even orchestrated by the very channels musical content flows through. A very simple example of this could be the radio-edits of 3-minutes-and-something to fit the format of radio. Or the re-mastering of tracks that are used for television or even streaming.

Negus lists six types of communication media that have played an important part in the transmission of popular music: the printed word, sound carriers, radio, television & film, telecommunications and musical instruments. The list can probably be updated to reflect the current landscape, or at least the definitions of each type of media. For example: sound carriers in the late nineties probably meant CDs and cassette tapes, while today we would define it as online platforms and handsets (smart phones and tablets). And, depending on your demography, or segment, perhaps the list could be distilled to specific platforms such as YouTube, Spotify or Apple.

Negus' third concept, *Mediation of social relationships,* refers to the human interaction already inherent in the two concepts described above. *The mediation of social relationships is more frequently understood as referring to how power and influence is exercised through such mediated relationships and how this has a direct impact on the creation and reception of manufactured objects, particularly works of art* (1996:69). This third concept in particular describes what I consider to be central to my thesis. It also sits well with Fligstein and McAdams' Theory of fields' (2012) and their emphasis on social relations as a central part of their theory, which will be described more thoroughly below.

The point I want to make here is that the music industries must be understood as an aggregation of industries and stakeholders that have different agendas and different

logics. Much of the current debate (public as well as academic) still build on a premise of *the* music industry, a singular term that refers to a coherent and monolithic structure. It's a concept that greatly diminishes the complexities of the field. And it's a concept that becomes very limiting when one tries to assess changes in the music industries, changes that are fueled by internal dynamics as well as external pressures.

This being the case, it's crucial to acknowledge the heterogeneous nature of the music industries, and to get a sense of where the boundaries lie. Hence, I will take a broader view of the field and attempt to define a framework to enable us to better understand what is meant by the plural term *the music industries*.

1.2.2   Through a broader lens

By establishing that the field of study – the music industries – constitutes more than just the (major) record companies, the next task is how to limit the field. Where do we draw the lines of what constitute the music industries and what should be considered to lie outside of it?

One option is to define and categorize the different actors/stakeholders in terms of their relation to the core activity: the production and dissemination of music. As Wikström elaborates on in his book *The Music Industry* (2009), there are several suggestions on how to best categorize these sectors. Most of them evolve around a schematic system of classifying industries (Engström and Hallenkreutz, 2003), networks (Leyshon, 2001) or activities (Wikström, 2009: 46-47) with regards to their importance and proximity to the core output: music. Even though these models differ in relation to its categories and definitions, most of them evolve around a concept of center-periphery, and core and related activities/industries, suggesting that there are levels of involvement with or inclusion in "the music industries", and also that these industries, networks or activities are diverse.

This way of classifying the different industries or sectors within an industry along a dimension of distance from what is regarded as core, is also evident in David Hesmondhalgh's thorough description of the Cultural industries (2013). Here, he refers to the core cultural industries by suggesting that there are levels of engagement in the 'production and circulation of texts' (Hesmondhalgh, 2013:17). By defining what the cultural industries are, he's also more or less forced to classify and "exclude" certain sectors/industries/actors in order to make analysis possible.

Hesmondhalgh argues that there are other more peripheral sets of cultural industries, but he also underlines that their cultural contribution to society is by no

means of less importance; it's a question of their levels of reproduction of symbolic goods. Such a limitation, it may be argued, refers to a static, assembly line thinking of culture production and cultural industries. However, there's another distinction he makes that I'd like to point out when we are to discuss the changes of the culture industries.

The difficult divide between creativity and technological frameworks

Under the heading "borderline and problem cases", Hesmondhalgh refers to the consumer electronics/hardware producers and the IT sector. These industries, best exemplified with companies such as Apple and Google, have had a significant effect on the dissemination and consumption of cultural products and services. Nonetheless, Hesmondhalgh argues that although they have great effect on the core cultural industries, they don't really create texts or symbolic goods, and thus cannot be seen as part of the cultural industries.

This is an important but very difficult separation. It's obviously a central distinction if we are to understand what components the cultural industries are built upon, and especially if we accept that it's important to isolate "the creative part" – the actual creation of texts and symbolic goods. But it may be of less importance to try and define where the actual creation happens if we are to look at the cultural *industries* – the intermediaries – and assess how they change. And in some ways, this separation of different technological distribution channels may also conflict with part of what I have tried to establish with Negus' concept of *Mediation as transmission* (Negus, 1996).

It's obviously difficult to draw the line of where creative ends and where commercial/industrial starts, as was the case with the "old model", and its labels, recording studios and pressing plants. In many ways, you can question whether any separation between the artistic and creative output and the economic and technological frames in which it is created would at all be possible – or even make sense. Simon Frith argued long ago that the coalescence of creativity, technology and money-making very much defines pop music, and that any separation of the fields would prove artificial and unnecessary; *(…….) Pop music as we know it now has been shaped by the problems of making music a commodity and the challenges of adapting money-making to changing technologies.* (Frith, 2001:26).

While bearing Frith's admonitions in mind, it may still be necessary to make some sort of distinction between the fields, not necessarily to compare creative

contributions, but to differentiate between stakeholders that enforce different types of influence, and have different agendas and positions. The difficulty is to agree on where to draw those lines. And as already mentioned, Hesmondhalgh makes the case that some industries, such as the hardware and IT sector may not fall within the category of core cultural industries, although examples of the opposite exists. And the distinction follows that there are different levels of engagement to culture creation.

However, I would also point out (not contradicting Hesmondhalgh's argument) that when we are analyzing the changes within the cultural industries (in Hesmondhalgh's case) or music industries (as in my case), these borders get blurred. Perhaps a more progressive approach to defining and classifying the stakeholders and sectors is needed? Perhaps more dynamic models that allows for continuous changes, highlighting the evolving relationship between content creators, rights owners and the technological industries surrounding and interacting in the cultural and music industries.

A broader approach

The *creative industries* is a fairly new academic category or discipline which are defined by the UK's Department of Culture, Media and Sports (DCMS) as *those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property* (DCMS, 2001).

This definition opens up a broad and varied assembly of industries and sectors, including architecture, software and fashion design, emphasizing jobs and job creation (Roodhouse, 2006; Cunningham, 2002; Handke, 2006). And without entering a theoretical discussion on the appropriateness of applying one or the other theoretical approaches, I'd like to point out three dimensions in which theories of cultural and creative industries provide different emphases that may prove important for my analysis.

First, the inclusion of software in the creative industries definition allows for converging industries, businesses or corporations to be included in the equation. Cunningham's point is that while the traditional culture and arts industries are being drawn closer to prototypical service industries like telecommunications, creative content is becoming increasingly important, while not necessarily being valued as such. It's within distribution and not production that profit making occurs.

The creative industries will be increasingly characterized by their inputs into other industries, a position in the value chain that doesn't necessarily correspond with the creative industries' own assessment of their 'place in the food chain'. This also involves a level of risk and innovation inherent in content production (Cunningham, 2012: 212-213). By bringing in these considerations, Cunningham convincingly argues that concepts surrounding the creative industries may provide models for better assessing and understanding such convergence, by including the industries and stakeholders that Hesmondhalgh labels borderline and problematic (2013:17).

The second point I want to raise is the aspect of policy, or more importantly, the level/range of policy implications. Much of the study of the creative industries' is aimed at supporting policy-making and/or evaluating it (Cunningham, 2012; Hesmondhalgh, 2013), and Cunningham makes a point that while the cultural industries have been more focused on national cultural policy, theories of the creative industries have to a greater extent targeted international and inter-governmental policy, which may prove more accurate when dealing with digitalization and the position and actions of multinational companies.

Thirdly, the creative industries include copyright. It lies at the very heart of its definition. This last point must then be seen as an extension of - or closely related to - the former two points, namely that 1) the creative industries entail a symbiosis of software and service industries which have accentuated the difficulties of copyright and 2) that these difficulties relate to international policy making.

Nevertheless, copyright is positioned as a central component in the creative industries, at the heart of the music industries' arduous adaptation to a digital, online era and hence needs to be elaborated upon a little further.

1.2.3 Copyright issues

If it's important to identify characteristics beyond the core output of the music industries (music), or to find shared features that allow the music industries to be embedded in bigger and broader fields or definitions (for instance for political reasons), then copyright is at its heart. The music industry is a copyright industry (Wikström, 2009: 12-45). And while intellectual property and copyright has recently become of

greater concern and interest to scholars and to the public at large (Menell, 2014), it has always lain at the center of music business.

Frith and Marshall explains that '*For anyone with any interest in music, copyright is vitally important, more important than any other concept in making sense of the variety of social practices that make up 'the music industry'. Copyright provides the framework for every business decision in the industry. (...) Copyright, one might say, is the currency in which all sectors of the industry trade* (2004: 1-2).

While one could argue that this has always been the case, events surrounding digital change and online innovations since the turn of the millennium have indeed actualized the central function of copyright in the music industries (as well as other fields, or industries defined within the cultural- or the creative industries). And while avoiding a deeper and more detailed elaboration on copyright, there are three specific dimensions I'd like to highlight as important and central with regard to my own work.

The public approval of copyright

First of all, digital change has affected the general public's approval of copyright dramatically (Menell, 2014), i.e. their acceptance of copyright seems to have declined significantly. Peter S. Menell elaborates on this in his article *The American Copyright Life: Reflections on Re-equilibrating Copyright for the Internet Age* (2014)[8] where he argues that digital progressions have effectively actualized copyright in the public debates in the general public's attention.

In the analogue world, copyright was a concept fans and consumers had little or no experience with. Arguably, yes, home taping may have represented breaches of copyright law (see Drew, 2014 for an elaboration on the record industry's response to home taping), but technical constraints restricted any widespread effects (poor quality audio, difficulty to replicate on an industrial scale) and therefore cannot be equated with online peer to peer. Physical products very much acted as 'technological protection measures' (Menell, 2014: 236; Towse, 2004: 67). And Menell's point is that while copyright infringements and copyright troubles existed prior to Napster, it was not until June 1999, when the site launched, that music copyright really became something the general public had any experience of – or more importantly; any opinion of. It became "the perfect copyright storm" (2014: 216-218).

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[8] The article is the written version of Peter S. Menell's presentation at the 42nd annual Brace Lecture at the American Copyright Society.

In meeting such a storm, Menell argues that the music industries' own legal online alternatives didn't meet consumers' expectations, although legal alternatives existed. And perhaps more importantly, their initial legal responses, through massive lawsuits, turned consumers and fans against the recorded music industry and in many ways its artists.

Menell's concern however, is not the health and wellbeing of the music industries (albeit being a music fan himself), but copyright's public approval rate. His concern is with the public's perception of the copyright system and its role and function for the creative arts, science, democracy and freedom. And unlike in the analogue world when copyright was maintained by physical constraints, copyright today relies almost entirely on moral norms – a situation in which the music industries seem to have lost ground tremendously. The public approval rate of copyright is at a very low.

The economics of copyright

A second point I want to make is that digitalization has stirred and fueled a growing debate around copyright from an economic point of view, based on copyright as an incentive to create and invest in new content. Initially, much of the academic contribution on digitalization and copyright focused on music and piracy, or more precisely, whether digitalization and illegal file sharing has had a negative economic impact on the sector (Liebowitz, 2006; Oberholtzer Gee and Strumpf, 2007) and whether it affected the quantity and quality of music (Handke, 2011; Waldfogel, 2011).

Many of these contributions build upon quantitative methodologies that assess, in different ways, whether illegal digital consumption of music has had any effect on artistic creativity. In some ways, the scholarly debates on these issues have offered a confusing, conflicting and opposing set of findings (see Liebowitz, 2006 for a thorough critique of some of these). However, the economics of copyright has broader and more interesting dimensions that seems ever more relevant today, beyond the focus on piracy and peer-to-peer.

As Ruth Towse elaborates on in her article *Copyright and Economics* (2004), copyright represents a tradeoff between society's costs of allowing a monopoly situation for the creators and the creators' benefit by having incentives to create. *The economic justification of copyright is that it provides an incentive to authors and publishers to create and publish literary, artistic and musical works by enabling them to control exploitation and thus to recoup the outlays involved* (Towse, 2004: 57).

Although commonly accepted as the economic rationale behind copyright, the very premise is being contested due to at least two issues: 1) expected declining costs for producing, distributing and marketing music in a digital era, and 2) claims that artists still create, despite the severe undermining of copyright since the turn of the millennium (Waldfogel, 2011).

However, beyond the creators' incentives to create, Towse also points to the publisher (or the investor), by arguing that '*Once a work is published, it becomes vulnerable to being copied and the copier does not have to put up the costs of production (only the costs of reproduction). Moreover, a copier does not take the risk of the work's first publisher because he only copies works that are successful on the market. Therefore, the copier can supply the work at a much lower price than the first publisher, who will not be able to compete and cover his costs*' (2004: 57). The important point here is that focus is given beyond the creator and more on the industrial/commercial exploitation of the creative content. And as such one can also discuss copyright breaches, licensing problems and its effect on value chains and channel functions (Elberse, 2013), which I'll return to shortly.

The problems with copyright

Finally, digitalization, online distribution and the consumption of music reveal the difficulties with balancing copyright's intended aims with technological frameworks, new digital consumers and commercial usage and application. To some extent this relates to my elaborations above with respect to copyright and unauthorized usage of works (piracy) – however, this point is primarily from an internal perspective and the effects of exclusivity and copyright life.

As I will discuss and elaborate on in my findings, the difficulties following expanded copyright life, the challenges with exclusivity and the difficulties with licensing new digital initiatives have stirred an internal debate within the music industries. This last point is important and becomes evident in my data, as a considerable focus of the Roundtable Conferences concerns the development of a Global Repertoire Database and the inadequacies in current music licensing systems. As I will demonstrate with my findings, there's considerable internal scrutiny over the music industries own incapability of providing proper digital licensing offers. And the issues relate specifically to concerns referred to as "*the tragedy of the anti-commons*" (Heller, 2008; Towse, 2004).

Part of the problem with music and copyright is that digitalization effectively turned music into a public good. And unlike a private good (like food) where the good is both excludable and rival, a public good holds neither of these attributes. Unlike food, a piece of music is not "consumed" and others deprived of its benefits once listened to. Nor does a public good hold excludability. Digitalization has made access to music ubiquitous and unpreventable.

And with this follows the problem of free riding (a challenge Robert Levine has elaborated on extensively in his book Free Ride, 2011) where consumers (or companies/industries) benefit from a good without paying and/or sharing the economic burden. The concept of "the tragedy of the anti-commons" derives from "the tragedy of the commons" where the tragedy lies in overuse: *When land or other goods (for example fish) are held in common so that all users have free access, over-use results – over-grazing in common land, over-fishing, and so on – and this leads to under-investment in improving the quality of land or stocks of fish. The "tragedy" is that human nature and self-interested economic behavior (free-riding) leads to a reduction of welfare for all* (Towse, 2004: 59).

Obviously, any overuse of music or creative content does not have the same effect as over-fishing and over-grazing (digital copies are limitless), however, it may have an effect on the perceived value of music (which I will return to in my findings) and subsequently the investment/risk-taking in music. And it's very much within such a framework that copyright is argued to have an effect by overcoming free-riding and providing digital music with (artificial) scarcity. However, this also leads to the potential of a "tragedy of the anti-commons".

The tragedy of the anti-commons relates to situations where 'property rights are so split-up and the owners are so dispersed, that no use can be made of the land or other goods because the transaction costs of tracing all rights-owners and obtaining all the necessary consent outweigh the value of the property' (Towse, 2004: 59). The concept is that too much ownership, fragmented across too many owners, stops innovation and prevent people or businesses investing in anything that requires multiple patents/copyrights from multiple partners. The sole work of finding and clearing all these patents, and rights, are time and resource consuming, as well as unpredictable.

Michael Heller (2008) adds to this complexity by pointing out that not only is it a challenge when the transaction-costs of clearing rights may surpass any revenues, another obstacle lies in the requirement for multiple rights for multiple uses (and

territories) and hence that vetoing and exclusivity becomes a growing problem. Just like with the old systems of toll-points in a canal, where you need multiple passes to get from A to B, rights clearing of major catalogues require consent from all – a challenge that has become ever more evident in the current legal difficulties with Spotify and publishing[9].

The problem seems to lie in the unpredictability of finding all rights-owners and obtaining all rights. And it follows that it may prevent investors from investing, since they have little control over the outcome of the "rights-clearing" process. Since this process also involves legal expertise, and dividing rights, the very process might end up costing more than one can ever make from the service/offer.

Following from this is something I will elaborate on later; the additional challenge of speculation. Michael Heller refers to "patent trolls" (Heller, 2008:59), where speculators seek out and buy "low-value" patents that might in the future become valuable for someone and where potential lawsuits, more than licensing usage, become the economic aim. It is a business of speculation in future lawsuits and settlements, where some businesses have more to gain from speculating in lawsuits and statutory damages than from providing accessible, reliable and transparent systems for licensing. See particularly my section under the heading "The screen of death" for an example of this.

Heller's point seems to be that the very system that has been made to secure innovation in the future might also pervert and become a hinder for future progress. If ownership is fragmented across too many owners, with too many agendas, you may end up with stagnation.

The aim of this brief account of the difficult and complex field of copyright is not to provide any in-depth insight of these issues, but merely to draw a line from my elaborations on how to define the music industries, its outlines and core features, and emphasize that copyright and licensing lies at its heart. The digital changes affecting the music industries mirrors an analogy of copyright and licensing, supporting Wikström's claim (2009) that the music industry is a copyright industry more than anything else. And, as I will return to in my findings, copyright and licensing links to

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[9] See for example the class-action lawsuits in the US on Spotify's alleged fail to license, here: http://www.billboard.com/biz/articles/7416484/say-you-want-a-revolution-us-copyright-office-clears-path-for-digital and here: http://www.billboard.com/biz/articles/news/legal-and-management/7125489/between-rock-and-a-database-the-streaming-services

other topics and themes that are central to my findings, and in particular international policy-making and disruptions in value-chains, business models and business structures.

Value-Chains and Channel Functions

Building on my initial discussion that deals with how we might regard the music industries, how to define and classify its structures and dynamics, and keeping very much in line with the discussions and considerations I will embark upon later, one can regard the music industries from a value-chain perspective and seek to assess changes in the value-chain and consequences that follow. This speaks to my elaborations above on how to define and assess the music industries, and it offers a good cognitive framework when analysing changes in its structures.

There are different ways of approaching the concept of the value-chain and different terminology: 'value-chain', 'supply-chain' and 'value-systems', sometimes used interchangeably (Hadida and Paris, 2014:87). Arguably, these different terms have different meanings and applications, however I will not discuss these here. The point I want to make here is that the concept of a value-chain, or a supply-chain, represents a model for assessing the degree of convergence or disintermediation in the music industries.

Hadida and Paris (2014) define the value-chain as an interdependent set of actors that add value to a product or a service, from supplier to customer (2014:87). They further define it as 'a neat, linear, and transitive sequence of strategically important, inter-connected and value-enhancing activities (ibid). And while I find this concept valuable, the really interesting part is to look at the different functions that constitute a value-chain and to assess the extent to which these get substituted or displaced.

Channel functions

In her book *Blockbusters* (2013) Anita Elberse elaborates on the channel functions that each part in the value-chain fulfills, with reference to "the Iron Law of Distribution" (2013: 192). The iron law of distribution dictates that every part in a value-chain can be substituted, or displaced. However, the function(s) of the missing part/stakeholder usually needs to be taken over, or acquired by someone else, either by new entrants, or by other parts/stakeholders in the value-chain. Her point is that every part in the value-

chain fulfills a specific channel function that may need continued, albeit perhaps in a different form or shape.

For a long time much of the public and scholarly debates around the digital disruptions in the music industries were indeed affected by an optimism (Hesmondhalgh, 2013: 313-339), very much celebrating DIY-culture and the demise of corporate, conglomerate businesses. Much emphasis is put on claims that new digital entrants have bypassed central parts of the traditional music industries, making some actors obsolete as new digital solutions offer cheaper and easier ways of producing and disseminating music. However, a most central claim is that digital innovations have allowed artists and fans to bypass traditional intermediaries, leaving these obsolete.

The argument is that digital change has fundamentally reshaped the music industries' value-chains, and that the structures of the music industries have not only been reshaped, but that the role of the artists has changed too. Tschmuck (2016: 13) makes the point that the digitized music industry has gone from a label-centered model to an artist-centered model. It's a concept that echoes Wikströms descriptions of 'increasing amateur activity (2009: 85). However, there are considerable uncertainties about whether digital developments generate greater artist control and participation, or whether it erodes the powers of industrial, professional and institutionalized cultural production (Hammond, 2016; Hesmondhalgh, 2013; Nordgård, 2016b).

The fact that we see increasing amateur activity may be interpreted as "artrepreneurs" seizing more control over their own careers and revenue streams, however, it may also be understood as an undesired effect of digitalization, leaving the artists with more (or all) of the responsibilities and burdens of building up a music career – i.e. being responsible for an increasing share of channel functions. In other words, the DIY mantra may be interpreted in a progressive sense, with the artist *taking more* control, and it may be understood in a more passive sense, with the artist *being left with* all control (Spilker, 2012). Spilker describes DIY culture, or the "artrepreneur" as something of a necessity, more than a progressive strategy, so references to DIY practioners/artrepreneurs should perhaps be understood as supplements or extensions of music industry-structures, rather than substitutes and alternatives. I will return to Spilker in my next section.

The point I want to make here is that the music industries' anatomy and dynamics could be approached through a wealth of models and definitions, with

varying degrees of accuracy and emphases. I have described and discussed some of these above, but I'd like to elaborate on Fligstein and McAdams' *Theory of Fields* (2012) and argue that their model offers a framework that can be deployed to better understand the internal dynamics of the music industries, as well as the sector's relations with other industries and stakeholders.

1.3   Strategic Action Field (SAF)

I believe Neil Fligstein and Doug McAdams' *A Theory of Fields* (2012) offer an alternative and interesting concept that can be used in analyzing and making sense of my data. In their book, they advance field theory beyond focusing solely on the internal dynamics of a field, arguing that practically all studies on fields have a field-centric bias. No field exists in a vacuum, they argue, unaffected by external factors. And hence, in order to understand a field, one must pay equally attention to the external fields and their effects on one another.

1.3.1   The foundations

The key foundation in Fligstein and McAdams theory is the Strategic Action Field (SAF), a *meso-level social order in which actors (who can be individual or collective) are attuned to and interact with one another based on a shared (which is not to say consensual) understanding of the purposes of the field, relationships to others in the field (including who has power and why), and the rules governing legitimate action in the field* (2012: 9). As a very rough definition, we can identify an SAF if we see two or more organizations or groups attempting to attain ends that are sufficiently similar that they are compelled to take one another's actions into account in their own behavior on a routine basis.

It follows from this that an SAF is a social world, constituted by social individuals and their need for shared meanings and membership, or collective identities. At the core of this lies social skills, a central part of Fligstein and McAdams' theory and described as *cognitive, affective and linguistic facilities that enable individuals to be more or less effective as skilled strategic actors* (2012: 46). Social skills relate to individuals' ability to convince others to mobilize for collective strategic actions – to produce meaning and induce cooperation. It relates to the very specialized talents, such as entrepreneurship, or agenda setting, but also the more general skills, such as language (which can of course also be seen as specialized). It also relates to value-systems, rules and goals and hence resonates well with Keith

Negus' focus on the internal cultures that influence companies or industries (1996, 1999).

The Strategic Action Field is a highly applicable concept allowing for usage on multiple levels and hence allowing for multiple SAFs constituting other SAFs – like a traditional Russian doll. As an example you may define a company as an SAF. This company may be broken down into a set of sub-level SAFs, such as different departments, labor unions or a board of directors. Obviously, the company may also be defined within larger SAFs, constituting for example a business sector, or industry – like the recorded music industry.

The main actors of an SAF – incumbents and challengers

An SAF consists of a set of actors, possessing different degrees of powers and influence on a field. Such positions or roles can be thought of as friends or enemies, competitors or supplementing parts of a value-chain. On a more general level, Fligstein and McAdams refer to the main actors in a field as *incumbents* and *challengers*. By incumbents they refer to actors with a disproportionate influence on a field due to their share of the field's material status reward. As a result, their position has a reinforcing effect in that the rules tend to favor them and shared meanings tend to legitimize and support their privileged position within the SAF (2012: 13).

Challengers on the other hand have less privileged positions, tending to operate in niches within a field and often constitute an alternative vision of a field (and their position in it). An intuitive proposition then would be to suggest that the division between incumbents and challengers in the music industries would be that of major record companies and independent record companies. It's a division commonly referred to when describing tensions in the music industries and in particular the recorded music industry, not least when it comes to changes, anticipated power struggles and alterations due to technological change (Moreau, 2013).

However, the differences between majors and independents, may not be simply a matter of competing companies, but in many aspects - as suggested by Negus, with reference to Frith (Negus, 1996: 43) - complementary businesses, constituting different services for artists with different needs and ambitions. Being an independent (or a minor company, as Negus suggests to call them (ibid)) doesn't necessarily imply an ambition to succeed to the position of a major. On the contrary, these companies may very well be satisfied with their role as independents, or minors, pursuing specific creative - as well as economic/commercial - goals.

Although applying the roles of incumbents and challengers to majors and indies (or majors and minors) could very well be workable, an alternative could be to look at the relationship between the record labels and the artists. Or perhaps even better, that between the record companies and the live music agents – a symbiosis very much exemplified by the different attempts (from both sides) to come up with 360º models.

The reinforcing nature of Internal Governance Units

Equally important in the understanding of an SAF is the constituting role of the *internal governance units* (IGUs) and *the state*. Therefore, an important aspect in clarifying the existence of a Strategic Action Field is to identify these components and their function and role. With regards to the former of the two, the IGUs have both internal and external duties and tasks, such as to collect and disseminate information to field members and to the outside (2012:168). They could also lobby the State and certify field membership. According to Fligstein and McAdams' theory, the IGUs can serve any of the following five functions:

- Administration: some IGUs provide routine administrative services to members of the field
- Information: others serve as information clearinghouses for the members of the field and sometimes for external audiences as well
- Regulation: other IGUs seek to ensure conformity to the rules of the SAF by monitoring and regulating the behavior of members
- Enforcement: still others are charged with enforcing the rules by apprehending and sanctioning those who violate them
- Certification: finally, there are other units that monitor and control access to the field by accrediting or otherwise certifying membership

Fligstein and McAdams (2012: 78)

There are two important aspects with regards to the IGUs, namely that they mostly function as conservative institutions, reproducing the field and the advancements of the incumbents' interests. Also, they serve an important role as external lobbyists for such interests. It thus becomes tempting, when applying the theory to the music industries and the existence and role of IGUs, to suggest the IFPI (The International Federation of Phonographic Industry) [10], or the RIAA (The

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[10] http://www.ifpi.org/about.php (last entered the 1.11.2016)

Recording Industry Association of America) [11] to be examples of such. These organizations both certify membership as well as possess an important stream of data that's central to both internal and external actors. In most markets, the IFPI is the official supplier of recorded music's sales statistics and thus holds a crucial role. Obviously the IFPI has been heavily involved in the political lobbying of the State during the digital restructuring of the music industry. It has, together with other IGUs such as the RIAA, been a central part in representing the strategic action field of recorded music in opposition to external competing SAFs.

The role of the State

The State has something of a dual position in Fligstein and McAdams theory as it constitutes a strategic action field in itself (a state field) as well as a system of strategic action fields. One of the most important features of the State as a system of strategic action fields is that it exercises sovereignty within a specific geographic territory. Fligstein and McAdams define the State as *a set of strategic action fields that claim to make and enforce authoritative rules over a specified geographic territory. It is itself a powerful form of collective action that has been invented to produce and control strategic action fields to create the structure of the State and society more generally* (2012:68).

The State as a set of strategic action fields is alone in defining and enforcing the rules, which can also be defended by violence. This implies both that the State has a tremendous advantage in stabilizing and sustaining power, but also that it has a great influence on other strategic action fields' powers and space.

Drawing lines again to music, and the focus of my dissertation, the State serves a central role, not least when it comes to copyright and the facilitation of cross-territorial licensing. The State shapes the prospects for stability and change in non-State strategic action fields (2012: 68) as it provides security and predictability for non-State actors to create strategic action fields without the fear of having their property threatened. The State field is furthermore an addressee in times of crisis – a power whereby incumbents can seek alliances to help store status quo (2012:71).

Obviously, this resonates well with the music industries (and in particular the recorded music industry) both before and during its difficulties with peer to peer and file sharing. The incumbents in the sector industry, in close partnership the IFPI and

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[11] http://www.riaa.com/about-riaa/ (last entered the 1.11.2016)

the RIAA, have indeed addressed governments, political bodies and legislation in order to strike down on the illegal consumption of music. The outcomes of such can be discussed, but the level of lobbying and political efforts undertaken by incumbents and IGUs illustrates how neatly the theory fits the case of the music industries.

Fligstein and McAdams describe a mutual dependency between non-State strategic action fields (such as the music industries, or Universal Music) and State fields, in which State fields grant conditions for non-State strategic action fields, while at the same time being dependent on them (economic contributions through taxes, for example.). One way to regard this is through the economic performance of a field, the economic weight it holds and the people it employs. Another way to regard this is by bringing in the dimension of participation, freedom of speech and access to artistic and creative content. Access to culture and cultural practices also holds an emancipatory function, in which the strategic action fields of the ICTs and the ISPs have promoted heavily, arguing that access to such has great societal gains and hence that any barriers to such must be weighed against this.

Yet another way to value a State's level of dependency on music and culture is to look at its roles as a facilitator for social skills, language and social community, illustrated by, as an example, The European Union and its cultural programs (Creative Europe, etc), to facilitate a shared understanding of the European Project.

However, looking at the State-field's dependencies on the different SAFs that constitute its make-up, it prompts us to consider how we weigh such dependencies when disruptions occur. Not all SAFs are considered equally important. And from such a perspective, it's tempting to argue that the music industry's needs are only being partly met by State-fields, through legislation and law, partly because the State doesn't depend much on the sector, and perhaps more so, because the State-field considers its dependency on other strategic action fields (such as the ICTs and the ISPs) to be greater. I will return to this in my analysis below.

1.3.2 Towards an approach to understanding change

The central feature in Fligstein and McAdams' theory is that SAFs are considered within a broader field of strategic action fields – focus must be elevated from internal, micro-considerations to macro-considerations in order to fully understand which forces influence any specific SAF: *the state of a field at any given moment is*

simultaneously shaped by dynamics "internal" to the field and by events in a host of "external" strategic action fields with which the field in question has very close and sometimes dependent ties (2012: 57).

It is this specific feature - the external "embeddedness" of strategic action fields - that makes their theory so compelling to my own work, since it provides an applicable model to help understand and interpret the internal logics and powers at play within the music industries, with reference to incumbents, challengers and internal governance units. And given the difficulties in finding adequate ways to define the somewhat confusing structures of "the music industry" or as a composition of interrelated "music industries" (as elaborated on by Wikström, 2009), the strategic action field is a usefully defined entity.

But more so, Fligstein and McAdams' focus on the broader picture in which SAFs exists and act, also provides a model to help understand the music industries' position in relation to other stakeholders that are not defined within even the most extended definition of the music industries.

In order to fully understand the forces driving the changes in the music industries, one must take into account the impacts from actors who are neither defined within the music industries, nor desire to be. As argued in the beginning of my dissertation, much of the assessment of the music industries have been grounded in a limited understanding of its composition – as *the* coherent and monolithic music industry. Equally, it is my suggestion that much of the current analyses on digital change and disruptions build on assumptions of converging fields that may not accurately represent the true nature of these fields and industries' relations and frictions.

Fligstein and McAdams provide a compelling model that integrates the specter of external forces (including the State) that affect any specific field's condition and its internal dynamics. According to Fligstein and McAdams, strategic action fields are related in differing degrees to a differing number of other SAFs. Such links can be shaped by a number of factors, such as resource dependency, mutual beneficial interactions, sharing of power, information flows and legitimacy (2012: 59) and Fligstein and McAdams group the different types of relationships as; *unconnected*, *dependent* or *interdependent*.

The first of these is fairly simple, there are no relations – the fields are not connected in any way – which is arguably the case for most fields. The two other types of relationships, *dependent* and *interdependent*, are of more relevance and relate to different types of ties between SAFs. Fligstein and McAdams also use the terms *hierarchical* or *reciprocal* to label these two types of ties, which might be more revealing as they more clearly refer to power-relations.

The importance of Fligstein and McAdams' theory, and its applicability to my own work, is that much of a Strategic Action Fields' stability depends on its ties to other SAFs. Fligstein and McAdams argues that a central factor to an SAF's stability is whether it's dependent on specific resources that can be offered by other SAFs (Fligstein, 2012: 63). As I will elaborate on fully below, it's hardly controversial to argue that the music industries have undergone major changes since the turn of the millennium, in the wake of Napster and the introduction of peer-to-peer technology. And there's little opposition to arguments which state that digital, online innovations have had profound effects on those SAFs considered part of the music industries, as well as the music industries overall. However, the problem is how to understand and

assess how the different industries and companies are tied and therefore the nature of the disruptions or changes.

Destabilization and crisis

Apart from providing a relevant framework to understand a sector as complex and dynamic as the music industries, Fligstein and McAdams theory of strategic action fields also say something about change and friction between fields. Importantly, SAFs are not considered static entities, but dynamic fields in relationships that constantly change, and that are sometimes affected by larger events that might lead to crisis. And as such they provide a compelling framework of how to interpret change in a way that isn't synonymous with revolutions and paradigm shifts, and so provide a seductive alternative to other theories on offer, which will be discussed below.

A great deal of emphasis in their book is placed upon describing stability and crisis in strategic action fields, and in particular destabilization caused by external sources. Fligstein and McAdams list three principal external sources of field destabilization: *(1) invasion by outside groups, (2) changes in fields upon which the strategic action field in question is dependent, and (3) those rare macro-events (e.g. war, depression) that serve to destabilize the broader social/political context in which the field is embedded* (2012: 99). One could perhaps argue all three principals to be applicable in our case of the music industries and digitalization. However, the latter of these three external sources of field destabilization seem less obvious for our use[12]. The two others seem more viable as a cognitive framework to better understand the digital turmoil in the music industries.

To begin with the second source (*changes in related fields)*, it would seem fairly easy to identify the conflict and changes between music and technology within this framework. However, the effects of such changes rely heavily on the degree of dependency. Fligstein and McAdams argue that field destabilization based on changes in related fields is typically the case when there is a resource dependency between fields, so that changes in one field may affect the production or consumption of any sort of goods or services in another field.

Applied to the music industries' digital disruptions, one way to regard this dependency could be the recorded music industry's dependency on access to audiences,

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[12] Some would perhaps argue that the "digital revolution" is just that; a rare paradigm-shift that alters everything. However, Fligstein and McAdams refer to these macro events as more extreme, altering multiple SAFs and as a result destabilizing society as a whole.

as changes in behavioural patterns saw a moving away from physical retail to online access. Arguably, the music industries did attempt to provide online, digital access to music (Burkart, 2014: 397), however, their efforts were inadequate, and became heavily dependent on external companies, such as Apple, Spotify and Google.

Importantly, dependency in this case can also be seen the other way around – the resource-dependency of businesses built on content access. While much attention is focussed around the music companies' dependency on digital, online platforms, and their "pipes to people", these digital companies are equally dependent on content to drive audiences to their platforms. And this dependency has in part been eroded by circumventing licensing regimes and copyright law. In other words, while dependency between fields is easily recognized in debates about digitalization of the cultural industries and its need to adjust to digital frameworks, perhaps a different angle would suggest that disruptions and frictions stems from dependencies the other way around – that new digital business models are built upon a resource dependency that doesn't fit its value-proposition and economic conditions.

Much of my data suggest this to be an important recognition in order to understand the nature of the digital progressions.

With regards to the first of the three principals of external sources of field destabilization - *invasion by outside groups* - this refers to specific, but rare examples where outside actors *invade or enter a field with the aim of altering 'the settlement as a means of advancing their own interests* (Fligstein and McAdams, 2012: 99). These invasions differ dramatically from the more common occurrence where new members enter a field where resources are limited, and where they are more likely to conform to the rules and settlements of the field. In the case of *invasion*, however, Fligstein and McAdams refer to 'outside' groups that have not previously been active in the field, and that, most importantly, do not comply with the rules or the conventions of the field they are entering.

The altering effect of an invading group is dependent on the strength of the field's incumbents, on the degree of defections among its challengers (how many of the field's members join ranks with the invaders) and, importantly, the degree of interference from relevant State actors. In other words, if policy makers and legislators (*the State*) refuse to protect the settlement in the field, chances are high for significant field transformation – or crisis.

While it's tempting to argue the latter principal to be the case in the music industries' relations with digital online innovation, I will question the degree and nature of *invasion* by external groups into the music industries. And as I will elaborate on throughout this dissertation, the actual fusing of fields (or industries) seems less apparent, at least in the case of music. My data suggests external, digital companies' dealings with music to be temporary and secondary, meaning that the actual interference of tech and digital is based on a need for content, rather than a desire to enter the business of music. And hence my fascination for Fligstein and McAdams theory of Strategic Action Fields rests mainly on the multi-layered understanding of fields, embedded in a broader set of fields, and the constant pressures coming from changes in related fields. Importantly, I believe it allows the describing of the dramatic changes in the music industries without depending on a fusion of fields.

1.3.3 Summary

My ambition in this section is to elaborate on the challenges in defining the music industries in a way that adequately allows for enough internal heterogeneity to cover the different central stakeholders, while at the same time having some sense of field boundaries. It's a difficult balance. In being too focused on static models with mutually exclusive categories, one might miss the more important aspects when trying to analyze and interpret the changes in the music industry, and there is potential for confusion when reality doesn't fit static models.

However, just accepting the music industries as any intermediary situated between the artist and the fan, might fail to recognize the particular functions each partner performs in these structures or value chains (Elberse, 2013: 192-94). It thus quickly becomes too inclusive and elusive for any proper analysis.

On the other hand, many academic contributions suffer from being grounded in too-limiting a concept of a monolithic and coherent industry, too often defined as 'the record company' – or more precisely 'the major record company'. Such frameworks tend to build on the music industry in a Fordistic manner (Hesmondhalgh), reducing it to a factory-like assembly-line between a passive audience and their artists (Hirsch, 1990). And while such a description may fit well with some of the music industries' sectors, it has had a very limiting effect on the debates surrounding the music industries, and in particular in relation to digital change and disruption, as I will elaborate on.

Admittedly, I have not myself contributed to any precise definition of the field, or articulated any clear divide between internal and external stakeholders. And I do not intend to do so. The point I strive to make in this section is to both argue the case for the plurality of the field, while simultaneously vying for a separation between what is considered part of the music industries and what is not. As described above, different models have provided schematic systems for classifying industries (Engström and Hallenkreutz, 2003), networks (Leyshon, 2001) or activities (British Government, DCMS, 2001) and they provide important insights, categorizing stakeholders according to their proximity to the creation of content. However, these models also display – to an extent - an instrumental and cursory approach that seems to offer an equivalent of the Periodic Table for the cultural and creative industries.

I find the work of scholars such as Keith Negus (1992, 1996, 1999) and Simon Frith (2001, 2007) helpful when stressing the complex and irrational nature of the music industries, and the need to escape one-dimensional explanations and focus on the human relations and cultures that constitute the music industries. Their findings resonate well with my data from the Kristiansand Roundtable Conferences. Further, I believe Negus' theories and his focus on the culture for production, has similarities with Fligstein and McAdams' theory of Strategic Action Fields (SAF), and the existential function of the social. Furthermore, Fligstein and McAdams' theory of fields provides an appealing model to understand change, which I will return to shortly.

I will continue these elaborations in the next section in order to further discuss how these perceptions and definitions may frame the academic debates in different ways.

1.4 Change and continuity in the Music Industries

Although they fall short of providing a precise definition of the music industries, as a starting point, I follow suit with most elaborations, and refer to the music industries as three core industries: music recording, music licensing/publishing and live music. Each of these industries or sectors can of course be further broken down into subcategories, highlighting different parts of value-chains with partners and channel functions. However, this rough definition outlines the most important activities directly derived from music creation and performance. Furthermore, when attempting to describe and discuss change and continuity in the music industries, some of the more evident changes follow these three lines and hence it will serve well as a starting point.

1.4.1 The rise of live music

Although there seems to be a consensus on the three constituting industries in music, historically there have been dramatic changes in the economic gravity between the sectors[13], particularly with the recent rise in importance of live music and consequent focus on the economy. Running contrary to current writing on the music industries, earlier works sometimes diminished the role of live, occasionally leaving it out of definitions or analyses (see Wikström, 2009 and his elaboration on the topic).

One definition provided by The Swedish Knowledge Foundation (Wikström, 2009: 47, referring to Almquist & Dahl, 2003) suggests excluding live music, since it is defined as being a part of the "performing arts" industry. You find the same exclusion - although not as explicit in terms of definitions - in Robert Burnett's *The Global Jukebox: The International Music Industry* (1996). Here, Burnett solely focuses on the music industry in relation to recorded music; the creation, distribution and consumption of such.

This rather narrow focus, when one is to describe "the international music industry", may be related to Burnett's aim to include popular music in the research field of media and communications studies (1996: 6), hence his focus on music and mass communications, with an emphasis on the mass media and the media (as in carriers). Burnett situates the music industries within the term "entertainment industry" in relation to his description of the field and with an emphasis on multinational music companies.

He defines the term, building on Joseph Turows definition from 1991, saying that the entertainment industry "*involves the inter-organizational creation and release*

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[13] Going back in time, publishing and sheet music was the center of the music industries

of performances (narrative or non-narrative, recorded or live) to attract audiences for financial profit rather than for explicitly educational, journalistic, political or advertising goals (Turow, 1991:166). But even though Turows definition opens the door for live music to be included and analyzed, Burnett seems to neglect the sector in his otherwise thorough description of "the international music industry".

Despite providing a valuable contribution to the understanding of the international music industry (dominantly the recorded music industry), Burnett provides little help in describing the structures and interrelationships of these industries beyond illuminating the historic progressions and magnitude of the major record companies. Given the significant economic shift between the music industries since the turn of the millennium (Elberse, 2013; Kreuger, 2005; Nordgård, 2016a; Tschmuck, 2016; Wikström, 2009), it's difficult to deploy a theory or a model that doesn't include the live music industry, and hence Burnett's contribution seems inadequate as a defining model for the today's music industries. On the other hand, the very exclusion of the live industry also reveals a significant and highly interesting shift in the theories within academia, which arguably reflects the economic shifts within the music industries.

From Burnett's use of Turows' definition, one must surmise that the entertainment industry – and in this context, 'the music industry' – is being defined within the framework of financial motivation and economic performance. And if we look at the economic developments within the live music market, we see that this sector has experienced a dramatic growth from the 1960s to 2015 (Frith, 2007; Kreuger, 2005; Montoro-Pons and Cuadrado-Garcia, 2011; Nordgård, 2013, 2016a). For example, in 1996, when Burnett published his work, the North American live market (major concert tickets) grossed $1.05 billion (Pollstar, 2010). It peaked in 2009 with gross revenues accounting for $4.6 billion. Average ticket prices for the same market, in the same time period, went from $25,81 (1996) to $62,57 (2009).

The rising significance of live has been thoroughly elaborated upon by Simon Frith, not least in his *Live Music Matters* (2007). Here he argues that the earlier discourse around the live music sector was so constrained by productivity (output per-hour per-person) following Baumol and Bowen (Frith, 2007:1-2, referring to Baumol and Bowen,1966), that it couldn't achieve either the economies of scale, nor the reduction of labor costs to compete with mass entertainment media (Frith, 2007, Throsby, 2012). The problem is that there are physical constraints to the live sectors potential for economies of scale. The same goes for audiences' willingness to pay.

However, as Frith illustrates, building on Alan B. Kreugers article *The Economics of Real Superstars: The Market for Rock Concerts in the Material World* (2005), recent years' developments have highlighted a remarkable growth in both willingness to pay (ticket prices) and capacity (venue size and venue numbers). Even though there are still physical limitations to audience size for live concerts, the expanding music festivals, both in number and size, and the escalating size of live music companies, such as Live Nation, or AEG, have effectively challenged "Baumel and Bowens cost-disease" and thus made it easier for live music to be identified within Turows definition of entertainment industries (if that is indeed a goal).

Nonetheless, the significant rise of the live music economy, in isolation and in comparison with recorded music, is evident, as this much-cited diagram from the UK-market and PRS for Music (Page and Carey, 2011) shows:
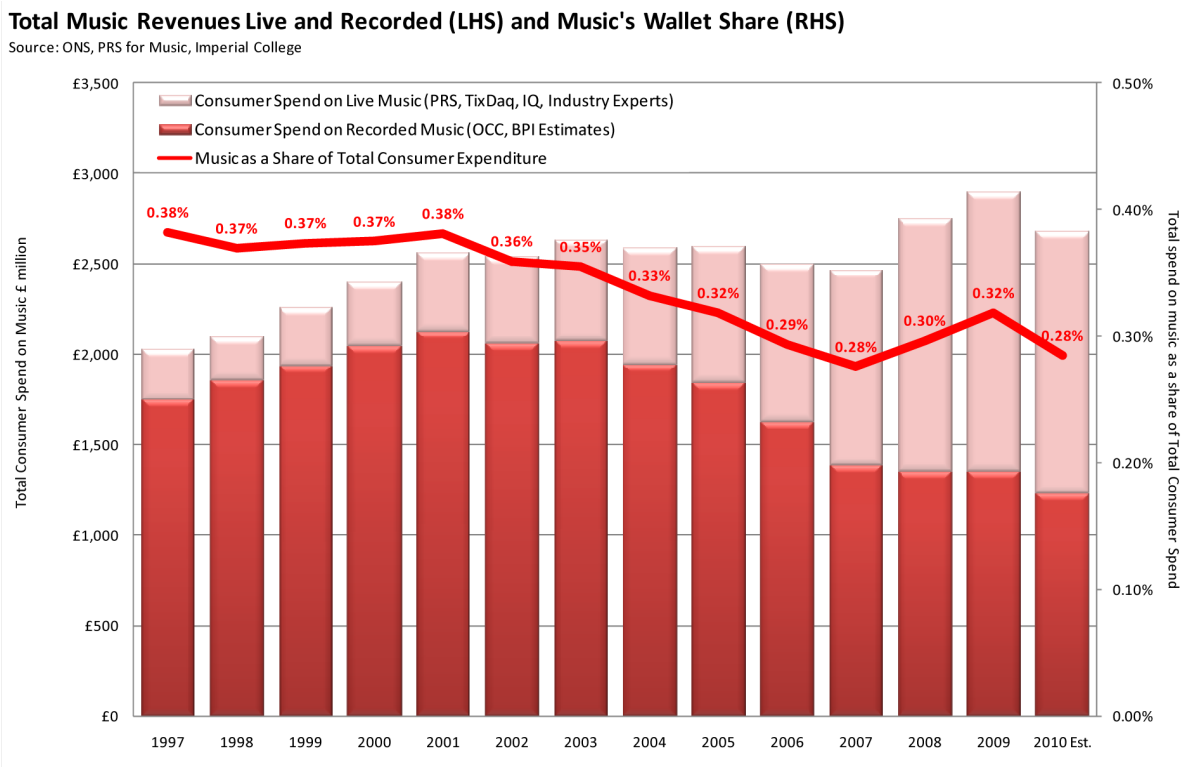
Source: ONS, PRS for Music, Imperial College

Looking at the above illustration (and in Burnett's defense) the live music industry at the time of his research (1996) constituted a fragment of what recorded music economy did. Also, an additional reason for Burnett not to include the live music industry in his otherwise comprehensive study may also lie in the position of live music in relation to recorded music in the early '90s and prior to this. At the time, live music was very much considered a marketing tool for recorded music

(exemplified by tour-support from the record companies). In the early 1990s, one might argue that live music not only lacked the inter-organizational structure that Turow's definition requires, but that these activities were in fact part of the inter-organizational structure of "*the* music industry" – the major record companies - as their marketing strategies.

Whatever reason Burnett had for leaving the live sector out of his study of the music industries, it is nevertheless limited to a sector (recorded music), which has transformed in power and influence during the last decade, partly due to the turbulence experienced in the wake of Napster. It thus runs a risk of becoming outdated (if only, perhaps, for a period of time) as the live industry expands and transforms, integrating activities that formerly used to be reserved for record and publishing companies (see for example Live Nation's 360 degree contracts), and with a scale of repetition that could arguably cause it to fall under the classification of mass-communication (Frith, 2007). In an era of companies such as Live Nation Entertainment, with its vast market share in live music venues, its festival portfolio, as well as artist management, and with an increasing part of music-fan's wallet shares being channeled through the live sector (Page, 2009), any definition that doesn't at least entertain the notion of live music being part of the core of the music industries, may seem limited and perhaps even pointless.

1.4.2 Economic and creative transition

A great proportion of scientific contributions focusing on the changes affecting the music industries have been devoted to economic analyses, studying the impacts of digital, online consumption of music, and in particular illegal file sharing and peer–to-peer (Montoro-Pons, 2011). Many of these contributions revolve around describing a correlation and a possible causation between the consumption of pre-recorded music and concert attendance: the recent growth in the live sector (Kreuger, 2005; Frith, 2007 Elberse, 2013; Nordgård, 2016a). However, there are also contributions on these topics, expanding on the correlating developments in the music industries and proposing more causal effects.

The effects from file-sharing

Joel Waldfogel represents an example of such (2011 and 2012) where he elaborates on the possibilities for economic reward through complementary products (2011:28) such as live music (see also Conolly and Kreuger, 2005) and merchandize. His research is

primarily concerned with the relationship between the recording industry, file sharing, creativity and society's general welfare. Even though he does not underestimate the fact that the recording industry - and especially the major record companies - are hurting financially, his findings suggests that this has little impact on the supply of music and thus the impact of file-sharing is limited to economic turnover within the recording industries.

Waldfogel also suggests that any impact on artists and creators is limited as they can compensate for the drop in recorded revenues with complementary products, such as live concerts and merchandize. This line of thinking, of course, is open to challenge, as a growing body of research also demonstrates the skewed distribution of revenues in the live economy (Kreuger, 2005; Frith, 2007; Elberse, 2013; Page, 2009; Hesmondhalgh, 2013; Nordgård, 2016a). However, Waldfogel's point seems to be that too much focus has been placed on the decreasing demand for music purchase due to illegal file sharing's cannibalization of legal sales. His proposition is that in order to better understand the effects of digitalization (and specifically illegal downloading) we should instead investigate a potential drop in supply. The question has been addressed by other scholars, (Handke 2006, 2012 and Oberholzer-Gee and Strumpf, 2009) and suggests that if copyright protection is an incentive to create and produce music, then we should expect to see a continuous drop in supply in a period when copyright protection has been so severely weakened.

Waldfogel's point is that due to the severe undermining of copyright since the turn of the millennium, we should expect to see both a quantitative drop-less music being produced and brought to market post-Napster) and a qualitative drop within the same period. While the first question is possible to answer, simply by number crunching, the latter seems more difficult. How do you measure and compare quality? Waldfogel suggests measuring the number of products whose appeal surpasses some time-constant threshold, and he does so by providing a statistical analysis of a broad selection of different, professional "best-of-the-decade" list. His findings suggest that Napster (and those file sharing websites which followed in its wake) has not had an effect on either the quantitative or the qualitative supply of music (Waldfogel, 2011).

While Waldfogel acknowledge that there has been a severe drop in revenue for the recording industry, he also argues that creators seem to be continuing to create, regardless of economic rewards. And even though there is a significant drop in recorded music revenues, Waldfogel argues that the costs of producing and recording music has decreased dramatically, allowing creators to produce, market and distribute

their music within these economic constraints, with or without support from a major record company.

There are two possible challenges to this reasoning. First of all it doesn't address the economic conditions for musicians and artists, or any desired artistic and professional cooperation/support from the music industries, except that the need to create may be stronger than the need for economic rewards, as Waldfogel puts it. Secondly, it's striking that Walfogel limits the definition of quality to a particular section of the music industries: critics, reviewers and the mass media – or "surrogate consumers" as Paul Hirsch labels them (Hirsch, 1990). Despite the fact that critics, journalists and the mass media in general have a long history as part of the discourse around popular music and the popular music industries (Chapple and Garofalo, 1977; Hirsch, 1990; Wikström, 2009), one might argue that these "gatekeepers" have also been impacted by digital change and hence is not a time-constant variable. Journalism and news media have arguably changed by the very same forces that are affecting the music industries (for a thorough discussion on these issues see McChesney and Pickard (eds), 2011).

For comprehensible reasons, it's hard to base the term "quality" on audience preferences without ending up with sales numbers and quantitative measures. And given the proposition that file-sharing undermines purchase incentives, then obviously, this may not be an adoptable approach if one is to establish a time-constant threshold, as Waldfogel also points out.

Artists' framework conditions

The other problem, alluded to above, is that his study on the supply of music doesn't take into account the economic and creative framework conditions for artists and musicians. Nor does it reflect whether artists and musicians desire artistic, economic and professional partnerships with traditional intermediaries in the music industries. It is an absent but highly relevant variable that has recently become more evident in public and academic debates.

This topic is being addressed by Hendrik Storstein Spilker in his article "*The Network Studio Revisited: Becoming an Artist in the Age of Piracy Cultures*" (2012). Here, Spilker argues that inexpensive recording, distribution and marketing tools may help creators test their material in different ways, but it isn't a replacement for a professional partnership with a traditional partner in the music industries. Through twenty-two in-depth interviews with "semi-professionals" or "artists in the making"

(2012:780) Spilker demonstrates that from an artist's point of view, there is a big qualitative difference between the creation and dissemination of music through home-studios and digital networks, versus a professional organization with experience, resources and credentials. The latter cooperation is desired, but not always realistic.

Although, home-studios are seen as a way of recording music with limited budgets, and web-based communities, as test-beds for such, Spilker's interviewees regard this as mere "demo-music" for a limited network-audience and peer feedback (2012:785). The interviewees regard it as preparation in a creative process where content is being tested and communicated, as strategically as possible, with the objective to partner with the established music industries. When the content production grows in ambition as it did in the cases of Spilker's interviewees; *it demands the expertise and equipment of professional recording studios – at least for some part of the job* (2012:785).

Likewise, the interviewees did not consider marketing and promotion through the different web-based communities (YouTube, MySpace, Urørt, etc.) as very effective. Spilkers conclusion is that while low-cost recording, distribution and marketing opportunities through home-studios and digital networks have an effect on creative work and testing, this doesn't replace the professional music industries and the need for professional studios. On the contrary; Spilker demonstrates that while artists benefit from low-cost recording and network test-beds in specific parts of the creative process, the ironic outcome is that more artists emerge and more attention and activities are directed towards and not away from the established music industries (2012:790).

Jeremy Wade Morris' article *Artists as Entrepreneurs, Fans as Workers* (2014) comes to many of the same conclusions, as he argues that while digital tools and social media provide an alternative way to market, they also place a greater burden on artists who have to perform roles that were previously dispatched by professional partners such as the labels, managers and publishers. Referring to Michael Scott (2012), Morris argues that cultural entrepreneurship is a case of necessity and, as he articulates; "primarily for exposure's sake and for purposes of networking. Their art functions as a tool to increase their visibility and capital among cultural intermediaries that may one day provide them with a steadier economic return' (Morris, 2014: 275-76).

Both Wikström (2009) and Tschmuck (2016) highlight the increase in amateurism leading to a shift towards more artist-centered models in the music industries. From some scholars, it's a celebrated development, however it's also being

debated as to whether the artists are better off on their own (Marshall, 2015; Morris, 2014), whether traditional intermediaries, such as the record labels offer valuable functions (Nordgård, 2016, 2017; Tessler, 2016) and whether conclusions on an aggregated level of the music industries can really tell us anything about conditions on an individual level (Hammond, 2016).

These contributions are important and welcomed in that they challenge a widespread premise of the relationship between the creator and the music industries, where the functions of the music industries are limited to technical and costly retailing of music. They demonstrate that the internal logics of the music industries also evolve around quality, aesthetics and highly specialized competences that can't simply be replaced by digital equipment and digital platforms.

Recorded music and technology

As the main heading for this section suggests, the narrative of the music industries contains significant changes, but many continuities, and an example of such is found in the record companies' historical partnerships with tech-companies.

The music industries have long had a close relationship with tech and communications industries, and a history of acquisitions and mergers (Burnett, 1996; Wikström, 2009). When looking at it historically, record companies have long been an integrated part of bigger conglomerates, often owned and run by electronics companies. And music - or other cultural content such as film - has clearly had an important role in helping these industries develop and introduce their hardware and software to markets. Perhaps the most significant era in which these activities were most prevalent was in the late 80s and early 90s, when the record industry morphed from a plethora of independent and semi-independent record companies into The Big Six[14] (Burnett, 1996:16) – and later shrunk to three.

In 1988, Sony Corporation, the Japanese electronics giant, purchased CBS Records. Two years later Time/Life and Warner Communications merged and formed the world's largest communications company, Time Warner. The Dutch electronics giant, Philips, which already owned Polygram, bought up Island Records and A&M

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[14] The Big Six refer to the six multinational corporations Time Warner, Sony, Philips, Bertelsman, Thorn-EMI and Matsushita which in 1994 accounted for more than 90% the worldwide sales of music (Burnett, 1996:2).

Records. EMI (which was owned by Thorn Electrical Industries) acquired Chrysalis Records and Virgin Records, and Matsushita Electric Industrial (at the time the worlds' largest consumer electronics company and today operating under the name Panasonic) bought up MCA (Burnett, 1996:18). These acquisitions of media companies, and especially music companies, were an integral part of their strategies for the growth of their hardware and software markets. According to Burnett, Sony America's vice chairman, Michael Schulhof, stated that the digital future is simply 'computing plus entertainment' when explaining the company's large acquisitions of media companies (Colombia Pictures and CBS Records) (ibid:20).

These two ingredients were considered equally important, and the purchase of companies that produced content (referred to as software by Burnett) was to ensure a continuing supply of it. This was also the time when the Compact Disc really established itself in the market, becoming an enormous economic success, in a period of unprecedented growth for the record companies. Steve Knopper defines this period as 1984-2000 in his book *Appetite for Self-Destruction: The Spectacular Crash of the Record Industry in the Digital Age* (2009) and argues that the CD format was the main reason record companies managed to elevate album prices from $8,98 to $16,95 and simultaneously reduce artists' royalty-rates by 20% (2009:31-32). These two changes resulted in an explosive economic growth and, according to Knopper, transformed the record industry from being "homegrown things" to Wall Street firms with quarterly reporting and quarterly expectations. The merging of content and digital carriers was the foundation for such enormous growth. It was also, argues Knopper, the beginning of *the spectacular crash of the record industry*.

Changing frameworks

Looking at this period and adding to Knopper's detailed description of rise and decay in the record industry, perhaps the most important insight from his and other scholars is the historically close partnership between tech/communications and content producers. Evidently, the record industry's encounter with tech-companies and digital change is not a new feature (Barnett and Harvey, 2015), it's an old symbiosis and one that has developed in close partnership between content producers and technology companies (see Negus, 1992 for an extensive elaboration on the technological progressions – and discussions – in the late 80s, early 90s). And, building on this, we might ask why we don't see the same mergers and acquisitions today. Why we don't see 'the Apples or Googles buy into the record companies when new formats are once again being developed and introduced to market.

The music companies are among the most important suppliers of content to their new platforms, and, building on the presumed logic of the 80s and 90s acquisitions, then clearly we should have seen a similar process today. Why didn't either one of them buy into EMI Music in 2011, when the company (both recording and publishing) was sold? Perhaps because they didn't have to, or perhaps because the continuous supply of music seemed detached from the economic performance of the record companies, as discussed by Waldfogel (2011), Handke (2006, 2009) and Oberholzer-Gee and Strumpf (2009)? Or perhaps the right timing just hasn't occurred yet.

Nevertheless, the point of introducing an historical context is to argue that while previous partnerships between tech/communication and the recorded music industry seemed much more evident, today's relationships seem more detached, and this needs to be taken into account when analyzing the digitalization process of the music industry. In particularly, it's an important aspect to consider as we look to define the structures of the music industries and the connection with tech/communications industries. Whether or not the ties between these sectors have changed is important to consider and I will discuss this more thoroughly below.

1.4.3 Digital turmoil

Expanding on the above point, a considerable number of scholarly contributions on the subject seem to be overemphasizing the effects (and in particular the positive effects) of digital disruptions in the music industries. I believe some of these contributions stems partly from a limited or superficial understanding of the structures and dynamics of the music industries, as well as the interrelationships between the music industries and the external actors and industries.

David Hesmondhalgh touches on this when he refers to the digital utopians or digital ultra-optimism (2013: 313-339). Hesmondhalgh makes a distinction by pointing to the contributions from Yochai Benkler (2006), Henry Jenkins (2006) and Manuel Castells (1996, 2008) as valuable and more sophisticated digital optimists. He nevertheless claims that there's an expectation among journalists, academics, entrepreneurs, and much of the general public, that the digital changes and the Internet has an inherent democratizing and liberating effect that allows for a greater level of participation and control by fans and users – and most importantly - that this

control/participation is at the expense of the professional and institutional business (Hesmondhalgh, 2013: 314-315).

It follows from the liberating and democratizing effect that digitalization provides, that a wider range of smaller stakeholders will prosper at the expense of the bigger multinational conglomerates. Hesmondhalgh questions these claims convincingly when he presents three major sets of criticisms, and I shall focus particularly on one of them: concentration of power.

The three sets of criticisms can be summed up as 1) The digital divide, 2) Continuous concentration of power, and 3) Commercialism, labor and surveillance.

With regards to the first of these, he argues (with reference to Murdock and Golding, 2004) that the emancipatory, democratizing and liberating effects of digitalization and the web rests on an unequal access to the Internet, which also rests on different levels of skills, referred to as "the digital divide". This is both a question of international developments (in 2010, 68,8% of the "developed" world used the Internet as opposed to 21,1% of the "developing" world[15]), as well as a question of class structure, income and education.

The third set of criticisms refers to concerns over the growing amount of information made available on the Internet to facilitate commercial interests, but with a risk of surveillance. Such data is generated by free labor, by the vast amount of hours spent creating, uploading and making content available on the Internet. There are some challenges in defining something as labor that which most people consider to be daily activities, such as reading, posting and commenting on different social platforms, and this becomes more problematic when we consider that some of these activities (the creation of content) have legal ramifications, as well as having the effect of replacing former paid labor by artists and creators. And the potential challenges posed by free labor are thrown into sharp relief when related to claims that artists should give away music for free in order to make a living from other complementary products, as argued by Waldfogel (2011) and others.

The challenges stemming from digitalization and labor are gaining awareness[16] as policy makers and labor-unions are becoming increasingly concerned about the policy framework and conditions of work and how it's being affected by digitalization

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[15] Source: ITU World Telecommunication/ICT Indicator database (Hesmondhalgh, 2013:326)
[16] See COST-action Dynamics of Virtual Work:
http://www.cost.eu/COST_Actions/isch/IS1202 dedicated to a critical assessment of the effects digitalisation has had on labor framework conditions.

(Meil and Kirov2017). I have myself contributed on the subject, drawing lines to music and digitalization and how current transformations impact creators, musicians and artists (Nordgård, 2017).

Revisiting the long tail

Hesmondhalgh's second set of criticisms – the concentration of power – is particularly interesting as it builds on an understanding of the Internet as inherently decentralizing, both in terms of the Internet itself - the very nature of it - as well as its effects on the cultural industries. Hesmondhalgh questions this type of digital optimism and argues that the Internet has enabled companies to grow to the brink of having online monopolies, such as Google, Facebook, Apple and Amazon. The digital dynamics seem to foster a "winner-takes-all" economy – with reference to Mathew Hindman (2009: 55) – and Hesmondhalgh suggests that this also affects industries and sectors involved with it, like the music industry.

A general optimism on the digital effect on the entertainment industries has been postulated and argued broadly and vigorously (often with reference to Anderson's Long Tail Theory of 2006), despite the fact that evidence of the opposite has been demonstrated, and especially with regards to music (see for example Will Page and Eric Garland's contribution already in 2009). Later, the theory of a digital long tail has been convincingly laid dead by a number of scholars like Hesmondhalgh (2013), Anita Elberse (2013) and music analysts such as Mark Mulligan (2014). Anita Elberse in particular convincingly elaborated on the matter in her book *Blockbusters: Hit-making, Risk-taking and The Big Business of Entertainment* (2013). Through a comprehensive analyses of the entertainment industry, and with a broad set of references ranging from football, books, films, music and more, she elaborates on the inherent blockbuster-economy in these industries and demonstrates that digitalization is not at all challenging the Blockbuster hegemony. On the contrary, she demonstrates that it is in fact creating a hit-economy on steroids (Elberse, 2013).

Subscription-based, on-demand music streaming

Elberse' findings resonate well with my own work on the music streaming economy in Norway (Nordgård, 2013, 2014, 2016b). Norway is at the forefront of digital adoption in general, and streaming in particular (Tschmuck, 2015; Nordgård, 2016b; Maasø, 2014). Norway has truly adopted the streaming format, which by the end of 2015 accounted for 77.4% of the total recorded music economy (IFPI Norway).

In 2013, I was appointed by the Norwegian Government to lead their committee on the digital music economy (The Nordgård Committee) and try to elaborate on the effects the new streaming model had on economic sustainability for a broader range of stakeholders.[17] As described in my report (Nordgård, 2013) and later (Nordgård, 2016b), the streaming model seems to have led to two interesting developments, namely a significant rise in the recorded music economy in Norway, with four consecutive years of growth (2014 was almost flat), ranging from 7-9% year-to-year.

However, there is evidence to suggest the streaming model had a negative effect on the economy for Norwegian artists, as the domestic share seemed to have dropped significantly with initial numbers indicating a drop from 25-30% to 10-12% (Nordgård, 2016)[18]. Hence, while streaming must be given credit for the recent economic surge in Norway, the same phenomenon must be implicated as the main reason as to why much less money seemed to be channeled towards Norwegian rights (Nordgård, 2013, 2014, 2016b).

The fact that Norwegian music seems to be losing out in the economic surge from streaming is likely to be an effect of an economy that seems to be increasingly skewed towards International hits with massive spread and appeal (see Mulligans article "The Death of the Long Tail, 2014). This could of course be an extension of the dynamics in digital music more generally (see Elberse, 2014, for an account of this), however, it could also be that particular features in the streaming economy led to an even more skewed distribution of the recorded economy. In our Government-initiated committee in 2013, and from a growing number of scholars, this is explained through various variables, two in particular[19].

First of all, it's argued to be an effect of the economic model that streaming rests upon, the difference between access and purchase (Marshall, 2015) and the

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[17] The Norwegian report of our work can be found here:
https://www.regjeringen.no/no/dokumenter/rapport-fra-nordgard-utvalget/id734716/
[18] There are challenges with these numbers as there are different ways to count a nation's local-share, depending on definitions and depending on where you count (artists, labels, collecting societies). Although my findings on the Norwegian market correlate well with other findings, there are opposing views on this development among some music industry stakeholders.
[19] I am deliberately omitting allegations of unfair conduct, black-box monies and breakages, due to a lack of research and data on this. These concerns were nevertheless subject to discussion in The Nordgård Committee (2013) and later in a committee initiated by the Norwegian Musicians Union (Musikernes Fellesorganisasjon) (Nordgård, 2014).

differences between a pro-rata model and a user-centric model (see Maasø, 2014 and Pedersen 2015 for an interesting discussion on the subject).

And secondly, the skewed distribution of money is explained by a concentration of attention among fewer titles (Nordgård, 2016b, Mulligan, 2014). This resonates well with both Hesmondhalgh's (2013) and Elberse's (2013) more general elaborations on digitalization of the cultural and entertainment industries, where they argue that part of the explanation of the increasingly skewed distribution of digital revenues stem from selection processes, or the incomprehensible range of offers. Arguably, digitalization of the music industries reduces transaction costs (the costs of selling goods) as well as reducing search costs (the costs of finding and buying goods) (Elberse, 2013: 154), and although the notion that search costs have actually gone down is questionable, one could also argue – as Schwartz did in 2004 - that too much choice has its own cost.

Fighting for attention – the Achilles' heel of digitalization

The American psychologist Barry Schwartz has elaborated on the process of how people make choices and how this gets increasingly difficult as the choice-range expands. He labels the phenomenon "*The Paradox of Choice*" (2004). Schwartz' point is that when people are given a greater choice-range - when they have a growing number of options available - the effort needed to make a choice becomes greater. Although more options are clearly desired, Schwarts demonstrates that there's a point at which the choice-range becomes too big and the choice making becomes a barrier to an item actually being chosen.

You find the same reasoning in Herbert Simon (1971) when he argues that *"…. in an information-rich world, the wealth of information means the dearth of something else: a scarcity of whatever it is that information consumes. What information consumes is rather obvious: it consumes the attention of its recipients. Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it"* (Simon, 1971: 40-41)

Although transaction costs in a digital, online world may have become smaller, search costs - at least from a consumer's perspective - are constrained by a limited pool of attention and so the fight for attention becomes imperative. When too many options are given and a full overview of each option's pros and cons seems unachievable, concerns over whether the right choice has been made becomes greater. In this respect, guidance becomes essential. And this guidance often has negative

connotations when it's defined with the term "gatekeeping", depriving artists and fans of direct contact. However, gatekeeping should also be recognized as having a complex, often positive role in marketing and promoting, prompting tastemakers and early adopters to buy into an artist, a track, an album or even a genre.

1.5 Digital disruptions – impact evaluations

A widespread and commonly applied model used to explain the digital changes in the music industries is to refer to theories of *disruptive technology* (Bower and Christensen, 1995; Christensen 1997), or *disruptive innovation* (Moreau, 2013) in which technological progress leads to innovation and market alterations. However, an important premise in the work of Bower and Christensen (1995) is that examples of disruptive technologies relate to businesses in the same markets, such as Goodyear and Firestone, Xenon and Canon, Sears and Wal-Mart (Johnson et al, 2008). The many examples of Apple also refer mostly to their competition with other companies who're selling computers and hardware.

In other words, their theories mostly relate to disruptive technology/innovations within markets, in which established companies/organizations may be reluctant or incapable of identifying and nurturing new innovations (Bower and Christensen, 1995: 204). This is particularly evident when describing the developments within the business of hard-disk drives between 1982 and 1990, in which technological advancements meant a reduction in disc-size (which was quickly caught up again) and which again implied a reduction of capacity and performance (Bower and Christensen, 1995: 209-18).

Technological advancements led to new attributes, such as portability and/or price reduction, but also involved a reduction in performance of certain features deemed important by core customers (or customers considered to be most valuable by the companies) and hence abandoned by established, or incumbent companies.

Disruptive innovations

Bower and Christensen's point is that while new technologies introduce different attributes to a product, *they often perform much worse along one or two dimensions that are typically important to an established set of customers* (Bower and Christensen, 1995: 209). The disruptive feature lies in the innovations' altering effect on companies' market positions. While incumbent firms with an established position, customer-base

and products on offer may be more reluctant to innovate with new products or services, challengers and new entrants may be more willing to innovate. These innovations are argued (by the incumbent firms) to be products and services that perform differently on core attributes, but they may offer other features with value and may eventually outperform traditional products and services. The proposition in theories of disruptive innovations is that these developments lead to market alterations.

A common way to adopt the theory to the music industries is to argue that the two dimensions that the new digital music has underperformed along compared to the old model, are of sound quality and price. However, such an application of the theories often seems unfair to both the theories and the music industries. With regards to sound, one might argue that to a certain degree this is the case. While the recorded music industry (prior to iTunes) tried to establish different types of digital platforms and formats that would adequately perform in both price and quality, ringtones quickly became a significant income source, eventually resulting in the Billboard Hot Ringtones Chart in late 2004[20]. Besides creating the horrific ringtone-phenomena Crazy Frog that ended up outperforming Coldplay's 'Speed of Sound' in the UK Singles Chart (beating it to No.1 in May 2005)[21], ringtones also demonstrated a viable subscription scheme that was quickly adopted by a young demographic.

If anything, the brief success of ringtones demonstrated disruptive innovation as described by Bower and Christensen (1995) in the recorded music industry: a product that clearly underperformed in terms of sound quality (and perhaps also price), performed well in other parameters (such as identity, access and user-friendliness). Arguably, and in support of Bower and Christensen, there may have been a continuous expectation among record label executives that the audience's willingness to pay was a direct result of high sound quality. However, ringtones in many ways proved this wrong, as it opened up an entirely new market.

In a world where 'Freemium' streaming subscriptions are still the global norm, it's tempting to draw a parallel between those platforms that encourage their customers to pay for 'high quality' audio and a price above zero (since 'Freemium' subscriptions are still the global norm) and a continuous focus on sound quality as a premier

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[20] http://www.billboard.com/articles/news/65917/billboard-bows-ringtones-chart (Last visited 27.nov.2016)

[21] http://www.billboard.com/articles/news/62750/crazy-frog-outpaces-coldplay-in-uk (Last visited 27.nov.2016)

attribute to digital music. Examples can be seen in Jay-Z's Tidal and their 'lossless' offer, as described and discussed in Nordgård (2016b).

With regards to the latter point, *price* – as evidence of disruptive innovations in the music industries – it seems harder to simply deploy these theories to describe the digital "crisis" of the music industries. And equally, it seems difficult to simply acknowledge price-point as the dependent variable for disruption in music. Francoise Moreau argues convincingly in his article *The Disruptive Nature of Digitization: The Case of the Recorded Music Industry* (2013) that it's not really technology, but the business models, that are disruptive, and he poses the timely question on whether this is a technological problem or merely a problem in perceiving and understanding demand (Moreau, 2013: 22).

Technological progress and digitization have indeed been part of the recorded music industry long before Napster and Spotify, with significant technological progress represented by the introduction of the CD and DAT tapes in the mid-80s, and later CD burners, Mini-Discs and MP3 files. These formats allowed illegal copying to take place long before the disruptive entry of Napster in 1999. And even though technological formats also posed potential economic threats to the record companies (see Drews elaborations on RIAA and the home taping controversies in the 1980s, Drew 2014; and Liebowitz, 2006: 22-25, for an extensive elaboration on the RIAA lawsuits in 2003/2004), it was not until the Internet facilitated an explosion in scale and volume that they really triggered significant disruption to the economic models of the recorded music industry.

Moreau's argument, however, is that while former technological innovations like radio (1920), vinyl record (1948), audiocassette (1962) and the CD (1982) didn't have any impact on distribution, the innovations through the Internet and the ICTs (Information and Communications Technologies) did (Moreau, 2013: 23). Not only was this a change in distribution, but also a *dislocation* of distribution, as it moved outside the recorded music industry and therefore its control. As Moreau demonstrates, one of the great powers the majors had was the control of distribution, and with the innovations of Internet and ICT, distribution migrated to external actors (fields) rather than remaining within the field of music. And through the prism of this historical context, an important question then seems to be whether the theories of disruptive technology/innovation still apply.

Moreau himself makes the case that the theories of disruptive technology/innovation suggest that we can expect changes in sector hierarchy ('leadership turnover'), but that this hasn't happened in the music industries so far. However, he argues that such leadership turnover is likely to happen in the future, and if one looks solely at the online market, it is already happening (Moreau, 2013: 28). Yet, most of today's economic analyses of the music industries highlight an ever-increasing market share for the majors, the incumbents in the music markets, and not the minors, the independents or the niches. And furthermore, these developments seem to be particularly tied to the online markets (Elberse, 2013; Marshall, 2016; Nordgård, 2014, 2016b; Page and Garland, 2009). We're seeing a concentration of power and wealth amongst the market leaders, not a leadership turnover. Following this realization, and given the importance of leadership turnover and market alteration as the outcome of disruptive innovations, one has to ask whether or not we are really witnessing disruptive innovation as defined by Moreau (2013), Johnson et al (2008), Bower and Christensen (1995)?

1.6   Summary

In this section, I want to elaborate on change and continuity in the music industries. I argue that while change has always been an integral part of the music economy, there are important continuities that are often omitted when assessing music and digitalization, such as the fact that the music business and tech have always had a close relationship (Burnett, 1996; Negus, 1992) and this relationship has previously had an enormous effect on the music economy (see Knopper's (2009) elaborations on the CD-format).

In particular, I want to point out that while technology and music have a long-established symbiosis, the nature of this relationship seems to have changed. While the old tech-companies merged with content producers, vertically integrating their businesses (Burnett, 1996:14), we see a different landscape now with tech-companies operating from a distance. This particular point is important when discussing the dialogues from the Kristiansand Roundtable Conferences, as many of the conversations demonstrated a divide between the new tech-companies and music producers, suggesting that the relationship between the two fields has changed. I will return to this later.

I also point to other major changes, including the recent economic surge in live music. I argue that these changes have had a wide impact, even on the theories and defining models of what constitutes the music industries and where the economic motors lie (see my elaborations on Burnett's contribution from 1996). The fact that live music today represents the lion's share of the music economy is indicative of how quickly these changes can occur.

Many consider the surge in live music to be as a result of digitalization (Waldfogel, 2011) and use this to support their claim of an all-encompassing digital revolution. However, there could be other factors, not related to digitalization, which may help explain the rapid growth in the live economy (Frith, 2007).

A point I'm keen to make here is that while *change* has been a focus of current public and academic debates on the music industries, there are other significant issues that need to be acknowledged. Much of the digital music economy seems to adhere to the same laws as the traditional one, such as the laws of attention (Simon, 1971) or the laws of a superstar economy (Elberse, 2013). The anatomy of the new economy seems suspiciously similar to the traditional, that is to say heavily tilted towards superstars. Some would argue the digital economy is even more skewed towards the top (Elberse, 2013; Mulligan, 2014; Nordgård, 2016), suggesting an economic continuity, rather than the disruptions and paradigm shifts others apparently see.

This certainly seems to be the case with streaming, and I've elaborated on the nature of the streaming economy elsewhere (Nordgård, 2013, 2014, 2016b) and briefly touch upon it here. However, the focus of this dissertation is not music streaming, but the dialogues during the Kristiansand Roundtable Conferences do elaborate on the subject, so I will return to it later.

In this last section, I also want to scrutinize theories of disruptive innovations that are frequently deployed in analysis of digitalization and the music industries. While these theories may provide interesting frameworks for critiques of the music industries' abilities to adapt to digital change, they contain elements that make any direct, unambiguous application difficult, particularly with expected market alterations and leadership turnover. It could very well be, as Moreau argues, that these may come to pass in the future, but it may also be that the application of theories of disruptive innovations/disruptive technology is incompatible with the music industries, and that

what we see is an extension of the digital enthusiasm and optimism that Hesmondhalgh cautions us about (2013: 310-30).

My ambition with this section is to discuss the frameworks for the debates on digitalization, as well as providing a foundation for my analysis of my data. Much of the dialogues during the Kristiansand Roundtable Conferences relate to these issues and I will further discuss it in my analysis and conclusion.

2 PART 2: DESIGNING AND CONDUCTING SOCIAL RESEARCH

Designing research concerns itself with creating a plan for how to solve a problem, or gaining knowledge about a specific phenomenon. In many ways, it's not much different to planning and executing any other project where one needs to apply appropriate tools and methods in order to achieve a specific goal, and as with other projects, choosing the right approach and the right methods may produce different outputs, so the planning and organizing of appropriate methods is crucial.

At a very basic level we can differentiate between scientific research that seeks to describe, and research that seeks to explain. While the former may limit itself to simply describing a situation, a person, or an event by focusing on *what* the case is, the latter seeks to explain *why* something is the case (Punch, 2005: 15). To seek explanation is to strive to understand how and why things occur, rather than to describe or confirm a phenomenon. That does not mean that the latter is unimportant, and research on the music industries is certainly in need of better and more accurate descriptions of what is currently happening in the field. One can simply look at subscription-based, on-demand streaming services like Spotify, Tidal, Deezer, and recently Apple Music, and the related debates and concerns around revenue-streams (Maasø, 2014; Nordgård, 2013, 2016; Pedersen, 2015) to acknowledge the need for a consensus on what the economic models and revenue-streams look like. It's easy to think that a shared understanding of revenue streams, value-chains and the business models on which music streaming relies on, amounts to an intrinsic knowledge of the music industries. However, for various reasons, much of the information we need to fully understand what's going on remains partly undisclosed and fragmented, and proves the point that a better and more accurate descriptive knowledge of the music industries is needed.

My ambition nevertheless, is to provide new knowledge on *how* and *why* the music industries are adapting to digital change the way they are, by analyzing the dynamic dialogues between central stakeholders in the international music industries. It's a qualitative analysis that builds on sociological contributions from scholars such as Simon Frith, Keith Negus and David Hesmondhalgh, and (as described above, with reference to outside of the field of music and cultural industries) Neil Fligstein and Doug McAdams. I consider a key element for understanding the dynamics and developments in the music industries to be found in the complexities of human interaction, agendas and power struggles, and so my methodological design is led by my aspiration to understand and interpret these dynamics.

2.1 To study the complexity of people and human interaction

In 'Interpretation and the Science of Man' (1971), Charles Taylor elaborates on differences between the study of Man, people's actions and social reality, in comparison to more naturalistic sciences, such as physics. He argues that social science is not fully understood through a logical, empirical approach, grounded in verification, and cautions mainstream social sciences in their pursuit of brute data and universalities. The objective of social sciences is to make sense from texts or dialogues, to make coherent and understandable something that is in some way confusing, contradictory or unclear (Taylor, 1971:3).

Sense, in social reality, does not exist without subject and context, and when we strive to make meaning out of something, Taylor argues, we have to remember that 1) meaning is for a subject, 2) meaning is of something, e.g. it refers to a specific substrate or contexts, and 3) things have only meaning in relation to the meaning of other things (1971:11). In other words: how can we distinguish something if we don't have something to compare it with? And just as the definition of a color (red, or blue) relies on the definition of other colors to distinguish one from the other, social behavior draws on a number of presets such as power, hierarchy and relations to "the others". And thus, in order for interpretation to be made, language is a key feature.

Understanding is achieved through negotiation, and negotiation is facilitated by language. If we don't agree to the language and framework, negotiation is pointless. Social reality and language is so interrelated that it makes little sense to separate them by arguing that they are mutually dependent on each other.

Taylor argues that language and social reality are by definition part of the same phenomenon, and to differentiate between them would be to miss the point! The rules and conduct of society – social reality – is based on language. Language is dependent on interpretation, and therefore political science is based on hermeneutics.

On the other hand, this is not to say that social reality is confined to individual interpretation, or that there is no sense outside of man. Society is constructed not by a set of individual actions, but by social relations, by mutual actions. There must be some common sense according to which members of society interact. We negotiate; therefore social reality is not built on individual interpretations, but on inter-subjective meanings linked together by a social matrix. And this leads to Taylor's thoughts on community (1971:30).

Common meanings are the basis of community, and provide a language with which we can talk about social reality and common norms. However, this is not limited to a consensus or convergence of opinion and value; there may well be major

differences in how a common meaning is lived and understood. Taylor provides an example by pointing to "The American Dream" and the American sense of "freedom" (1971:31). Obviously there are different articulations and experiences of this, and even though both can be described as having a common meaning, each individual's interpretation may still form the basis of fight and struggle. Taylor follows the example of the United States and the concept of freedom when he criticizes mainstream social sciences for missing the point by defining themselves within the sphere of epistemology and brute data. He accuses mainstream social sciences for ignoring inter-subjective and common meaning, and a failure to describe the radical and dramatic changes that occur in society (US in the late 60s, beginning of 70s) (1971:45).

Language and a coherent (shared?) understanding of reality, roles/functions and goals seem to be important factors in understanding the progressions and dynamics within and outside of the music industries. It's a focus that resonates well with Fligstein and McAdams' work where language is the foundation of social behavior (2012: 34-40) and where human sociability is the essence of collaborative meaning making – the existential functions of the social. "Actions always occur in social contexts and are therefore determined by the opportunities and constraints that are presented to them as well as the social influence of others" (Fligstein and McAdams, 2012:192). Hence it is an important premise for analyzing the existence and ruptures in fields to be able to recognize social contexts and social influence, and in this respect qualitative research represents the most appropriate methodological approach as it "concentrates on the study of social life in natural settings" (Punch, 2005:194).

And while choosing a qualitative design for my research seems logical and appropriate given its objectives, the different measurements undertaken in order to decide upon strategies and designs for my research need to be clearly defined. Compared to a quantitative approach, qualitative research provides a much broader range of data and different methods for collecting and analyzing a phenomenon (Punch, 2005: 194) and thus considerations need to be thoroughly elaborated on, described and formulated.

Due to reasons I will expand upon, the form and shape of my project may not fit too easily into the categories, models and theories provided in literature on methodological design. In some ways my usage of the Kristiansand Roundtable Conferences differ from text book provisions of how to design and conduct qualitative

research. Or perhaps more accurately, the design of my research draws on several approaches for data collection and analysis. And so, I will describe and discuss some aspects I consider important in my design, but that in some ways deviate from models and definitions. I will begin by discussing the position and usage of the Roundtable Conferences and argue that it represents a case (not to be understood as methodological design, but as strategy) as well as a focus group. I will discuss my own participation in the research and I will provide a methodological framework in which my research has been carried out.

2.2   Using a Case Study as Strategy

Central to my considerations of designing my research project is a certain difficulty of ascribing my data-source – the Kristiansand Roundtable Conferences – to methodological designs described in literature. One option is to consider the Roundtable Conferences to be a case deployed to gain a deeper and more profound understanding of the dynamic relations in the music industries in a time of change. The core ambition with a case study is to understand something in depth, in its natural setting and by recognizing the case' complexities and context (Punch, 2005: 144). It is both a process of inquiry about the case and the product of that inquiry, and hence the case study represents something of a dual position in research design (Stake, 2005: 444). And in ways I will discuss, it is also a strategy, or approach that attracts criticism for some of its usages.

Nevertheless, the most important characteristic of the case study is that it provides an opportunity for a concentrated analysis that facilitates the recognition of specific details that often get overlooked by other scientific approaches. It is an approach that is defined by the interest in an individual case (or cases) and not by the methods of inquiry used (Stake, 2005: 443). More so, different methods can be deployed in a case study, suggesting that a case study is a strategy more than a method, as pointed out by Punch (2005:144) with reference to Goode and Hatte (1952: 331).

Adopting a case study as a strategy resonates well with Norman Blaikie (2010) when he states that case studies in social research have historically been regarded in three different ways: 1) as a type of research design, 2) as involving the use of particular kinds of research methods, usually qualitative, and 3) as being a method of selecting the source of data (Blaikie, 2010: 186-197). From these three viewpoints, Blaikie argues that only the latter is an appropriate use of the case study – a method for

selecting the source of data. His point is that the case study is not a research design, or a particular method of research (historically related to participant observation and field work), but a choice of what is being studied (Blaikie, 2010; Stake, 2005: 443) Nor should the case study be particularly tied up with qualitative research as other types of research methods can easily be applied. It's important, then, that the case study is represented through a range of different methodological designs, depending on the purpose of the research and the case study's role in data collection (Blaikie, 2010: 191).

2.2.1 Defining a case

The case study can provide a broad range of data through multiple types of cases and as such, it is important to understand what the case is. Put very simply, a case can be defined as a phenomenon of some sort occurring within a bounded context (Punch, 2005: 144-145, referring to Miles and Huberman, 1994), or a bounded system (ibid; Stake, 2005: 444). Within the field of social sciences, a case could be found among a range of different phenomena, such as an individual, a role, a process, or an event (Punch, 2005: 144-145, referring to Miles and Huberman, 1994), or it could be found in individuals, attributes of individuals, actions and interactions, residues and artifacts of behavior, settings, incidents and events, or collectivities (Punch, 2005: 144, referring to Brewer and Hunter, 1989). Theodorsen and Theodorsen (1969) expand the parameters further, suggesting that a case can be a person, a group, an episode, a process, a community, a society, or any other unit of social life (Referred to in Punch, 2005: 145).

There are indeed fairly open definitions of what can be deployed as a case, ranging from the specifics of a person or a community, to the more ephemeral, like an episode or settings and incidents. However, it should have certain characteristics in order to be considered a case, and according to Punch (2005: 145) there are four main characteristics of case studies: First of all, the case has boundaries. There is something that defines it and separates it from something else, which needs to be described thoroughly by the researcher. Secondly, the case represents something – it is the case of something beyond what is being studied. Thirdly, a case study attempts to preserve, or capture the wholeness, unity and integrity of the case. Lastly, Punch also argues that a case study can deploy multiple different data collection methods (Punch, 2005: 145), as mentioned above.

It's also important, when adopting a case-study approach, to define what the function of the case is: why am I deploying a case to reach new knowledge? What is the purpose of the case? Yin (2003: 39-45) distinguishes between case studies based on multiple cases and case studies built on single cases. Although multiple-case studies may provide aid for complex phenomena, Yin argues that the single-case study can be divided into three types: critical, extreme and revelatory (ibid). A critical case study aspires to test a theory, to challenge or extend it. An extreme case study can be used to study the extreme, unique or deviant in a case. The revelatory case study, on the other hand, occurs "in a situation where some phenomenon has not been studied before; where an opportunity arises to research something that has been previously inaccessible" (ibid). And although it may be highly questionable whether my data represents a phenomenon that has not been studied before, the case of the Kristiansand Roundtable Conferences definitely represents an opportunity to research something that for many is inaccessible. In other words, the data accessible through the Roundtable Conferences represents a rare opportunity - given to me initially as a peer (or more correctly, a regional alibi, as elaborated on in my introduction) to gain insight in the complex dynamics of the music industries.

An additional (and supplementary) way to classify case studies is proposed by Stake by separating them as intrinsic, instrumental and collective (2005: 447). The purpose of the intrinsic case study is to better understand a specific case, not due to its representative features, but due to its particular interest. An instrumental case study functions as a tool to afford us insight into an issue or a phenomenon by using the case, and can be used to support a developing generalization or theory. The collective case studies are also instrumental, but deploy multiple cases that represent a phenomenon and its aim is to generate theory. Stake makes a point with regards to his three categories that it may not be expedient, or even possible, to fully separate them.

An important feature with the case study is that it has the potential for generalizability. However, such potential or ambition with the case study is also a source of criticism (Blaikie, 2010: 191-197; Punch, 2005: 145-148; Stake, 2005). According to Punch (2005), there are two ways a case study can produce knowledge that might be generalizable and both relates to the purpose of the study and the way data is analyzed (2005: 146). The first is by conceptualizing and the second is by developing propositions. By conceptualizing, Punch argues that generalizability can be achieved, although he leaves open whether generalizability must be the aim for a case study. Blaikie also lists different ways in which a case study may provide generalizable findings, like the selection process; selecting a 'typical' case (with the

challenges of deciding what 'typical' is); selecting multiple cases (with challenges related to costs, time and data-overload); the use of 'analytic generalization'; and through transferability (Blaikie, 2010: 193).

However, Punch (2005), Blaikie (2010) and also Stake (2005) importantly argue that the goal of a case study may not be to generalize. It may not be the ambition of qualitative researchers to generalize findings, or to propose universal laws, but rather to provide new insights, sparks or steps towards generalization. As Stake points out, generalization may not be the ambition of a case study, but that does not imply that generalization from case studies is impossible, or that findings have value beyond the case of study. Such outcomes may be found in a case's 'transferability' or 'relatability' (Blaikie, 2010: 193).

2.2.2 Considering the Kristiansand Roundtable Conferences a case

I consider my approach to the data from the Roundtable Conferences to bare some resemblance to that of a case study. My ambitions resonate with some of the features described by Punch in that I seek to understand something in depth, in its natural setting and by recognizing the case's complexities and context (2005: 144). Furthermore, my initial interest in the Roundtable Conferences was intrinsic. I had a fascination with the case itself – that a select group of music industry stakeholders, across the value-chain (and outside of it), got together in a room to discuss issues and challenges related to the digitalization processes.

However, the focus of my research was not on the context of the talks, observing the conduct and behaviors of the different participants. The Roundtable Conferences have not been the objective of my research, but a means to reach data that would otherwise have been difficult/impossible to access. And so when I refer to the case study I do so as an approach to access data and not as a methodology for data collection. My methodology differs from classic fieldwork and resembles more of a focus group setting that I will elaborate on shortly. However, the very existence of the Roundtable Conferences also represents a rare case that needs to be elaborated upon, thus I can't ignore that my approach bears some resemblance to that of the case study. Nevertheless, I want to elaborate further on my methods for data collection and propose a mixture of several designs.

2.3 Data collection: Degrees of Participation

There may be a dilemma in choosing how much or in what way the observer should conduct research while participating. Howard S. Becker elaborates on the question in his article "Problems of Interference and Proof in Participant Observation" (1958). In an interview-situation the informant might give information or views that he or she would not express in presence of colleagues and peers (or perhaps more important, competitors). On the other hand, the group dynamic might also reveal or extract specific views, resulting in the discussions or given in interaction with some of the other participants' expressions (Becker, 1958:655).

Becker also highlights the benefits of interacting completely with the group, carrying out ones research incognito and being given access to knowledge that would normally be shared by such a member and might be hidden from an outsider (1958:655). And given that my focus is on the group as a whole and how the group interprets themselves and their position, my role as a researcher was diminished as much as possible without being concealed. Perhaps, even, a concealed role would have been preferable, but nevertheless impossible.

In many ways you could say that a concealed role as a researcher, in this context with this constellation of people, would have been close to impossible given the fact that they all know each other – or of each other – and that this knowledge is also based on credentials (where they come from and what have they done), a typical feature in the music industries. Obviously, when comparing my own "music industry credentials" to those of the group, it would have been hard for me to "blend in" without any additional explanation. The case of the Kristiansand Roundtable Conferences entailed some conditions that are perfectly applicable for research, but which were of limited control or influence by me as a researcher. Nevertheless, with regards to the data collection for my research I will define more specifically how the data was gathered and in what setting the data stems from.

Anssi Peräkylä makes a distinction between two ways of gathering empirical data in qualitative research: the interview and naturally occurring materials (2005: 869). Interviews are structured in the sense that the researcher plan and conduct an interview (open or closed) in order to gain insight in a specific topic. Given that the researcher is very much involved in choosing the interviewee, the topic and much of the framing and execution of the interview, the researcher has a high degree of control and involvement in the data-gathering process. On the other end of the spectrum is research that uses naturally occurring empirical materials, commonly found in

relations with fieldwork and ethnographic studies by participation and observation. Peräkylä makes a point that there's no clean and absolute break between interviews and naturally occurring materials, and that there are many different ways of gathering data along this speculum such as focus groups or informal interviews that are part of ethnographic field work (2005: 869).

With regards to my own data collection – the Kristiansand Roundtable Conferences – it seems difficult to define this accurately and categorically. It is obviously not a set of normal interviews, as I have no direct dialogue with any of the participants, nor do I initiate or control any of the conversations. However, my data collection is hardly to be considered fieldwork in any ethnographic sense. Although I definitely participate and observe, the core data for my research lies with the recordings of the dialogues and little, if any, on the direct observations of the event.

Following Peräkylä's rough outline of different ways to gather data (ibid), it could be argued that the Roundtable Conferences are to be seen as *focus groups* and I will elaborate more on this below. However, with regards of participation and involvement, a focus group is more to be considered as group-interviews and hence follows many of the same characteristics as an interview. This implies, foremost a degree of involvement and control of the processes. But also if the focus group takes a different form, where the researcher takes the role of facilitating, moderating, monitoring and recording group interaction (Punch, 2005: 171) rather than interviewing, it still requires a certain level of involvement from the researchers. Punch, with reference to Fontana and Frey (1994) and Merton et al. (1956), argues that in a focus group, the group's interaction is directed by questions and topics supplied by the researcher, requiring particular skills by the researcher (Punch, 2005: 171) and hence suggesting a high level of control and involvement. This was never the case for me during the Roundtable Conferences, as Peter Jenner was responsible for the moderating of the dialogues, and hence my usage of the Roundtable Conferences can hardly be defined as focus groups and definitions and frameworks must be found elsewhere.

2.3.1 Natural social settings

Normann Blaikie lists up four different settings of which data can be derived: *Natural social settings, semi-natural settings, artificial settings* and *social artifacts* (Blaikie, 2010: 163). And while the two latter settings refer to methods that are very distant from my own conduct, i.e. experiments (*artificial settings*) and records of social activity (*social artifacts*), the two other settings seem closer and more appropriate to

define and relate to my work. Natural *social settings* refer to social units that can be divided into three main levels; micro-, meso- and macro social phenomena, each referring to the different sizes, or levels, of social units such as individuals, small social groups, organizations, institutions, cities, regions and nations. Obviously, as Blaikie points out, the bigger the units become, the more difficult it is to claim the setting to be "natural" (2010: 163).

With regards to my own case of the Kristiansand Roundtable Conferences, one can obviously discuss whether at all this is a natural setting of the music industries. On the other hand, what is? If the criterion for being "natural" is the absence of the researcher's involvement, then the Kristiansand Roundtable Conferences are to be regarded as natural. And if I were to place it along the speculum under *natural social settings* presented by Blaikie, the most fitting would have to be a micro-social phenomenon.

Blaikie describes the micro-social phenomena as a small-scale social unit where the interest lies in the individual as a participant and not the individual per se. He continues to define it in this way:

> Micro-social relations are normally characterized by face-to-face social interaction in which social actors give meaning to their own actions, and the actions of the others involved, and take these others into account when making decisions about their own actions (Blaikie, 2010: 164).

This very much resembles the foundation of the roundtable conferences and the core reason for deploying it as a case; it produces opinions and reasoning amongst, and in, relations to the different stakeholders/representatives through the dialogues with others. Blaikie continue to describe micro-social phenomenon as social episodes – a perhaps even more fitting description of the deployment of the Roundtable Conferences. Here, he argues, social interactions are limited in time and space, that participation in such episodes may be fluid and the number of members too.

No doubt, such a definition can be deployed on the Kristiansand Roundtable Conferences. When I don't consider the setting to be a meso-social phenomenon, I do so foremost due to size, but also due to its characteristics of being somewhat permanent or consistent, like organizations or communities. Hence, if I am to consider the Conferences as a natural social setting, I do so by regarding it as a micro-social phenomenon as described by Blaikie (2010). With regards to what Blaikie describes as *Semi-natural settings* this seems less adoptable for my research as it mostly focus on

the individual and by different types of reporting on behavior, orientation or interaction with others (Blaikie, 2010: 166-167).

2.3.2 The Kristiansand Roundtable Conferences as a focus group

A somewhat difficult issue has been to define precisely what my data-collection processes represents with regards to methodological design, particularly when considered along a dimension of group-interview versus participation and observation. My design clearly draws on both approaches, adopting some elements of participation and observation, while using a group setting resembling that of a focus group. However, just like my elaborations on labeling my project as a case study, any direct comparison with the methodology of focus groups, or participant observation is difficult without additional considerations.

"*At the broadest possible level, focus groups are collective conversations or group interviews. They can be small or large, directed or non-directed*" (Kamberlis and Dimitriadis, 2005: 887). The focus group is a research method with various designs and applications that can be applied to a range of different types of research or studies. It's a design that works particularly well to understanding group dynamics, meaning making, or negotiations among people with different opinions or beliefs on particular subjects.

Historically though, the use of focus groups was initially developed to assess responses to radio communications during war time (Merton, 1987: 552-554). It was a way of understanding how people reacted to different types of mass-communications, originally developed by Paul Lazarsfeld, and part of early radio research (ibid). These early studies produced quantitative data and statistics and were supplemented by focused interviews, which is still a common use of focus groups: to validate and/or develop quantitative approaches (Kamberlis and Dimitriadis, 2005: 899).

Central to much of the usage (and criticism) of focus groups, is the efficient way of gathering data, it being a quick and easy way of interviewing many people simultaneously, saving time and generating a lot of data. However, a more interesting and compelling feature of the focus group is that it can be deployed in order to gain a different type of understanding, like the construction of meanings and the practice of social life (Kamberlis and Dimitriadis, 2005: 902). The methodology allows for multiple opinions and perspectives to be articulated and discussed, and provides a

different type of data. Thus, it does not represent a substitute to the dual-principled means of gathering qualitative data - participant observation and open-ended interviews - but a supplementary approach that can produce other types of insight and knowledge (Morgan, 1997: 7-8).

There are various takes on the anatomy of the focus group (the size and composition of the group), the selection of the group, the frameworks (time and frequency) and the conduction (the role of the researcher). For a thorough review of the literature on the subject, see Onwegbuzie et al. (2009). Equally, there are different ambitions and objectives with adopting a focus group approach, representing different emphases on which aspects to focus on and what data to generate.

Onwegbuzie et al. define the well-designed focus group to consist of 6-12 participants and to last between 1 and 2 hours (2009: 3). The reasoning for this is to find a balance between having enough participants to provide diversity in opinions, while not becoming so big that participants feel uncomfortable 'sharing their thoughts, opinions, beliefs and experiences' (ibid). Obviously, these frameworks differ from my own groups of participants in the Roundtable Conference in both size and purpose. As I will elaborate on below, the Roundtable Conferences gathered as many as 40 to 50 participants, discussing and talking for as much as 10-15 hours each time they met (over the course of two days). It seems that the size of the group from the Roundtable Conferences exceeds what Onwegbuzie et al describes as preferable. However, I believe that the origin of adopting the Roundtable Conferences as focus groups for my research, as well as my own motivation for deploying them for my research, differ from much of the available literature on focus groups design and these deviances must be considered against the possibility that occurred and the potential in the available data. However, these deviances also lead to a much more complex methodological design, than simply applying a ready-defined model for extracting data to be analyzed.

Seeking to understand dynamics

For some, the primary outcome of focus groups are the very processes of meaning making and negotiations, concentrating on power relations and language, assessing group dynamics rather than the output of the dialogues. However, a focus group can also provide information and data resulting from 'collective memories and shared stocks of knowledge that might seem trivial and unimportant to individuals but that come to the fore as crucial when like-minded groups begin to revel in the everyday' (Kamberlis and Dimitriadis, 2005: 903). Both described ambitions are in line with my

own usage. The point here is that a focus group setting can help generate considerations and statements that would have been impossible to access through individual interviews or observation. Kamberlis and Dimitriadis (ibid) refer to the focus group's synergistic potential and argue that this makes the methodology particularly applicable for problem-solving and problem-posing: "'Real-world' problems cannot be solved by individuals alone; instead they require rich and complex funds of communal knowledge" (ibid). Needless to say, this resonates well with my ambitions with this project.

On the other hand, the fact that data is created in dialogue or negotiation with others may also highlight weaknesses in the design (Morgan, 1997: 15). As a group setting can provide stimulus for dialogue and discussion, it can equally have a suppressive effect on certain participants or certain topics, as argued by Onwegbuzie et al (2009: 3) when emphasizing a preferred size of the group. For different reasons, participants may withhold information and opinions they consider private or difficult to discuss among others[22]. Or, equally problematically, the very setting of the group can itself spark polarization where people defend more extreme opinions than they might in private (Morgan, 1997: 15). With regards to my own case, I am fully aware of these possible drawbacks and I will discuss them further below under the heading 'Limitation'. However, I consider that the strengths and potential benefits of applying the Roundtable Conferences as a type of focus group far outweigh these potential limitations. Furthermore - and very much in line with literature on the subject (Kamberlis and Dimitriadis, 2005; Morgan, 1997) - these weaknesses can be limited by the moderation of the researcher.

Moderating the Roundtable Conferences

An important feature in focus group research is the moderation of the group – the role of the moderator(s). And this, in particular, represents a deviance between much of the literature, and my own case of the Roundtable Conferences.

Onwegbuzie et al (2009: 4; with reference to Kreuger, 1994) underline the importance of a moderator, or a moderator team that can facilitate the discussions. This implies to navigate conversations by making sure that all participants are getting involved, encouraging people to speak, and/or restricting or limiting participants who

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[22] This must be particularly evident if topics have legal and/or economic implications, or if participants are in direct economic competition on issues of importance. All of these are relevant issues in the case of the Roundtable Conferences and I've been aware of the challenges it represents.

take up too much space. Onwegbuzie et al further describes the role of the moderator(s) to help facilitate dialogue by introducing themes, or topics, by asking questions, or by providing stimulus for the talks, as in videos, articles or presentations. However, while all of these features were part of the moderation of the Kristiansand Roundtable Conferences, these were roles taken by Peter Jenner and Bendik Hofseth, and not by me, the researcher.

An important feature of my research, and in considering my source of data as focus group, is that I've had no control or ability to interfere with the moderation and conduction of the dialogues, beyond helping to facilitate it. The actual directing and controlling of the dialogues was undertaken primarily by Peter Jenner and Bendik Hofseth, and in some aspects, by a handful of other central participants. On the other hand, the conduction of the Roundtable Conferences and the management of them very much resemble that of a moderator team (Onwegbuzie et al, 2009: 4), with Jenner and Hofseth as the moderators. In many ways, my own role during the Conferences is that of an assistant moderator, recording the sessions, dealing with practicalities and assisting the group as a whole.

On the other hand, myself being the primary researcher (the only one in the team and the only one with ambitions to analyze the talks), very much provides me with a different role than merely assisting the moderator (ibid). As such, my research may differ from a focus group design and in the following I'd like to briefly discuss this based on the setting of data gathering and my role as a researcher and by considering my work against various degrees of participation and observation.

My role as a researcher

When classifying my research, I had to consider the nature of my role as a researcher, to question my involvement as an interviewer, but also as an observer and participant. With regards to observation as a methodological approach, there are certain connotations inherent in this, and references to the traditions of ethnographic fieldwork (Punch, 2005: 182) that I have difficulty aligning my research too closely with.

This is not so much because of any reticence toward being associated with the field of ethnographic studies, as it is what I consider to be important differences in the goals and purpose for the study. I feel this is most evident in my focus on the dialogues, and their recordings and transcriptions, and my "neglecting" to try to make sense of meanings not directly expressed through language. The nature of my

participation in the Conferences was in many ways a mix of my initial invitation to take part as a (local) music industry stakeholder and then as a researcher concerned with the practical issues of recording the talks and making sure that the data was as good as possible. In other words, I performed a dual role of managing and taking part in the Roundtable Conferences, and that of a researcher, collecting data. Therefore, I consider that methodology for gathering data can be termed as some sort of participant observation, and I will briefly elaborate on how.

2.3.3 Participant observation

Participant observation provides a set of different typologies following the degree of involvement by the researcher. Raymond L. Gold (1958) lists up four types of observation divided under two main categories: mainly participant and mainly observer.

The researcher as *mainly participant* can be (1) the complete participant, who interacts within the social situation, but whose role is concealed; or (2) the participant as observer, who undertakes prolonged observation, is involved in the central activities of the organization and whose role is known. The researcher as *mainly observer* can take the form of (3) the observer as participant who undertakes intermittent observation alongside interviewing, but whose role is known, or (4) the complete observer, who maintain some distance, does not interact and whose role is concealed (Punch, 2005: 182-183).

Another description that may fit my methods of data collection can be found in Wolcott (1988), when he refers to it as a researcher's opportunity to be an active participant, a privileged observer or a limited observer (Punch, 2005: 182). It can be very hard to maintain a specific role as situations change that may require different actions or responsibilities. There are challenges relating to gaining access and the related negotiations of roles and appearance that follows. In my case, this was of a minor issue given that Bendik Hofseth and Peter Jenner were my ticket in. They invited me as a member of the organizational team.

There are however other issues related to this access and how it is exercised, relating to my appearance in the group and perhaps more importantly how I as the researcher treated this access in relation to my analysis and the dissemination of my findings.

Perhaps a more fitting definition can be found with Axel Tjora (2012:61) and his concept of "dynamic observation", referring to concepts such as "work along/go along" (Kusenbach, 2003; Wadel, 2011) or "shadowing" (Czarniawska, 2007). Here, Tjora argues, you could even talk about a role of the apprentice, someone who walks along, to learn and observe. This is a definition that could easily be applied to my relationships with both Jenner and Hofseth and in many ways some of the other participants of the Roundtable Conferences. This is certainly the case in many of the conversations I've had outside the Roundtable Conference on the topics the Conference addressed, as I tried to grasp difficult and complex issues. It was also evident when Jenner and Hofseth gave me valuable feedback on some of the delegates' backgrounds and affiliations in order that I might understand why someone argued the way they did. I believe that from Jenner and Hofseth's perspective this was to some extent their ambition; that bringing the Roundtable Conference to Kristiansand and the University of Agder might result in some of the insights gleaned and networks revealed might "rub off" on others such as myself.

2.4   Analyzing the Data

Using the dialogues from the Kristiansand Roundtable Conferences provided me with a vast amount of data. A challenge has been to analyze the data in an organized and comprehensible way, to make sense of it all. Although offers have been made on identifying and contract the methodological choices on offer, by suggesting common features in qualitative data analysis (Miles and Huberman,1994: 9), or principles, practices and approaches, the general picture is that there is no single applicable methodological framework when working with qualitative research. Peräkylä elaborates on this when he states, 'the qualitative researcher in many cases does not try to follow any predefined protocol in executing analysis' (2005: 870). Regardless of this, in the following I will present some contributions I consider important about the methods I have chosen to analyze my findings and which provide me with a structured approach for making sense of it all.

2.4.1   Transforming qualitative data

Harry F. Wolcott offers an appealing perspective on analyzing qualitative data, by suggesting three different categories or phases: *Description*, *Analysis* and *Interpretation* (1994). These three categories constitute sets of different strategies that Wolcott organizes under different headings, reflecting the purpose and goal in each

phase. The three categories should not be considered mutually exclusive; they may blend into each other, making it difficult to precisely define where one starts and the other ends (1994: 11).

According to Wolcott, the first of the three, *Description*, refers to treating data as facts and as an account of what happened. Reporting may provide long excerpts from the data in an effort to keep as close to the original records as possible. The second, *Analysis*, builds on the first by carefully and systematically expanding from the descriptive accounts to an analysis that identifies key factors and relationships among the descriptions or data. Thirdly, *Interpretation*, may follow the second, while also spring directly from the first and 'the goal is to make sense of what goes on, to reach out for understanding or explanation beyond the limits of what can be explained with the degree of certainty usually associated with analysis' (Wolcott, 1994: 10-11).

When Wolcott refers to *Description*, he differentiates between elaborations of "what goes on" and what he considers crude redistribution of data with the judgmental errors of being able to pass on "untouched" or pure descriptions. Wolcott goes so far as to suggest that simply passing along data bypasses the role of the researcher, as well as providing the reader with the responsibility (and burden) of making sense of the recordings themselves (1994: 14-15). The descriptive phase, though, is an important one, in telling the story, and navigating and selecting what data to be described and in what way. And since it's the first of the three phases, or categories, for transforming qualitative data, a good description of the data forms a foundation for the second phase (analysis) and therefore represents a critical part of qualitative research. More so, Wolcott's advice to doctoral students (such as myself) is to 'stay descriptive as long as possible' (1994: 16), suggesting that to simply rush into the phase of analysis, and to underestimate the function of the descriptive part, may prove damaging to the overall ambitions.

The second category, or phase, is *Analysis*. However confusing it may be, Wolcott deploys the term 'analysis' for both the general, all-encompassing meaning referring to transforming data, as well as the more specialized term referring to a category of strategies for transforming data. These processes elevate what may be mere descriptive accounts to a place of uncovering greater meaning and relations that may be found in descriptions.

Wolcott makes a distinction between his usage of the term analysis and a common use of it – as systematically organizing the data by coding and processing it, frequently by deploying software programs. This type of data analysis is considered to

be mere data management, as proposed by Miles and Huberman in their work on qualitative data analysis from1994 (Wolcott, 1994: 24). Following this, he also claims that analysis, and indeed the type of data management referred to here, may also function as an instrumental process of making research "more scientific" and hence that focus as such may not lie in making more sense. This does not mean that data management and software assistance may not prove valuable and appropriate, however this alone hardly constitutes what Wolcott means when he speaks of analysis. Rather, analysis refers to a scientific procedure where Wolcott's emphasis lies in a set of procedures that allows the researcher to "make sure" of findings - techniques for transforming descriptions into findings that can stand up to scrutiny.

Wolcott's third phase, *Interpretation,* must first of all be regarded as part of a more general idea of transforming qualitative data. And while its potential success relies on descriptive efforts and cautious analysis (1994: 36) – the work done in the two prior phases – interpretation differs where it departs from solely referring to the data. Interpretation requires the researcher to go beyond factual data, to propose meanings that go further than just reporting facts. It requires the researcher to say what they make of the data gathered.

There are of course challenges associated with this, and Wolcott warns that interpretation may go too far in suggesting, with too little backing from description and analysis. However, finding the right balance of description, analysis and interpretation is truly the essence of doing research and can improve with skill and practice.

2.4.2 Extracting concepts and ideas

A central part of my work to analyze and understand the dialogues during the Roundtable Conferences is to extract themes or topics from the transcribed dialogues. This is commonly a way to analyze focus group data (Onwegbuzie et al, 2009: 5), as well as qualitative data more generally (Wolcott, 1994). This is a difficult and time-consuming exercise, which has been conducted according to specific methods and awareness in order to approach a broad and excessive amount of data in the best possible manner.

In that case, I've found much support in Wolcott's extensive elaborations of how to transform qualitative data through his three phases, providing a

comprehensible approach to analyzing qualitative data (1994). Here, he underlines that both categories and strategies may overlap considerably, the reliance on the different phases or categories may vary, and the usage of different strategies may fluctuate. For these reasons, his suggestions must be regarded as propositions that can add rigor to qualitative research, and less as a strict model to be adopted. When I've chosen to pay attention to Wolcott's proposed approach, I've done so primarily because it provides a structured overview of a complex process. It provides me with some sort of plan. However, with regards to making sense of data and to extract valuable insights, there are two features in Wolcott's work I want emphasize.

First of all, Wolcott describes different strategies for data reduction, in the phases of description and analysis. In both phases he is referring to strategies for structuring data by selecting and refining it before transmitting one's findings. In order to make sense of the richness of qualitative data, a common approach described by other scholars [23] is to inductively develop concepts, or gain a higher sense of understanding of and interrelationships between the data, referred to as 'levels of abstractions' (Punch, 2005: 196).

Analytic induction refers to 'the systematic examination of similarities between cases to develop concepts or ideas' (Punch, 2005: 196), which relates to Wolcott's strategies for identifying patterns, evaluating and contextualizing findings (Wolcott, 1994: 29-36). However - and this is the second point I want to emphasize - linking back to Wolcott, analytic induction may also be coupled with deductive theory testing (Punch, 2005: 196) and so provides a more cyclical model.

Axel Tjora captures this in his gradual deductive-inductive theory (2012) and it sits well with Wolcott's suggestions in the interpretive phase to turn to theory and to interpretation itself. My own ambitions in analyzing the dialogues from the Roundtable Conferences have been to extract interrelations or patterns that can be grouped as topics or themes and then to elevate these two categories (Tjora, 2012) or first-order concepts (Punch, 2005). According to Wolcott's categories, this would be the transition from description to analysis. Following this, I will propose concepts/propositions (Punch, 2005) or concepts (Tjora, 2012) through analysis. The goal is to move from the concrete to the more abstract and hence to be able to present concepts or propositions that represent something beyond the specific case – what Wolcott refers to as interpretation.

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[23] Note that Wolcott claims no exclusivity or ownership on the strategies, or logics in his categories (Wolcott, 1994)

2.4.3 Structuring and systematizing

Making sense of my data, I have tried to combine both a structured approach, as well as an open, explorative one. From the very beginning of the project, I gained an understanding of the content, first and foremost from participating the Roundtable Conferences and later from listening through the recordings and transcribing the text.

This descriptive phase has helped me organize and gain an overview over the data by highlighting findings and identifying patterns. The text has been coded, using Hyper Research, a tool that allows me to label different statements with different codes, which refer to the content of text. This is done predominantly for practical reasons, to be able to organize my findings and to be able to find specific parts or statements by labeling and organizing a considerable amount of the data. Some statements have multiple codes and some, of course, have none.

This has not been done in order to adopt a more quantitative frame for my work; rather it has allowed me to organize a very complex set of data, building on the dialogues between multiple stakeholders over the course of five years. The software has been useful in assisting me in trying to achieve a comprehensive overview of it all.

2.4.4 Providing a trusted forum for talks

A central feature of the Kristiansand Roundtable Conferences, and a critical component of how the events were able to attract such a range of high-level participants to discuss such difficult topics, was the use of the Chatham House Rule. Although there never seemed to be any clear reference to what the Chatham House Rule really implied, the origin of the rule, or its purpose, there were constant references to it both during the talks and in the invitations from Peter Jenner, as this excerpt from 2012 shows:

> *Issues such as DRM, blanket or statutory licensing, databases, developments in technology, the fair treatment of creators, and the question of how to deal with rebuilding a recorded music business that is profitable and has a viable future have all been topics for discussion. The event has always been held under Chatham House Rules that ensures that people can speak frankly without fear of being quoted and having their expressed views subject to the harsh glare of publicity. So far no attributed statements have been leaked from the conference. (….) There are few product presentations and not a lot of selling, though many have views that are reflected in their business plans or*

fantasies. Above all it is an event that stimulates thought and discussion by people who are extremely well informed about the subject. The discussions take place not only formally but also at meal times, in the bar and at our traditional seafood dinner. In a small town, with most of us staying at the same hotel, there is little chance of escape from fellow attendees! The list of participants over the years has involved record companies, publishing companies, collecting societies, music managers, music researchers, Internet service providers and other users, as well as public officials.

(Excerpts from Peter Jenner's invitation in 2012)

The importance of imposing the rule seems obvious, and it's evidently important to the participants, as several inquire about how the rule is maintained at the beginning of almost every Conference, in order that their statements and arguments cannot be attributed to one person or company. Nevertheless, while the Conferences refer to the Chatham House Rule, there is no clear definition of the rule itself, meaning that Peter Jenner is not referring to a specific site or text. In fact quite the opposite – on some occasions Mr. Jenner states that the importance is not the rule itself, but the shared understanding that these conferences provide the safety of discussing off company-policy, that the spirit and the content of the talks can be referred to, but that statements cannot be attributed to someone.

The Chatham House Rule

The Chatham House Rule dates back to 1927 (refined in 1992 and 2002) and originates from Chatham House: The Royal Institute of Foreign Affairs [24], an independent policy institute based in London. The history of the institute stretches back to 1920 when it was first established as the British Institute of International Affairs. It later received its royal charter (1926), becoming the Royal Institute of International Affairs. The name Chatham House simply refers to the house the institute is located in, a gift from a wealthy businessman and philanthropist, and surviving soldier of World War I.

Since its beginning, Chatham House has offered research, workshops, seminars and services, particularly within the fields of international security, law and

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[24] See https://www.chathamhouse.org/ for more. (Last visited 01.12.2016)

governance, economics, policy[25] and more. Common to these themes or services is the need to provide an environment that allow problematic issues to be discussed, and it is within such a framework the Chatham House Rule must be understood.

Chatham House Rule basically sets some conditions for participants and observers and evolves around two principals: that the outcome of the talks can be used (it's often the very purpose of such meetings), but participants are granted anonymity and their statements and opinions cannot be attributed them. The aim with the rule is to allow participants to speak as individuals, outside of organization/company policy, to express views that may contradict those of the organization they represent. The Chatham House Rule reads as follows:

> "When a meeting, or a part thereof, is held under Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed"

This is in its essence the Chatham House Rule. However, the rule also involves several subparagraphs, or statements that further explains how the rule should be enforced and understood. In my own case of researching and disseminating findings based on the dialogues, it's of particular interest to see how the rule dictates the use of names or the listing of delegates and participants, as it sets some limitations about what can be displayed, and how.

According to the website of Chatham House: The Royal Institute of International Affairs[26], the rule determines that 'nothing should be done to identify, either explicitly or implicitly, who said what'. To a certain degree, and for practical reasons, the rule allows for announcing the name(s) of certain speaker(s), however, this is more in relation to the announcement or invitation, and not the dissemination of information after an event. Names of participants should not be exposed and the rule is very clear on not allowing the listing of names to be circulated beyond its participants.

This, of course, applies some limitations to what I can display, as well as the way I conduct my analysis of the data. At a certain level within the music industries,

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[25] Chatham House has hosted numerous prestigious and historic figures talking and elaborating on complex political issues, such as Mahatma Ghandi and his talk on "The Future of India" in 1931.
[26] https://www.chathamhouse.org/about/chatham-house-rule

you do not need much information to be able to pinpoint statements and opinions to specific names and companies. To a certain degree, it would have been appealing to list the names and affiliations of the people who were present during the different Roundtable Conferences, or at least the companies/organizations present and the position of its delegates, in order to illuminate the level of the talks and the extraordinary nature of hosting such an event in Kristiansand Norway. This is of course not done, both to honour the Chatham House Rule, but because of what I consider to be proper scientific conduct. Even without the Chatham House Rule imposed, it would have been difficult/impossible for me to reach the many delegates and get their permission to use their statements with their names attached. Furthermore, I believe features already described in my section on methodological challenges (like the fact that people in the music industries are mobile and tend to have multiple affiliations) make it difficult and pointless to even systematize the delegates according to position and affiliation. With this in mind, however, I will try to provide a more thorough description of the meetings and its delegates.

The nature of the talks

A very distinct feature of the Roundtable Conferences is the relaxed nature of the talks and Peter Jenner's very informal managing of the events. This was perhaps a strategic move in order to loosen up the atmosphere and reduce the likelihood of potential tensions among participants. As a tactic, I believe it worked very well. The talks are surprisingly open and easy-going, dealing with themes and issues of great interest and with entirely opposing agendas represented in the room. Many of the participants must be considered opposites along several dimensions, many of which are being discussed during the talks. In some ways, one could argue that the very atmosphere and the tone of the talks reflects the ambitions provided by the Chatham House Rule: to encourage people to speak freely and openly, even on subjects where they oppose organization/company policy.

On the other hand, the talks are periodically dominated by some articulate participants who are very active on certain issues. And conversely, there are several participants who hardly contribute to the dialogues at all. This of course raises questions on whether important views are being withheld or oppressed – whether the dialogues truly embody the opinions and attitudes represented in the room. Consequently, one can question whether the dialogues become biased in one or another direction due to such an imbalance – whether they primarily represent these dominant voices. On the other hand, the most active participants in the talks are far

from aligned on some of the central issues and so don't represent a unified view or opinion. Rather they represent some of the opposing views on difficult issues, and to some extent could be considered accelerators for the talks. There's plenty of room for views to be shared and discussed, and the conversations are continuously fuelled from various angles.

An additional explanation to why people would refrain from taking active part in the talks could also be language barriers. As the talks are done in English, and several of the participants are not native English speakers, this could of course be a barrier to some fully engaging in the talks. I don't have a clear opinion to the extent if this was the case, or more importantly, how one could've avoided/diminished such an issue.

Nevertheless, all in all, the dialogues constitute a very heterogeneous account on many of the central issues in the music industries. A very broad range of opinions and perspectives are articulated and contested by an equally broad set of stakeholders and participants. The talks shift between more formal presentations to more humorous anecdotes, minor differences and outright disagreements, the latter often resulting in vivid discussions from multiple participants leading to difficulties in transcribing it.

Settings and structures of the Roundtable Conferences

The initial Roundtable Conference in 2007 was held in the old buildings of the University of Agder's music conservatory and was organized as a set of circled chairs. It allowed for some people (like myself) to observe and listen to the dialogues from a distance. In 2007, I was sitting at the back of the room, together with a handful of other observers, listening with enthusiasm. Later, the events were moved to the same hotel the participants were staying at, and in 2011 and 2012 they were moved to the University campus.

The actual formation of the rooms - how people were seated - differed over the years, but never at the expense of dialogue. Peter Jenner and Bendik Hofseth encouraged some participants to deliver an introduction or a keynote, which often necessitated the use of a Power Point presentation, and on one occasion a keynote was delivered on video from someone who couldn't be there. For the most part, however, the dialogues were just that – dialogues between equals and conducted in a fashion that resembled that of a naturally occurring/evolving talk with little rigor or structure.

Peter Jenner functioned as the moderator of the talks, but he did so with a loose touch, allowing discussions and arguments to evolve before trying to direct them in another direction, or simply to intervene if things seemed gridlocked.

The events would typically last for three days, with two sleepovers. This usually resulted in peopling flying in on the first day and meeting socially somewhere that evening. The next day would be entirely dedicated to the Conferences, as would the third day, but ending early enough to allow people to fly out from Kristiansand. In other words, the length of each Roundtable would be a day and a half. Or at least the official part: the one on record. An important part of the Roundtable Conferences was also the social setting it provided. Many of the topics and issues that were being addressed during the Roundtable were being discussed vividly from arrival to departure outside the room of the Roundtable. Obviously, the dinners, the bars and these informal settings provided a relaxed framework to discuss issues before and after the more formal dialogues. The fact that all these people were housed in Kristiansand, and in many ways cut off from other obligations and tasks, allowed for a concentrated and dedicated couple of days. A drawback is that only the talks in the conference room were being recorded, and subject to my analysis.

Nevertheless, the value of the social setting was important and this fact was expressed very clearly when we decided to change hotel one year. Up until that point we had rented a smaller and older hotel in Kristiansand where we could take over the entire hotel and have everything to ourselves. However, due to pricing and some uncertainties as to whether the hotel would survive economically (a frustrating time for anyone in charge of housing the delegates), we decided to change hotel. A less expensive, fresher and better hotel was provided the following year, however without the possibility for taking over the entire facility. During the follow-up talks after the event in 2009, an evaluation-meeting taking part in London, several people expressed that they wanted to return to the older hotel where we could have the entire hotel to ourselves, which could be understood as a desire for further control over who was present and who would listen in. However, another explanation may also lie in the social setting provided in having everyone in one building and simply making the hotel ours.

A decision was made to move back to the original hotel, however the hotel went bankrupt almost immediately after our event.

Unclear and diffuse roles and representations

There are some difficulties determining or classifying exactly which categories to place the different participants in; what role they have and which part of the music industries' value chain they represent. Many are affiliated with a company or organization and most hold an executive or managing position. There are also several independents or self-employed people that would typically be the managers, lawyers or the consultants. Importantly, a large proportion of the participants also have different backgrounds, working for different companies and businesses in different sectors. This would typically be the consultant with his or her background from a major record company, or the executive in some company or organization with a background as manager, or even artist. Some of the participants also have multiple jobs and positions during the Roundtable Conferences, making it increasingly difficult to determine whether he or she represents the recorded industry, the collecting societies, management or even the ICTs or the ISPs.

This challenge becomes particularly evident when you have delegates who have had very specific and very central positions in the past, over a long period of time, and who are primarily recognized in these roles, but who currently hold a different position. It may be confusing for some delegates, determining what role participants hold, and it presented a personal challenge for me when trying to establish what businesses, companies and organizations are represented in the room. One can chose to look solely at current affiliations, or one can include - or at least recognize - that the delegates represent a multitude of positions and views.

People seem to be unusually mobile within the music industries. Of course, this may have significantly increased over the last 10-15 years due to digitalization and turbulence, but it's nevertheless a characteristic that is evident in the data.

During conferences, people introduce themselves[27]. And every time, there are people who find it difficult to precisely categorize themselves either due to different affiliations, or due to changes. There's a particular passage in the transcriptions, where one of the participants tries to elaborate on who he is and what he does, but ends up with simply stating that: "I'm in-between jobs right now". This resignation is met with much laughter from the others, signaling an ironic and sarcastic view on the current situation, and is further underlined by another delegate, one with a significant position

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[27] This is not done regularly in the beginning of the meetings, but sometimes during the talks, either when people first raise their voice, or collectively after someone has expressed that it would be nice to have a quick introductory round.

and history in the international music industries, who responds by saying that "let's all face it: we're all unemployed". This brief and sarcastic conversation on job security and mobility is ended with someone stating that you've never really been part of the music industries unless you've been fired at least once.

Beyond further exemplifying the tone of the talks, these comments and statements also highlight the nature of the atmosphere in these meetings, drawing on a degree of pessimism and resignation, while at the same time being, or appearing to be, fairly lighthearted about the situation.

2.5 Methodological challenges

There are challenges related to using the type of data provided by the Roundtable Conferences. Efforts are needed in order to make sure that the anonymity afforded by the Chatham House Rule is not broken, either directly by exposing names and affiliations, or indirectly by giving away so much information that people can be recognized and statements can be attributed to them. On the other hand, the status and position of the participants of the Conferences is of relevance to my data and thus my work. It obviously matters what role and position my informants have in issues that are being discussed during the talks. A significant strength in my data is the level of competence, the proximity to the processes and my informants' roles in the music industries and related industries/companies. And below I will provide a more thorough description of the participants, trying to describe as accurately as possible the level and composition of informants, while honoring the Chatham House Rule.

However, an additional problem with providing an overview of the participants and their affiliations is that most participants have multiple roles, either at the present time (they are for instance both manager, musician/composer and/or executive for a company/organization), or they have been in the past. In addition, they sometimes tend to speak from the position of all of their affiliations, which again poses something of a dilemma when it comes to analyzing the dialogues.

Initially, I aimed at ascribing specific statements and opinions to specific participators and their respective sectors, in order to demonstrate the differences of opinions. But given the spectrum of affiliations associated with each and every one, and given the difficulties in identifying which 'hat' they might be wearing at any given time (bearing in mind that I might have knowledge of their professional history), I've focused less on the specific sector or interest group a speaker might represent, and

concentrated my efforts in analyzing the dialogues as a collegium or as a group. I believe this to be in accordance with the purpose of Chatham House Rule and the main objective of my thesis.

Technically, there have been some challenges concerning the sound quality of the recordings and the precise wording in some of the discussions. The first two years of the Conferences in particular presented some audio difficulties, with the placement of the microphone (initially there was only one microphone placed in a large hall), but this improved drastically during the following four years. Given these technical limitations, it's been challenging deciphering the dialogues and transcribing them correctly, not least when people from different parts of the world, with differently accented English (or very distinct dialects) are in full verbal flow. Given the advantages related to using this type of data and given the fact that I couldn't avoid these associated difficulties, this is a challenge I've had to accept and make the best out of by devoting a great deal of time and effort in transcribing and understanding the content of the dialogues. Some minor portions of the data, however, are impossible to transcribe and make sense of. These led to occasional and short - but nonetheless frustrating - gaps in my transcriptions.

2.5.1 Ethical Concerns

It is common to distinguish between internal research ethics and external research ethics (Helgesson, 2006: 38). The former of these two relates to ethical issues regarding researchers, participants, the particular project and the direct effects of these activities. It relates to issues integral to the project's planning and execution and whether this is done in accordance to ethical principles. The latter, external research ethics, relates to the research activities' impact on society. In my case, this would imply the effects my findings and the outcome of my activities would have more broadly on people, organisations and businesses outside the setting of the project.

Depending on definitions and legal constraints, companies represented in the talks might gain or lose value to assets from the outcome of the talks, or the outcome of the processes discussed in the conference. You may also argue that due to the fact that the Roundtable Conference is not a product of my research, it doesn't exist solely as part of a research-project, but prior to and regardless of it. Hence, concerns about external ethics, and any external effects of my work, must be divided between what the outcomes are from the Roundtable Conferences and what are outcomes from my

own analysis of these conversations. The former is not solely (or at all) within my control, while the latter is within my control and responsibility as researcher.

Due to the nature of the talks (the very critical position some of the participants took on important issues) and setting of it (the Chatham House Rule), I was very aware of both external and internal ethical issues from the very start of my project. And I believe I have executed the project in accordance with standard ethical principles. However, there are some particular ethical concerns with my research and I will elaborate on these here.

Confidentiality

First of all there is the principle of confidentiality and the need to protect research subjects' right to privacy. This is a common principle in research and one that was perhaps particularly highlighted to the participants of the Roundtable Conferences due to Chatham House Rule. For me as a researcher, the Chatham House Rule may seem superfluous as confidentiality is already granted by the researcher according to standard ethical guidelines (Kvale, 1996: 110). However, The Roundtable Conferences existed prior to, and independent of my research and the Chatham House Rule was offered not as a framework for my research, but for the event itself.

The fact that the Kristiansand Roundtable Conferences acted under Chatham House Rules suggest from the very start that the forum, the setting of the talks, occurred under a shared understanding of some norms and conducts – of how the talks could be used by participants as well as observers. But it also signals that the content of the talks may have ramifications for people, companies or organisations present in the Roundtable Conferences (internal ethics), as well stakeholders not present (external ethics). The range of economic and moral questions that underlie the whole series of talks, illustrate the potential damages by violation of the Chatham House Rule – or by violating standard ethical guidelines.

The Chatham House Rule is an important feature of the Kristiansand Roundtable Conferences. They have all been invited to discuss difficult issues with a guarantee that they will be kept anonymous – and most important, that statements and opinions cannot be traced to specific persons or companies/organizations. The open nature of the dialogues would no doubt have been limited if this guarantee had not been granted. For the primary objective of my research, such openness is crucial in order to unveil the complexity and to some extent conflicting interests.

On the other hand, from a research ethics perspective, I would have had to keep the participants anonymous regardless of their Chatham House Rule. I have my own responsibility of securing their anonymity and to some extent, you might argue that their self-imposed rule might even undermine my own obligations as the talks are already under some sort of restrictions and that this may limit my own precautions. Chatham House Rule may be sufficient for an "internal" use, related to affairs within the music industry (or any other sector), but may be insufficient when it comes to research ethics and the consequences of publishing parts of the dialogue. I am aware of the difficulty of both illuminating the dialogue and the counterparts involved without exposing names and affiliation.

At the same time it is important to be able to label some opinions and connect them to specific groups of interests, like the managers or the record companies in order to get the full content of certain parts and where this is needed. I have also tried to do so, without exposing myself to any risk of jeopardizing anonymity.

However, one can argue that the fact that the event acted under Chatham House Rule, also meant that the participants had themselves a clear understanding of confidentiality and an ownership to the conditions this provided beyond simply being granted this by the researcher. The Chatham House Rule dictates terms that research principles on confidentiality comply with (Kvale, 1996: 114) and not the other way around. This may not be a big issue, but in many ways it provided a setting where I as a researcher operate within already defined frameworks and where confidentiality is already established. It adds to a setting where I have little impact on conditions for the study, however, this of course doesn't free me from the ethical responsibilities of a researcher.

Inter-subjective control
However, confidentiality also provides a potential conflict with another central principle of research, namely the principles of inter-subjective control and the possibility of reproducing the findings by other scientists. How can research results be checked by other researchers if no one knows who participated in the study (Kvale, 1996:115)? In my case, this problem is in some ways countered by the fact that there are two participants who are named and operate openly in the events (Bendik Hofseth and Peter Jenner). Hence, the events and the data don't happen in a vacuum with me as the only witness, or the only one with the authority to analyze the dialogues. Also the Kristiansand Roundtable Conference is "an invites only" event, not a secret event.

This means that the existence of the Kristiansand Roundtable Conference, the topics and (due to the fact that many people took part in it and referred to it) many of the participants were known to a rather large group of people. Some of which have written about the dialogues and published it through different channels such as books, blogs and presentations.

An additional aspect is that I am not the only one who controls the recordings of the talks, in particular with regards to the first two years (2007-2008) when I was not member of the group. Rather, the recordings of the talks should be considered an asset of the Kristiansand Roundtable Conference, Peter Jenner, Bendik Hofseth and myself. Unlike a more "traditional" setting where the event and the recordings of it would be initiated by me, the researcher, and where the handling and the control of the recordings would follow the procedures of scientific conduct, the recordings of the talks exists independent of my work and it is perfectly possible that other people, other researchers can analyze the same data. In other words, since there are several participants that are known, and since the recordings of the talks continue to exist in the control of others than myself, it should be perfectly possible to reproduce the findings.

Informed Consent

An additional issue I want to raise under the heading "Ethical Concerns" is the principle of informed consent. It's an important principle in research to inform research subjects about the overall purpose of the research, the potential risks and benefits from participation and his or her right to withdraw from the study at any time (Kvale, 1996: 112-115). The principle is not without problems.

Firstly one can ask who has the position/responsibility to give consent. An apparent example of this would be with regards to children and the conducts of asking parents for permission. A less obvious, but nonetheless important issue, is with regards to people who represent companies and organizations – representations that go beyond his or her personal realm. This issue may go in either direction, either as pressure from company/organization to participate in a research project, or related to the question of whom that should have the position to give consent for participation. This latter issue is relevant in my case.

A central feature of the Kristiansand Roundtable Conference is the invitation to speak freely, off company policy and hence potentially against the company/organization's interests. Obviously, having to get the consent from these

stakeholders would have significant impact on participation and the overall ambitions for the events.

An additional problem with the principal of informed consent is to balance the information given about the study (ibid). This is a question of balancing the information-flow, to make sure that what is communicated is relevant and comprehensible. But it's also a question of foreseeing what the end results, the impact and effects of a study will eventually look like. This is not always so easy, as results may deviate from what is anticipated (as is often the case in explorative research). The question then becomes whether and if so, *how* to inform research subjects about changes that may have an impact on his/her participation.

These are all important questions. However in my own case, perhaps a more fundamental question relates to my own control and position to inform the research subjects, the participants of the Kristiansand Roundtable Conference of my research. It's a problem that follows from the nature of the research setting and my own role in these events, as elaborated on above. Due to the fact that the Roundtable Conferences are initiated and directed by Peter Jenner and Bendik Hofesth, and that I am in many ways an invited observer, I've had a more limited possibility to inform the participants about my project. In some ways it may even be considered an intrusion to the event and the internal conversations among invited speakers who speak and discuss issues in privacy.

Although not without controversy, it may be more common to operate without informed consent when dealing with ethnographic fieldwork and the practice of concealed participant observation (Becker, 1958:655; Hammersly and Atkinson, 1996). The benefit of operating with a concealed role is that information and data otherwise hidden for a researcher may become accessible. However, and as elaborated upon in my section on participant observation, my role in the Kristiansand Roundtable Conferences was never concealed.

There are nevertheless two challenges I see with regards to informed consent, following the organization of the Roundtable Conferences and my own role. First is the fact that the two initial years of Roundtable Conferences were conducted without myself being part of it as a researcher. I was there only as an observer, representing the regional/local music business. The second is the degree of informed consent even after my inclusion in the events, working as a researcher.

Importantly, in the beginning of each year (both prior and after my involvement), Peter Jenner explained to everyone why there were microphones in the room, and about his ambitions of having someone write something on the recordings. In fact, a central feature of the talks, from the start and independent form my research, was that the sessions of dialogues were being recorded under the conditions that someone sometime would be asked to use these recordings and try to make sense of them. And given the fact that some of the participants also used data from the Roundtable Conferences (personal notes) to publish parts of the content, may also suggest that the participants considered the recordings a collective ownership and the potential analyses coming out of them, a collective responsibility/possibility.

When I eventually joined the team of the Kristiansand Roundtable Conference as a PhD-scholar aiming to analyze the dialogues of the Roundtable Conferences, the participants were informed about this. However, the degree of information about my research, the design and potential outcome of the research, was not informed about by Jenner, or myself. The only notion that was made was that Chatham House Rule would be respected and their anonymity would be intact.

I am aware of these deviances in my methodological design and the ethical concerns following from this. However, I believe that by having particular focus on confidentiality for the participants, by having a close dialogue with Peter Jenner about the analyses and my writing, and by informing the participants about the outcome of my work[28], I can counter these challenges. The Kristiansand Roundtable Conferences offer a rare opportunity to gain insight to something that is usually closed to the public, as well as to academia and research.

2.5.2 Limitations

There are limitations to my data. One important factor is that while addressing the music industries, as an aggregated set of industries or sectors, there are two obvious groups of stakeholders and sectors that have not been represented directly, namely the artists themselves and the live sector.

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[28] In 2016, the Kristiansand Roundtable Conferences were started again, with many of the past participants present. In this first of a new series of talks, I gave a presentation of the findings from my research, with much positive feedback.

Arguably, one could claim that artists have indeed been represented through managers, organizations and associations. However, there hasn't been anyone sitting in the room solely in the role as artist. On the other hand, many of the participants have a background as musicians – a familiar feature in the music industries – and some of them are still active musicians and composers, like Bendik Hofseth.

The other group, which is strikingly absent in the Conferences, is the live sector. There really hasn't been anyone representing the live sector, neither the agencies or the festivals, nor the promoters. And given my discussions earlier on how to define the music industries, and given my emphasis on including the live industry in any viable definition of the music industries, then this obviously places a limitation on my intention to speak of the music industries as a whole.

On a few occasions, I did address this point with Peter Jenner, asking why there was no one representing the live sector, especially given the rise in the live economy and the importance of touring. I remember one conversation in particular that we had about this, where Jenner told me that there really was no point in inviting the live sector to the talks since they, according to him, didn't recognize the challenges the industries were facing and especially not the effects these changes might have on their own businesses. He referred to it as the "lagging indicator" and argued that the current rise in the live sector should be seen as an effect of the changes in the recorded sector, that it's temporary and very much reflects the effects of digitalization (see Elberse, 2013; Frith, 2007; Kreuger, 2005)

In some ways, one could argue that having someone there from Live Nation or FKP Scorpio for example, would improve the Conference's overall representation of the music industries. On the other hand, just like the absence of artists, many of the participants have a background as concert promoters and so one could argue that the sector is indeed represented in some way. An example might be seen in Peter Jenner's own career and his affiliation with Blackhill Enterprises, who were responsible for starting free concerts in Hyde Park, including The Rolling Stones' concert in 1969.

No doubt, there is plenty of live music experience in the group, and even though the live industry as such is not directly represented, it is very much present through the roles of the different delegates. The reason why live music is not addressed in the Conferences is not that it is of less importance to "the music industry", but simply that the core variables being addressed are related to recorded music, the Internet, copyright, licensing, legislation and databases. Live music and the changes in this sector do indeed make an appearance on several occasions during the talks, but

merely in reference to the rise of the live music economy and in how this relates to the developments within the recorded and publishing sectors.

Another potential limitation of the data is that it builds on a very flexible constituency of people. While some of the participants have been present throughout the years of Roundtable Conferences, many have come and gone, depending on the topic of the meeting, or whether they have been able to attend. There's an apparent core-group of people who take part in much of the organizing and planning of the events, and also a broader group of people who have participated in some or all of the meetings.

In principle, I do not consider this a limitation, not least because it must be regarded as an effect of the nature and concept of the Roundtable Conferences, which have a certain ad-hoc-feeling, very much following current developments and the need to meet and discuss. Nor is it formally organized in any way, with memberships or agendas, or anyone formally representing a sector or stakeholder; it's a discussion-forum where people are invited to speak outside company policy, or the political agendas of sectors or industries within the field. This is one of the data's greatest strengths, as it generates dialogue and reasoning that may not have happened without such an event.

Finally, I want to point out that I have deliberately omitted 2012, the last year of Roundtable Conferences. This was done mainly due to the fact that my role changed significantly that year, as I was given more responsibility and became more integrated in the planning process. Most specifically, I was allowed to invite delegates of my own. I was also more involved in the planning of topics and themes, hence my involvement changed from having a passive, but participating role, to a much more active role, affording me considerable scope to influence the composition of the conferences and (to some extent) the nature of the talks.

While this may not really represent a problem, it nevertheless represents a change in my own role and so may require additional methodological considerations when organizing and analyzing my data. I considered that an already complex set of data would be satisfactory for my research, and that including data from 2012 would disrupt an otherwise consistent lineage of my role of researcher, without adding radically new data.

2.5.3 Summary

The pillar of my research is the Kristiansand Roundtable Conferences. I was presented with a rare opportunity to follow and take part in discussions by central stakeholders on key issues around the digitalization of the music industries, and the character of these events and the nature of my role in them, dictate much of the frameworks for the methodological design of my dissertation. In the above section, I've elaborated on some of my considerations on the design of my research during and after the conduction of the Roundtable Conferences.

In some ways, my approach resembles that of a case study. However, when referring to case studies, I do this not as a particular research design, but rather a method of selecting the source of data (Blaikie, 2010: 186-197). I believe the Roundtable Conferences represent both an opportunity to access and research something previously inaccessible (Blaikie, 2010: 190, with reference to Yin, 2003: 39-45) as well as something beyond a case. In other words, I consider it a case due to its intrinsic nature, as well as its instrumental purpose for my research (Stake, 2005: 447).

The approach to my data resembles that of a case study, however, the data collection and the treatment of this data, greatly resembles that of a focus group. My research builds on a series of directed collective conversations providing shared meanings and communal knowledge (Kamberlis and Dimitriadis, 2005: 903). Using a focus group is particularly useful for problem solving and problem posing, as it draws on rich and complex communal knowledge, as well as providing insight to disagreements and relational struggles.

As with my reference to the use of case studies, there are some deviations in my design and what is commonly considered a focus group. These differences principally relate to the selection of participants, the size of the group, the direction of the conversations and the role of the researcher, as elaborated upon above. Importantly though, I consider these deviations a positive feature of my scientific design and well within accepted parameters in literature on focus groups (Kamberlis and Dimitriadis, 2005: 887).

Related to this, I have also elaborated on my own role and function as a researcher. As described above, I am very much a participant and to a certain degree I do observe. Referencing Raymond L. Gold (1958) I consider my role to be mainly

participant, but a participant whose role is known. I can also relate to Wolcott's (1988) description of the privileged observer, or limited observer. But perhaps the most accurate description is found in Tjora's concept of "dynamic observation" (2012:61), where the researcher follows, to learn and observe, much like an apprentice.

With regards to the analysis of my data, I have described an approach that builds on a set of sequences, targeting specific parts of the analysing process. It builds principally on Wolcott's model of three phases (1994: 11) - *description*, *analysis* and *interpretation* - and these sequences very much mirror my structuring of Part 3. The aim with the model is to extract meaning through a gradual/sequential process with an increasing degree of interpretation and analysis by the researcher.

The structuring and systematizing of my data is aimed at extracting concepts or ideas (Punch, 2005: 196) that can then be discussed and a conclusion reached in the final part. It's an analytic induction of the data, identifying patterns and meaning beyond brute descriptions.

In my case, this may also involve a more deductive process, returning to theory and comparing my findings against it (Punch, 2005: 196), providing a more cyclical model that moves back and forth between data-interpretation and theory on the subject. In this respect, I have looked to Axel Tjora in particular and his gradual deductive-inductive theory (2012).

3   PART 3: MAKING SENSE OF COMPLEXITIES

The Kristiansand Roundtable Conferences provide a rare opportunity to sit in and observe key stakeholders within and outside the music industries, as they try to make sense of the current situation, the different options on the table, as well as the opposing and conflicting agendas. It's a complex matrix of different interests and agendas, illuminating a variety of problems. It's also a landscape in transition, as power-dynamics shift and the logics that previously underpinned the music industries looks less certain in. Hence an articulated objective for the very Conference being to make sense of things, to reach some agreement on what the world looks like, and how to proceed from there.

Related to these objectives - but with a different perspective - is my own aim of making sense of these discussions – to analyze the dialogues and better comprehend them. To some extent, my own objectives and those of the Roundtable Conferences coincide. We all aim to contribute to a better understanding of the music industries' challenges and opportunities, and to point toward progress in some way. However, while the focus of the Roundtable Conferences is to bring together key stakeholders and try to align them on critical issues, my own objective is to understand why these dialogues are so difficult, what they represent and what forces are in play. As elaborated upon in my section on scientific methods, I believe the discussions at the Roundtable Conferences speak to issues beyond the Conferences themselves, and that my findings may help to address and better understand them.

In the following sections, I will describe, elaborate on and discuss my findings, in order to deliver on my main objective: to better understand how the music industries are adapting to a digital online era.

I have structured this part in two main sections, with the initial phase dedicated to describing the event itself, its participants and the general feel and atmosphere of the Roundtable Conferences. I then proceed to a series of accounts, structured as themes that I find in the dialogues. I have organized them to some extent, trying to reflect my analytical processes of extracting concepts. The second section in this part presents what I consider to be three central concepts to be extracted from the Conferences. These are then compared to theory and serve as a platform for my discussion and conclusion in the next part.

3.1 The Kristiansand Roundtable Conferences

As elaborated upon in my introduction, the Kristiansand Roundtable Conferences[29] started initially in 2007 as a project to help establish a master's program in music business/music industry at the University of Agder, where Bendik Hofseth work as a professor. The initiative was originally funded[30] as a project over a four-year period by the local foundation, Cultiva[31] with the ambition of gathering a broad range of stakeholders that could help establish the state of the music industries and its future needs. Such ambitions were considered important to a future educational program that aimed to provide the music industries with a next generation of workers, executives and entrepreneurs.

The Conferences provided stakeholders from both outside and inside the music industries with a valuable platform for meeting and discussing difficult issues in a setting that respected the sensitive nature of the talks. As such the events may have served an important function for many of the delegates, by providing a forum to test ideas, to argue for solutions, or simply to listen to others elaborate on where challenges and opportunities may lie. Given that the Conferences were composed the way they were, with delegates representing key stakeholders and key considerations or agendas, the outcome of the talks could be representative of the overall field. This, however, does not imply that the Conferences worked on a mandate from the music industries, nor that if solutions were identified and agreed upon during the talks, that this would entail a general compliance by the overall music industries. However, the Conferences represent stakeholders from a broad spectrum of the music industries, the meetings are comprised of participants who are central to the digital progressions, and so the dialogues represent arguments and opinions representative of the general discourse, while the outcomes mirror the overall complexity of the field.

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[29] Initially, the event was called The Lighthouse Conference, however it also took other names, such as "The Steering Committee" or Peter Jenner's Roundtable Conference

[30] In 2011 and 2012, the Roundtable Conferences also got funding from the regional research program VRI, which is administered by Agderforskning AS on behalf of the Norwegian Research Council. See: http://www.vri-agder.no/ http://www.agderforskning.no/ and http://www.forskningsradet.no/en/The_Research_Council/1138785832539

[31] Cultiva is a local foundation established in 2000 with the objective of using culture and arts to enhance living conditions and provide jobs in Kristiansand, Norway. The fund controls NOK 1,75 billion (approximately €190 million) and gives from its yearly returns to projects that help achieve its overall ambitions. See: http://cultiva.no/english/

The Delegates

The number of participants differs slightly each year, however always in the area between 30 to 50 people (and depending on how many people were involved in organizing it). Most of the participants represent companies, organizations or artists at the highest international level, and many of them appear regularly in the media when issues relating to the music industries come up. A great proportion of the attendees frequently appear as keynote speakers or panelists at music industry conferences, such as South by South West, MIDEM, New Music Seminar, Eurosonic, Canadian Music Week, by:Larm, and the like. Some have also written and published books and articles on the music industries that are frequently referenced to in the media, as well as in scholarly work. The group as a whole represents the music industries in its broadest sense and includes managers, composers, independent record labels, major record labels, independent music publishers, major music publishers, collecting societies, music lawyers and music distributors (digital).

One particular group that is represented substantially each year, from multiple territories and sometimes represented with more than one delegate is the collecting societies. This must foremost be seen in relation to the continued discussions and interest in registries and databases, and their role here.

There are several organizations and interest groups present, representing broader groups of stakeholders and to some extent, explicit agendas and objectives. These are typically trade-groups or interest organizations representing specific parts of the music industry value chain.

An important point here is that the tech-side - the digital and online companies that surround and disrupt the traditional music business - are also present in the meetings. Each year there are at least 3-4 delegates representing central, international internet companies and digital services, taking active part in the talks. Some of these companies are involved in ongoing negotiations with traditional music intermediaries that are also present. Expanding on this dichotomy, there are several private consultants in the meetings. These are typically people who have worked extensively in either the music industries or the tech/online business and now do consultancy on the merging developments between the two sectors. Some of these people also deliver keynotes on and have input in specific topics.

Beyond the many delegates who represent different parts of the music industries, or the different online and digital companies seeking to build new business through music, there are also a handful of others every year with no direct affiliation with the music business or its digital counterparts. There are three major intergovernmental institutions/organizations represented in several of the meetings, chiefly to observe. This partly follows the initiatives on the global and international registries, but in the early years also seemed to be motivated by a general interest in some of the issues being discussed.

There are 2-3 academics present most of the years – some of which are distinguished international scholars. In some cases these academics are invited to give keynotes or presentations on subjects, while at other times they are there simply to take part and add to the discussions.

Last, but not least, there are journalists present. These number only a very few and only during the Roundtable's first years. Peter Jenner introduce them, make people aware of their position and underline that they are there under the same strict conditions as the others: the Chatham House Rule. In 2007, one of these journalists, or business analysts, who worked for a credentialed journal/website on music business, gave the introductory keynote. Hence, their role in the discussions goes beyond their journalistic obligations and objectives, and in many ways seem to be more indicative of participants trying to elaborate and contribute to the talks as peers

The size and composition of the Roundtable Conferences is fairly stable. There are of course several replacements and many people who are there for one year only. However, for the majority of participants, this seems to be a continuing debate and a meeting point they return to annually.

Lastly, there are some general features of the group that stand out.
- There is a fairly broad geographical spread, however the US and UK are considerably better represented than any other country/market. There are many Norwegians present and there are several delegates from different European markets, such as France, Germany, Denmark and Belgium. There have also been a handful of non-Western representatives present.
- Gender-wise, the group is very male-dominated. Women total approximately 20% of the attendees.

- The average age seems relatively high, perhaps reflecting that it's an established network of people with extensive knowledge and experience from the music industries. But nonetheless, it's high.

Some data on my data

The Kristiansand Roundtable Conferences were held annually over a six-year period, between 2007 and 2012, however only five of these years are used (2012 has been excluded for reasons described above in my section on methodology). This provides five years of recordings, each consisting of a certain number of hours that differs slightly due to deviances in time spent in the conference room, and time spent with lunch, dinner and breaks. Only the time in the Roundtable Conferences has been recorded and subject to my analysis. The recorded dialogues add up to 42.2 hours, which has been transcribed to 583 pages of text[32]. Over the course of the five years, the recorded time for each roundtable increased slightly, stretching from 7.5 hours in 2007, to 10 hours in 2011.

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[32] Transcribing the dialogues has been time-consuming, tedious and difficult. There are considerable challenges in correctly transcribing dialogues and heated discussions, when compared with monologues. In order for me to be able to transcribe it all, I have received valuable help from Juan David Garzon, Charlotte Vartdal and Hanne Kristine Vogsland.

3.2 My Findings

I will start by elaborating on some general considerations I believe are important on their own, and as a general backdrop for the continuing themes that I will go into and discuss more thoroughly. I have organized these themes to an extent by grouping them under headings that lead to or support the drafting of three concepts that I present in the last section of this part.

I'll begin with some observations on the general lack of consensus, the changing outlooks and the general repetition of discussions and arguments.

A general lack of consensus

The Roundtable Conferences should in some ways be interpreted as a collegium or a representation of the music industries, providing an excellent account of the issues that can't be agreed upon. In other words, if the Roundtable Conferences can't decide on certain issues, or provide progress on certain challenges, it is highly unlikely that the general music industries will. And this is also a most evident finding in my work; the difficulties in agreeing on central issues, or even agreeing on what the challenges are and what the world looks like (as I will discuss further below). It seems that even providing some elementary foundations to what the future *should* look like (or agreeing on some basic principals) poses major difficulties.

> *(Music manager): It seems to me that the problem is not stating those principals; the problem is how the fuck you make it work! That, I think, is the problem. And I can see that you can start by stating this (referring to an EU document), and once people like the IFPI come in and CISAC and others, loading in all the problems and all the issues, it will just get completely drowned in the chaos. And it seems to me that we can't say 'we'll just go for the principals'. We have to try and anticipate a lot of the problems that are going to be coming our way, so that we can deal with them. Because I mean, and I've just written down some of them, there's a question of saying no. How can you say no in this context? Who owns the data if we have the data? How do we deal with that? How do we deal with 'cut and paste'? How do we deal with UGC? You know: User Generated Content? How do we deal with all the databases, which some people consider a profit point? We have to put in all these databases on which people have spent millions of dollars, or pounds or euros or*

whatever. We have to find - not a solution - but we have to have a proposal which can go to all those various people with all their various stakes and say, look, it's in our interest, because otherwise none of us are going to get paid and the whole system is going to break down.

Comment: But, isn't that what we've been trying to do for the last few years and where we get stuck? Because the interests are so vast and so many people in the value-chain who're waving their rights and that's exactly why we're not getting any further?

(Q1, Roundtable Conference, 2009)

This above statement neatly illustrates several core issues from the Roundtable Conferences, touching upon topics being addressed throughout this dissertation. It also provides a great example of the fact that participants in these Conferences consider it their task to come up with something, that they've been given a task and have to respond with something. But it also exemplifies the nature of the talks and the almost-paralyzing line of argument: we can't agree upon principals unless specific problems have been addressed. However, these specific problems (of which there are several) all seem impossible to agree upon without some larger, principal aims or goals, and so progress stops.

As the quotation also implies, links are being made to both political documents and political initiatives, some of which are very much connected to the Roundtable Conferences and its agenda, in order to elevate the discussions above the agendas of companies, or industries, and to be able to extract some principals that everyone can agree upon. And as the quotation illustrates, this is very much a futile endeavour since the reoccurring challenge once again boils down to specific problems, relating to specific industries and/or companies and their stakes and agendas. And in order for progress to occur this needs to be addressed and sorted out.

Even though this specific statement is extracted from the Roundtable Conferences of 2009, similar quotations could have been extracted from practically every year of Conferences, representing a core and recurring feature of the talks, and in some ways captures a sort of resignation that can be detected in many of the conversations. And as I will argue for in a while, it also represents an important finding in itself; the situation of having to solve gridlocked major issues where vast ranges of stakeholders have interests and can halt progress. As the commentator says in the beginning, the difficult part is not stating the principals: the problem is how to make things work. And in order to make things work, specific problems need to be - if

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not solved - then at least anticipated, taken into account. Some of these challenges are mentioned in this statement, although many more will follow and some will be described and discussed in the following text.

We keep going in circles

Looking at the last part of the above quotation (Q1), the question of whether or not this is exactly what they've been trying to do for the last couple of years but keep getting stuck, illustrates another evident characteristic of the Conferences, namely that the dialogues seem to return to certain issues every year without much in the way of advancement.

There's a general repetition of topics during the Conferences and with a great deal of recurring arguments (often by the same people), to the point where I, when transcribing, could almost copy-paste some of the quotes from year to year. In some ways, this could imply that the music industries are not capable of or interested in change (supporting analogies of the music industries as a perplexed and impotent group of executives).

But it could also relate to the enormous complexities to navigate, as well as the fact that there may be changes taking place, that there may be progress (taking place away in private, and parallel to the Roundtable Conferences), but that this may take time.

It may also relate to the fact that the solution to certain challenges lie elsewhere, outside the realm and influence of both the Roundtable Conference delegates and the wider music industries. Certainly, there's a need to have political and legislative progress on matters that are difficult, even beyond the concerns of the music industries – such as copyright and cross-border harmonization of licensing.

The fact that other content industries, such as film, TV and book publishing seem to struggle with the same issues (Hesmondhalgh, 2013; Elberse, 2013), suggest that these are issues not limited to the music industries, and are matters that require involvement from multiple parties, many of whom are external to the music industries. Not least it requires political action.

This is partly evident due to the fact that the Conferences have had some centrally placed international policy-makers visiting on several occasions, discussing issues primarily regarding licensing and databases, which I will return to below. Also, the political developments on these issues are to a large extent governed or influenced by some of those present at the Roundtable Conferences, and the recurring discussions

relating to these topics must be interpreted in this light: the challenges are solved by bringing in people who are strategically positioned in political organizations and institutions.

Arguably, the fact that the music industries are as fragmented and contradictory on certain issues (and perhaps especially on issues such as the licensing of rights), makes it a recurring topic and something that needs to be addressed continuously in order to provide progress and in order to synchronize opinions both prior, during and after meetings with officials. This point very much relates to the internal dynamics of the music industries and will be given more attention later in the text.

Nevertheless, analyzing the conversations reveals a great deal of repetition and little progress on core issues. I believe this, more than anything else, to be representative of the general developments, or lack of progression, in the music industries' processes of digitalization. I believe this very evident sense of stagnation during the talks of the Roundtable Conferences is a clear indicator of a certain dynamic of the music industries, more than a feature unique to the Conferences. However, there are some interesting changes that can be detected when looking more generally at the conversation[33], which should be pointed out.

A shift in the general mood

First of all there is a shift in the mood of the talks. An interesting and very evident development when going through the recordings from all five years is that there's a certain change in the mood and the tone of the talks. From 2007, with a somewhat depressed group of people trying to figure out what to do and what options might be on the table, there's a clear shift as the talks turn more optimistic and more oriented around finding sustainable solutions in the 2010 and 2011 discussions.

During the first two years (2007 and 2008) a lot of effort is put into agreeing upon what the world looks like, and a very diffuse - and to some extent contradictory - description of plans for recovery. In 2007 and 2008, there's a large degree of pessimism in this respect. There's a great deal of focus on the problems, on the complete lack of sustainable models and a fear (and even anticipation) of a total collapse of existing models. Many of the dialogues center on discussing reconciliation,

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[33] This became much easier to detect after coding much of the text. By looking at the different codes and their appearance over the different years, I could easily see how some topics were more or less central from one year to another. Although the coding process may have less direct value for my analysis, it did provide some valuable insights into my data.

of having to reorganize the music industries and rebuild economic models based on new terms.

Parts of these concerns are illustrated in the following quotation from 2007, where one of the delegates (representing the music industry) objects to even the idea of finding a solution – a fix – for the music industries. His point was that the industry should come to terms with the fact that there will not be any magical solution and that the music industry will be in a very different form than that in the past.

Comment: For me, what's interesting is that we are all talking about what everyone wants. I think, and I get this sense, that everyone's looking for this magical solution that is going to be the big ticket item that sorts everything out. And this is a total fallacy because it runs in complete contradiction to the way the world is going. It's fragmenting. And we are still clasping to the idea that there's a big-ticket item, be it advertising, be it iTunes, be it whatever. And the point is that there isn't! There isn't going to be one. There are going to be a number of small solutions, some of which are very corny, just like stripping some costs out of businesses. Some of us are going to learn how to do business better with partners that we don't want to do business with, be it the ISPs, be it the advertising agencies, or whatever. We just have to become different.

We are entering a different thing where we are marketing to a different group of people, where the capabilities and the skills that are required are different. And that is very unsexy. It doesn't fire people up like levies. It doesn't fire people like value recognition. It's boring. But this is a poorly run industry by and large. It's run itself on the excitement that music generates in people's life and it's trading on the fact that music is important. And to me there is a huge piece of value recognition on all these sorts of things. But ultimately there's a very small and boring set of quick wins, to use that terminology, which we've used to buffer ourselves against all this stuff that's whirling around. But the big-ticket items are fallacy. If we are here to be talking about a big-ticket item we are going to talk for two days and do nothing.
(Q2, Roundtable Conference 2007)

Although the comment speaks to issues that are continually addressed throughout the years of Roundtable Conferences, such as advertisement-revenues, or levies, or the fragmentation of business-models, it also reflects a very pessimistic and deterministic view on the future of the music industries. The statement asserts that the music industries "have to become different" and that "the capabilities and skills that are required are different".

It reflects an expectation (shared by many of the delegates) that the future of the music industries consists of a variety of business models, and anticipates that the old structures, models and ways of thinking are insufficient, or incapable of sustaining a business within these new frameworks.

Furthermore, it suggests that the values that the music industries are built upon - "the excitement that music generates in people's life and the fact that music is important" - may be insufficient in future models. It is a very pessimistic view of the future, although it rightfully points to the need for radical change. I will elaborate on this more thoroughly later.

However, my point here is that there is a shift in the tone and nature of the dialogues and it seems to happen around 2009, 2010. Of course, by then one major change is the introduction and implementation of on-demand, subscription-based streaming services, especially represented by Spotify, and the rather optimistic signals from certain territories might have given rise to hope that the industries can find sustainable models in near future. And perhaps more importantly, such new models may allow for much of the music industries' current models and ways of thinking to stay intact, remaining based on "the excitement that music generates in people's life and the fact that music is important". This slight enthusiasm about future prospects doesn't necessarily build on the prospects of Spotify-revenues (which is in itself being discussed thoroughly)[34], but may be related to the fact that an access model of 'all-you-can-eat', and with a monthly fee that resembles that of Spotify, Deezer, TIDAL, Apple Music, was one of the most discussed issues in 2007-2009 – with a large percentage of opposing arguments from the delegates.

Tellingly, in 2007, the conference looked at and discussed analysis and research, concluding that the future of music lies in a subscription-based model with a monthly

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[34] Even in the 2011 Roundtable Conference, subscription-based streaming is not considered to become the main model for recorded music. Music streaming is considered important, however it's considered to be only one among many different models.

fee of approximately $10. And given the progressions on subscription-based streaming models, some of the enthusiasm could perhaps be traced back to the fact that they now see these prophecies manifesting. Having said that, there are numerous discussions and controversies relating to streaming in general, and Spotify specifically, which I will return to more thoroughly below.

Traces of optimism

One noticeable change in the talks over the five years, relating to an increase in a feeling of optimism, can be ascribed to a declining focus on piracy. In fact, a very striking observation of the talks in general, is how little time and effort is spent arguing against piracy and the illegal consumption of music. That is not to say that piracy isn't seen as a major problem, or that it is of little relevance in the context of the digital developments. It is of course discussed, but not in a prominent way, and in relation to lawsuits and aggressive action against fans and companies that one might have expected.

In fact, when issues around piracy are discussed, it's very often within a context of arguments over the music industries' handling of opportunities it had while in the process of digitalizing its businesses; its internal structures, as well as the licensing regimes it is based upon.

The topic of piracy tends to morph into discussions about the structures and capabilities of the music industries, its own dynamics, its relations and dependencies on policy-makers and legislation (see later elaborations on this). My point here is that while piracy is definitely present in the talks, it doesn't dominate them, and more importantly, it's almost always in reference to other topics that I regard to be of greater importance and which represent the dialogues at the Roundtable Conference to a much greater extent.

Piracy is an effect of something – not the cause – and these issues are enthusiastically addressed during the talks. I will spend a substantial amount of time describing and discussing the issues in the following, as they truly represent the central findings of my work.

Changing framework conditions

As I've briefly described, there is a great deal of emphasis on defining what the new digital era means for the music industries, which have to reorganize and reinvent themselves in order to stay in business. There was a lot of attention focused on how different the new business models and structures will look – implying that the

stakeholders need to transform radically. There was also considerable emphasis on assessing or discussing "the value of music" and how it has changed. This is especially evident during the first years, and relating to different propositions that don't directly involve a monetary payment for access to music.

In some ways the dialogues around the value of music can be seen as an extension of talks around piracy and peer-to-peer, as these illegal offers are argued to have reduced the perceived value of music in the direction of zero. Such accounts relate to the discussions on how piracy and the Internet have caused people's willingness to pay to evaporate, and with it the perceived value of recorded music. This, of course, contributes to the somewhat pessimistic tone of the first years of conferences.

However, this also spills over to ideas and suggestions for new business models, many of which are developed in the context of a reluctant acknowledgement that "*you can't compete with free*". And so we see the delegates attempting to describe new business models that evolve within a framework where music consumption is not monetized directly through fans' willingness to pay, but indirectly through advertisements or through levies imposed on ISPs and broadband providers (a highly politically-charged proposition which provokes great deal of discussion).

And even though there are some very optimistic figures presented on gross global spending on digital ads, these future scenarios based on ads and levies are all models which come with major concerns attached, and no little opposition in the group.

The problems with 'feels like free'

A central theme during the conversations reflect scenarios where the perceived value of music is zero, or approaching zero, and this "feels-like-free" alternative seems to be the only viable option in 2007 and 2008. Moreover, these models build upon a dependency on external industries and companies, and on economic models that are different from before.

Such concerns are clearly represented in the previous statement from the delegate who discards expectations for a "big ticket item" that would solve everything. These concerns are further highlighted in other aspects of the statement, about future models relying on completely new logics and values – again, somewhat dependent on "external industries and companies", such as Google or Apple. It very much speaks to a broadly accepted rationale that the music industries' economic models are by and large no longer fit for purpose; that past models are obsolete.

(Private consultant) So in the past we had revenues based on controlling the distribution. That's pretty much it! Of course, A&R, Marketing and so on, yes, but ultimately it was about distribution. The money was there! Controlling distribution. And the Internet is killing this idea! So what we have to do is go back to this! What do they control here? (Points to visual presentation) The answer is quite simple; they control attention! They control most of our attention. Google does that! That's the Google-model. And then they take our attention and they convert it into money. They transfer attention into money. Now you're going to say that these websites, they don't make anything for music. They don't pay anyone! That's true. Advertisers haven't taken to them yet. We're very early in the process of getting the mobile involved here. But look at these audiences. You don't believe that these audiences can make money? You can't be serious? Question: Are they making money at all? Consultant: Yes, Facebook is about break-even now. And YouTube, by the way, there's a total myth about how much money they spend on the network. Google owns 25% of the Internet infrastructure. They don't spend this money on streaming on Spotify. Keep that in mind, right. When there's a rising tide, float all boats! So the more traffic on YouTube, the better for Google. To sell the ads! They don't care if YouTube costs ten million a day to host. It brings up the traffic. That is the synergy effect of Google. If you look at this "converting attention" as essential, they started this idea of 'free' in parentheses. Saying YouTube is free, Facebook is free, Twitter is free. But it's not really free! You're spending time and you're spending that as cost of access. The time you spend is your payment. Your attention is your payment. It's social, it's mobile and it's an open platform. That's how these people have taken all of our attention.
(Q3, Roundtable Conference, 2009)

There was a certain consent that the "feels like free" model has considerable economic potential, however concerns were raised that it may also diminish the influence of the music industries by having their bargaining powers limited to levy-negotiations and percentages of ad-revenues. Furthermore, the ad-based model may also be indicative of a very different approach to the music business in general. As one

delegate put it: "*We're no longer selling music to people, we're selling people to companies*".

Of course, one may argue that this has always been the case with commercial radio or TV, that the music industry has always to some extent been about selling people or attention to companies who live off advertisements. But for parts of the group, this felt like a major change in what their business is really about. It relates to a general concern about undermining the economic value of recorded music, which goes beyond the discussions about price points for musical works (as in theories of disruptive innovations; Moreau, 2013) or a general discussion around the unbundling of the album.

The value of music

The concerns around a "feels like free" model relate to a genuine fear of a total devaluation of recorded music's economic value, but also (and this is important for a number of the delegates) its cultural status; the position of music as a piece of art. Such concerns are understandable, given the tone of the talks and the rather enthusiastic arguments put forward by those who advocate for a future model based on music as a "feels like free" experience:

> *(Private Consultant) How much would you pay extra? Even if you could get the Nine Inch Nails or the New York Times for free? Which you can. You would pay extra! Because you're a fan! Music! Bundling music on social networks. How much would you pay extra to connect with all your friends in the social network? Get their playlists; share the music from your friends on flight, in your car-radio, on your mobile phone. Would you pay extra for that? You would! You would not pay extra for the music. Most people wouldn't. We would pay extra for the service. For the integration! Those are all added values and again this is the Facebook statistics again. So, I think what we're looking at in music is this: the future of the music price. The price of a legal copy is declining towards zero. That's pretty much inevitable. It may be able to get back up at a later stage for various technical ideas that we can superimpose. But we're heading towards a "freemium", free, or a feels like free environment.*
> (Q4, Roundtable, 2009)

In the first years of the Roundtable Conferences, there weren't many suggestions for future models that didn't imply a major devaluation of music and economic models that are fundamentally different from prior models, tied to an increasing dependency on other products and businesses. Concerns about the value of music relate to two (somewhat competing) dimensions, covering more or less the same phenomenon, namely:

1. That music adds value to other objects or services, such as telephone subscriptions or newspaper subscriptions; and
2. That recorded music is considered to have little or no value and needs to be bundled with other supplementing offerings, such as the previously mentioned telephone or newspaper subscriptions, or, as has been described by various scholars; live concerts and merchandize.

While the former reasoning has a somewhat positive side to it, suggesting that recorded music's value can drive the sales of other offerings, the latter represents a rather negative approach in which recorded music is considered to have so little value to consumers that it requires the aid of other, bundled products. However, neither one of these analogies represents a business model in which recorded music's value is perceived as a viable stand-alone offer.

Control and concerns

Beyond the concerns over the value of music lies another, perhaps more important issue, relating to control and power. Embedded in the statements above lies an increasing dependency on "outside" businesses and their agendas, and a diminishing ability to set terms. Of course, this can be seen as a classic power struggle between incumbents and new entrants (Fligstein and McAdams, 2012), but it also relates to a general fear of these "outside" actors not having the necessary competence to understand how the music industries work.

> (Music industry representative): *I think control is essential, I mean that's the central issue with all of this. And I think that there are different gatekeepers now. There are the end-consumers that we are talking about, who are music fans and we all hope we are able to connect with an artist and have that experience that we've all had. But there's a whole different range of gatekeepers that are no longer the radio-stations and promoters. Today, a big part of that control is in the*

hand of the technology companies. It's the handset manufacturers, it's mobile companies, it's the ISPs, it's the devices that have pipes to people. And that's another huge level of control and filtering and they don't understand our business at all. So there's a very well choreographed dance that needs to happen, and it's in its infancy right now, between the producers and the artists and the labels and the publishers and everyone on the one side of the equation and the pipes and the access on the other. There's a big grey area right now and it's not working
(Q5, Roundtable 2010)

Obviously, this echoes some of the pessimistic tone of the earlier statements from 2007, emphasizing that currently things are not working. However it also brings up several other issues that need to be addressed and that are continually being discussed during the conferences, namely a divide between "the music industry" and "the others", the need for new models and the lack of understanding/acceptance for the logics, models and values of the music industries.

Beyond establishing that things are currently not working, the statement also speaks to at least three topics that will be elaborated on in the following sections, namely that:

1. There is a divide between the music industries and the external industries/companies that is affecting the business of music, that
2. These stakeholders don't understand the music business, and that
3. New models must be carved out through a well-choreographed process that right now (in 2010) seems gridlocked

3.2.1 Defining new landscapes and figuring out new models

Those parts of the Roundtable discussions that are devoted to figuring out new business models relate to more fundamental discussions on whether or not a service or product can be said to be rivalry or non-rivalry, and whether it can be excludable or non-excludable. The question of whether music is a rivalry good builds on whether someone's consumption affects anyone else's consumption. It's a matter of control and scarcity and it evolves around an idea of limited supply – meaning that if I buy the last record in store, you can't have one.

This was an important feature of the business model (particularly the structures of marketing) in the old, physical world of album releases with sacred release-dates and music stores with a limited number of copies. It may well be artificial scarcity, in the sense that new copies can quickly be printed, but that you only allow a certain, limited number of copies to go to market.

Previous business models rested upon music being a rivalry good, and in many ways, this feature was implemented in the new structures, for instance in the case of DRM (Digital Rights Management), which only allowed for a certain number of copies, a certain number of users, or no copies at all. This is also, by the way, a feature of the new digital book platforms, newspaper subscription models etc.).

You can also trace the logic back to the Napster and Pirate Bay lawsuits where every downloaded pirated track equaled a lost 'legitimate' sale – digital music consumption is made equal to physical music consumption. This is a poorly demonstrated argument that has long since been dealt with by scholars like Wikström (2013), Tschmuck (2013), Montoro-Ponz (2011) etc. and it has little resonance in the Roundtable Conferences.

However, even though the participants in the Roundtable Conferences seemed to be disagreeing on whether or not peer-to-peer piracy can be taken as lost sales for the record industry, they were more or less aligned with the principals of intellectual property and artist and authors' rights.

The Roundtable Conferences clearly demonstrate that it is possible to be critical of the music industry's handling of different digital propositions, while at the same time defend the rights of record companies, publishing companies, musicians, artists and authors. It's not a black or white discussion and the conversations around how the industries have dealt with (and keep dealing with) the concept of music's value, music as a rivalry good, or simply copyright's position in society, demonstrate it perfectly.

The other dimension, which is described and discussed, particularly during the 2007 conference, is that of excludability. This is a question of access and it rests on the proposition that if copies are ubiquitous and actual consumption is of less importance, then what about access, or excludability?

In economic terms this is referred to as being whether or not something is a 'public good' or a 'private good'. And when applied to music, it's argued that digitalization has transformed recorded music from a private good to a public good. It's a concept that correlates with David Bowie's famous predictions in 2002 that in the future, music will become like running water (Kreuger, 2005:26). Digitalization and Internet access made music a non-rivalry good. Illegal peer-to-peer file sharing ultimately made it a non-excludable good: it was available to almost anyone to access. However, one can argue convincingly that excludability would still be an option, albeit a matter of having an Internet connection and to a certain degree dependent on digital, online skills. This may be of less importance in societies where broadband penetration is high, or if talking mostly about a young demographic. But in a global perspective this may still be relevant.

The point here is that while music is turning into a non-rivalry good, meaning that the music industries are forced to - and with great difficulty and reluctance - abandon a model based on a physical product, excludability may still be considered an option in which the record industry can monetize their recordings. This is particularly evident in elaborations around models that are built on access.

There is significant emphasis - especially during the first three years of conferences - on describing the laws of the new structures and how to best house a workable model within them. This involves a general call for everyone to come to terms with the fact that the Internet is a giant copying-machine and that new digital consumption rests on a model where copies are ubiquitous, where copying and sharing is an embedded feature of the system, and where gaining control of copying is an impossible, futile endeavor.

This is a central but very difficult topic to grapple with, given that no tested and workable digital model – at least one that is sustainable for artists, music companies and the audience – has emerged (partly, perhaps, due to reasons presented and discussed in this dissertation) and also because the lion's share of recorded music revenue still comes from models founded on the old hegemony. When old revenues continue to drop and alternative income is still in its infancy, it's hard to find support

for new models that might have the effect of cannibalizing and killing the last shreds of income.

And it is within this context that the dialogues during the Roundtable Conferences are continuously trying to challenge perceptions that the music industry is still about supply and demand, where control over the distribution of copies is still a central part of any model. Concerns partly represent a general distrust of the music industries' ability to figuring this out – whether it has the necessary capabilities and/or willingness to identify and invest in new models:

> *(Music industry representative) I tell you, my fear here is that our industry is largely run by those whose experience is with supply and demand. I mean, I've sat at a number of record industry executive tables where the hot topic was "how many should we print up? How many do you think will sell that first week?" That notion of matching supply and demand is very product-oriented and has been our focus for a long period of time. And now we are in a world where, quite literally, supply cannot be controlled and certainly can't be matched with demand in some fashion. So, to be blunt about it; to the extent that your business model relies upon stopping someone else from making a copy or getting access, exercising your exclusive right to make a copy, or getting paid when one is made, then it's a very tough proposition to be in a world where you don't control that at all.*
> (Q6, Roundtable, 2010)

The above statement relates to a general concern that those involved in deciding which actions to take and which paths to choose are unwilling or incapable of looking beyond the old hegemony. It also relates to concerns that new models are fundamentally different to the old models and so proponents of the old models might not be the right ones to assess them.

As another delegate put it: "*We need to build new, web-native-revenue streams. Revenue streams that are only possible because of the Internet*".

The development and implementation of such new revenue streams rests on an ability to look beyond the old models of matching demand with supply, to rely on very different economic models than those of the past. Initially these models are almost

entirely predicated on ad-based templates and concepts of "feels like free". However, when forecasts derived from potential revenue sources were suggested, there was a great deal of doubt as to whether these forecasts would actually morph into sustainable, lasting models for the future of the music industries, reflected in a conversation during the 2007-Conference, where the sale of LastFm.com for almost $300 million was used as proof of the economic potential of ad-based models. The statement led to strong objections, and skepticism.

> *(Music industry analyst) I think there is a huge problem, which is that we are not talking about data or facts the way we are when we are searching on Google. We are talking about cultural consumption and fans that by definition are fanatical about their artists and not about this other stuff that may or may not happen to fit their profile of interests. So the problem we've got is with referring to Last.fm as a successful company. Last.fm is not a successful company! Last.fm is a company that is seen as a strategic opportunity for CBS. It doesn't mean it's a successful company at all! Actually, it hardly has any revenues. That's not a successful company. So what we have to be clear about is that when we look at these potential models we have to understand that we still don't have proof. We still haven't, after 10 years of doing this, actually got the models that justify and clarify that. And particularly the advertising. So, the theory is fine but what I'm saying is that it's still only theory.*
> Q7, (Roundtable, 2007)

So there was a general concern about whether or not the new digital platforms are truly economically viable for the music industries, or mere strategic investments from companies that are not necessarily investing in music (or any other type of cultural content). Such concerns resonate with many of today's debates around the economic viability of digital music services, and more generally, of digital platforms for cultural content.

These concerns center around the true ambitions and motivations for these new entrants involving themselves in the music industries, to fulfill important functions in the value chain, and about the longevity of their involvement. And while it's easy to question the motives of a company engaging with the arts, worries over whether or not the models these businesses build on are viable in the long run, is legitimate. It

represents a recurring unease of whether an ad-based business model really can offer the music industries a viable economy. But at the same time it also represents a genuine apprehension of building a business around external partners that don't see content – music – as their core business.

An important point here, and one that is evident when observing the Roundtable Conferences, is that the music industries (with some exceptions) consist of people who have a genuine appreciation of music – its art and culture – far beyond the business side of it, and regard music's value in artistic as well as economic terms. And while some focus on fears around the economic devaluation of music, for many, the risk of artistic devaluation is perhaps of more importance.

However, both of these concerns can best be described with reference to three specific companies who were repeatedly referred to in discussions around new potential models, and I consider the references to these companies as representative of wider concerns, and not solely (or specifically) focused on them.

3.2.2 Three cases of external influence

There are continued references to existing initiatives that may represent future, sustainable models for online digital music during the talks. And while I won't present and discuss the full range, three companies/models/processes are worth mentioning: Apple, Google and Spotify.

All three companies present significantly influential models on the distribution, consumption and monetizing of music. They also exhibit three very different models and three very different approaches to the business of music. Significant progress has occurred since the talks took place in 2007-2011, with on-demand, subscription-based streaming prevailing as the dominant digital format (Nordgård, 2013, 2016a), spearheaded by Spotify, Deezer, Tidal and recently, Apple Music.

Though it's not my ambition to provide a thorough analysis of these companies, I will consider some of the discussions and the topics addressed in relation to them and their business models, which provoked controversy during the Roundtable Conferences, and speak to difficulties and wider issues beyond their own significant influence and impact.

Some of the topics can be interpreted separately, as they represent specific themes and topics related to a specific company. And while the situation in the present day seems to revolve around subscription-based streaming, at the time of the Roundtable Conferences these three companies represented three different approaches to the music industries, and represented some of the concerns new stakeholders and their business models were concerned.

Apple:

> *Delegate A: I think the assumption that people are not willing to pay for content is just wrong. You can see it with iTunes and other legal services that are there now. We have, I think, more than a hundred and fifty services connected to our platform and in only the last four years, three or four of them went bankrupt. So, if you can sustain a business for three or four years, there is something there. I think that people are willing to pay for it, but you really need to offer them something that gives them an experience and makes them stick with that experience. I think that is really a lesson to be learned; you need to create an experience that is compelling enough so people come back and not go to illegal file-sharing that works, or something else.*

Delegate B: But again, iITunes isn't an example for this. iTunes sells hardware. That's why it's working.

Delegate A: But it does also sell music.

Delegate B: Yes, it sells music because it's a vehicle to sell the hardware. That's the reason why they are doing it.

Delegate A: Yes, but they also sell music! It's the biggest retailer in the USA!

Delegate B: It's subsidizing the music with hardware sales, that's what they're doing.

(Q8, Roundtable Conference, 2009)

The statement above was a continuation of prior discussions around attempts to get to grips with people's valuation of music moving towards zero. Delegate A's objection to this prophecy was backed with a reference to iTunes as an accepted model, especially in the US. However, this "optimism" was countered with an argument that Apple's iTunes model is not about selling music, but hardware, suggesting that iTunes really isn't a music business model, but a subsidiary concept for selling hardware.

The objection came from an "outside representative", not someone who is part of the traditional music industries, and should not be read as an attack on "tech-companies" unwilling or unable to understand the business of music. I consider it an important statement because it supports the concept of having two separate industries, or sectors, which happen to merge commercially on certain issues, but which are run on fundamentally different objectives and business models.

As was argued earlier, a line is drawn between the music industries and those who control the "pipes and lines to people", people who "don't understand our business at all". The statement also implies they have little ambition of getting involved with the music business, beyond securing a platform that can offer legitimate content for their hardware. This skepticism isn't necessarily about the degree of involvement these new actors are seeking within the music industry-symbiosis, but rather whether or not the partnerships will endure:

Delegate A: Yes, there is a business. But it's subsidized. I mean I think the charge that Apple makes for its service is subsidized by the fact that they are selling hardware and that they've been able to withstand and all the rest of it. They've been able to keep going for the lob because

they've been able to subsidize their hardware sales. It's clear that's part of the bargain. It's part of what they're getting out of it. Now, equally, there's no question that there's a lot of revenue coming into the music industry. And I think in a sense what also illustrates it is, if we can do deals with the hardware people, as well as the people who are selling music, the ISPs. In other words, if you take a broader view of where you can get your money. So iTunes gives us more money because they're selling hardware. I don't think there's any question about that. And it's also .... (interrupted)

Delegate B: I think that's too easy! Because if you, yes, indeed for Apple Corporation, if you look at the entire synergy between the hardware and the iTunes music store, yes, for them, music is a key driver in selling their hardware. But if you then just isolate iTunes as a single entity selling music, I mean you're talking about over a billion in revenues. With a good margin! There's not a thousand people working there, there's just a few people working there. They charge a good price for the music, so there is money to be made there.

Delegate C: But it's apps, not music that is selling now. The last Apple figures, it turns out that it's apps that create the revenues from the iTunes music store.

Delegate B: The Apple conversion is brilliant in trying to find synergies between their hardware and what belongs to hardware. So, yes, the apps are also important.

Delegate C: That's fine. But it's a big difference as a case! It's not music! And I think that's back to the content owners, apart from the individual contractors who create the apps. That's the difference.

Delegate B: Well the shares are divided better because they give back seventy percent more.

Delegate C: Yes, but initially, a lot of the apps were for music. Now they are not.

Delegate B: Yes, but the share is still......

Delegate C: Yes I know! But we're talking money going back to music, to the owners.

Delegate B: It does! I mean sixty seven or sixty five percent of the......

> *Delegate C: Yes, but very few of the apps now are music related. It's about "Find an ATM" or "Find a good restaurant". They found another business to replace it with!*
> (Q9, Roundtable, 2009)

Apart from illustrating the sometimes-heated tone and nature of the dialogues, the conversation expands on the prior example relating to iTunes (Q8). Further, it encapsulates the perceived problem that the iTunes economic model is said to rest upon, and underscores the concerns about whether or not these models are sustainable in the long run.

These conversations around Apple and iTunes are not about whether or not the model is unfair, or exploitative of the music industries. Rather, it's related to whether or not the model will last. Conversations around Apple and iTunes articulate misgivings that it and other companies are truly committed to music, which may be seen as a problem of continuity.

However, there also seem to be concerns about the model that iTunes relies on. Two claims are often repeated during the dialogues; that "iTunes is all about selling hardware" and that "iTunes isn't selling music anymore; it's selling apps!" Both communicate a problem when it comes to regarding Apple as a partner in "the business of music" and perhaps more importantly, it represents distrust in these companies' models[35].

With iTunes, Apple is commonly regarded as being best placed to develop, present and implement a workable and acceptable legal model for the commercial delivery of digital music, at a time when the music industries were incapable of doing this themselves. And although the Roundtable Conferences' conversations emphasize the income generated by iTunes, there are concerns both as to whether the iTunes model is transferable to businesses outside the Apple ecosystem, and about the longevity of the model. As one delegate puts it: "The problem is not that iTunes is a bad business, or is bad in any way. The problem is that there is no one else there!"

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[35] Arguably, and rather paradoxical, there is a sense of confirmation in this analogy that the models iTunes rests upon may not be economically sustainable without the subsidising link to hardware. However, these economic terms are dictated by the music industries themselves – i.e. the major record companies.

An important effect of the claimed subsidizing scheme of Apple is that the iTunes-model doesn't represent the true costs of making music available online, so it is difficult for other companies to enter the market and compete with Apple. One of the delegates refers to conversations with Amazon, where they admit they cannot compete with Apple when it comes to prices and costs, due to the fact that Apple is subsidizing music sales in order to sell their hardware.

It's argued that iTunes is the perfect example of a reverse Gillette-model (the 'razor and blades' model) where you give away (subsidize) the razors so that you can sell the blades. In iTunes' case it's argued that they give away - or subsidize - the music, so they can capitalize on the handsets, the iPods, iPhones and iPads (by having access to legal content).

The argument is significant because it illustrates a divide between the core music business and the technology companies, and because it illustrates distrust in the model – or the foundation the model is built upon. Apple's success was built on music, it's argued, or at least that the huge commercial success beyond computers was based on the iPod – which later morphed into iPhones and iPads. The concern is not that Apple built their success on music, but that when Apple moves on, they're left with a retail model that doesn't work without the subsidizing frame it was built within.

Heated discussions are had about whether this is already happening, as apps take over and less focus is put on music in Apple's content business: iTunes and Apple Store. The concerns about the latter point seems to have been addressed, with Apple responding to declining download sales by entering the streaming domain via Apple Music on June 30, 2015. Music seems to be a continuous feature of Apple's plans and their entrance into the streaming market is anticipated to have a significant impact on the streaming market and model in general, as well as on its competitors.

Google

With regards to Google, one interesting macro-observation is that, over the five-year lifespan of the Roundtable Conference, there is a certain change in the delegates' perception of Google. Initially, Google was spoken about in a positive manner, seen as both an example of how to grow a business in an environment built on advertising and attention, and as somewhat sympathetic towards content creators.

However, this changed significantly over time as Google became repeatedly referred to in relations to their reluctance to license properly. These discussions are primarily related to YouTube as a case, albeit linked to the music industries

incapability of providing proper licensing, and/or internal power-struggles between the majors and the others.

Delegate A: And the licensing issue is why YouTube did what it did and all the other services in America that developed, and what they did. In other words, that they just went ahead and did it and worried about it later. But that is clearly very dodgy. Because what you're relying on there is that no one is going to bother to sue you until you're a successful business. And so what you do is that you sell your successful business to someone who can take all the flack. So this is classically what happens. And this, I think again, is why people like me get so pissed off, because of what happened with YouTube, as I'm sure most of you know. But just in case you didn't... basically, YouTube - just before they could be sold to Google - had to clear off their liabilities. So they went to all the majors, who they thought could give them the most trouble.....
Delegate B: And "they", in this case, was (Person X) who used to be at Major music Company X). She left (Major music Company X) to go to YouTube. I mean, I love (Person X), she deserves every penny she made from the sale to Google, but basically, she made YouTube purchasable by Google, by going and doing those deals with the labels.

Delegate A: Because she knew who to deal with.

Delegate B: Yes!

Delegate A: So, she goes to the labels, basically, gives them a huge chunk of money for not suing. And then she gives them equity. They got equity in YouTube. YouTube is then sold to Google, so the next day they got a huge chunk of change, each of them. All the majors got huge lumps of money.

Delegate C: Actually, I met (Person X) shortly after she left and when she was with YouTube, just as the Google deal was happening. In the elevator in the Sony building in New York City. And she was carrying, you know, her little wheelie, because she was coming from the airport and I looked at her and was like; Oh is that the bag of cash? (Laughs)

Comment: No, it wouldn't have been big enough! (laughs)

Delegate A: Then what happens is you get this chunk of money coming in and it is non-attributable income. Straight to the record company because equity has nothing to do with any of the artists. So

what happens there is that, in the name of the copyright, the works of the artists were sold and the artists' right and ability to sue was probably effectively removed by Google giving money to the record labels. It meant it went straight to the bottom line. And that has happened in various other cases. And it's a scandal. And it's a result of them not being licensing in some sensible way.

(Q10, Roundtable, 2009)

Apart from being a great example of what is meant by the term 'black-box money', this statement also relates to at least three relevant topics:

(1) The lack of a functioning licensing system and structure that would allow YouTube to license (given, of course that YouTube *would want* to license) properly.

(2) The trade-offs made by the majors on behalf of the whole record industry and importantly, its artists and other rights owners.

(3) The conduct of taking equity in companies seeking to deal with music. This point also comes up in relation to Spotify and their deal where a share of ownership in the company is given to the three major labels and Merlin. Concerns are related both to money being channeled outside the royalty system, as well as a concern over whether such aggressive bargaining towards start-ups and new digital platforms might also kill off potential solutions.

Spotify

Spotify and streaming loom large during the talks. As I've described earlier, the phenomenon of paying for unlimited access - through streaming or other formats/platforms - was part of the discussions prior to the launch of Spotify in 2008. And even though there are signs of optimism around developments at Spotify during the latter years, there were also some major concerns relating to the format/platform, the revenue streams, the future prospects for Spotify and the deals being made by the record companies in general, and the majors in particular. Actually, at one point in 2009, a great deal of time was spent on what the deal with Spotify actually looks like, with surprisingly differences in the delegates' understanding of the situation:

Delegate A: It is not like that at all!

Delegate B: Ok. Tell us.

Delegate C: I work with this. I can tell you. It's an advance for a time

period instead. And that advance is split out on the songs.

Delegate B: That's it?

Delegate C: That's it!

Delegate B: Not based on actual performance?

Delegate A: No, and the reason why they did this, is that they gave shares in the company to the majors and to Merlin. And the reason why they did this is that this is a bet! This is a bet that ad-financed listening is going to work. Well, the figures we see for now - and it started in February - is that this is very bad for the advertising side of it. But when Spotify Premium was introduced, the number of subscribers was doubled.

Delegate B: Well, I think if anybody agrees on some sort of revenue share and a flat rate that will be great. I very much doubt it. But if they have managed to achieve it, that's fantastic! I doubt that they have.

Delegate A: They have.

Delegate D: They haven't in the UK!

Delegate A: For Spotify?

Delegate D: Spotify is paying a penny-rate.

Delegate E (representing a streaming service) I don't agree with that either! They're not! I know we are. I can vouch for that one. Spotify is not paying a penny-rate.

Delegate A: No they're not! What they've done, is that......

Delegate D: On mechanicals, as well as on…?

Delegate E (representing a streaming service) Mechanicals are paid. But they're not paying the recording piece. What they've done is they've paid effectively advances, either in cash or vesting into.... when discussing the majors and Merlin, so far. What has to happen is an aggregate position for everything else that isn't sitting in those four or five, let's call them verticals. But the big problem is the vesting part. Because what will happen - and I can only speak for what's happening in our company - what will happen is that it will reach the cliff. And the vehicle will eventually go off that cliff. Whereas Spotify's model, and I think this is the protectionism of the way they have structured their business, is that they're going to rely on the people they vested, to enable them to continue, while they're trying to prove the revenue model of advertising. That's what's going to happen! That's where it gets interesting and that's your tipping point. That's your easy two, three, five or seven years before

the traditional model, the commercial model, actually engages with their usage model. And that's really what we're talking about. How do we get revenues for usage?

Delegate B: Very good point! So basically, no matter what the numbers are, if they are correct or not, the bottom line is that if that payment has to be carried by the investors until the advertisement-model has materialized, it's not going to work. Rhapsody is a great example of this. (Time Gap)

Delegate B: We need some sort of public license fee, some sort of framework of a license that we are suggesting, (name of delegate) and I have for the last, I don't know, 57 years been…. Do we need this? I think that the scenario of equity is actually quite bad. So the major labels and Merlin owns about 20, maybe 25% of the company, I don't know the exact number. But is that really fair? To have to give away your company in order to get a license deal that allows you to pay all money and die? That is my prediction.

Delegate E (representing a streaming service): But, that's exactly what I am saying. That's an insurance policy. That is not a commercial vesting. Comment: And furthermore, it rips off the performers. It totally rips off the performers. I mean that's the real problem with this deal, the performers get nothing. Fuck all! Because it goes in as equity to the record companies. This is why there's so much hostility. This is why that big artist in Sweden, who's name I've forgotten, says I want my music off from Spotify, because he's not getting any money. And this is what happens in all the equity deals, is the performers don't get any money. Which is why the mechanical and the performance society for the authors insist on getting a penny-rate. And that kills them. Delegate C: But the big problem with Spotify now is the total lack of advertising money. That's the problem with Spotify now. As Delegate E says, this is insurance policy for them. Because, if this is going to continue ...... Delegate D: But I think it's a suicide insurance policy, because of the hostility of the performers, which will build up in time.

(Q11, Roundtable Conference, 2009)

I include this extract because I believe it highlights confusion among key stakeholders about a model that will within a few years morph into a promising

framework for recorded music's overall economic performance. However, it also illuminates worries about the economic foundations, uncertainties about an ad-based economic model, as well as the redistribution of revenues to performers.

These topics are continually addressed and with increasing interest as subscription-based, on-demand streaming is looking more and more likely to become the main format for digital music. In many respects, the case of Spotify and related dialogues are representative of wider topics and themes around digitalization and the music industries in this dissertation, often following the same logics and reasoning, and I will endeavor to draw parallels as I proceed. Initially, many of these dialogues related to the streaming model's positive effect on piracy and the illegal consumption of music; with a great deal of the enthusiasm stemming from reports stating that those markets which adopted streaming experienced a significant drop in illegal file-sharing.

There's an important notion in 2009 that streaming is in fact the first format - the first legitimate service - that actually manages to outperform free, illegal piracy. This cannot be underestimated when it comes to understanding the music industries' commitment to making it work. But there's also a concern that future revenues generated from this model might not add up, neatly summed up by one of the participants (a former music manager who now works as a consultant) in 2009:

> *And you think, my God! We've got a form of consumption that is actually as popular as piracy! But the question in my mind, when looking at the numbers, is; at what cost? Is it actually much better for us than piracy or is it just the same thing without the convenience of being able to say; "it's illegal and we're going to address it!" My God! What if it's doing the same thing to our business and it's completely legal and we've already allowed for it*?
> (Q12, Roundtable Conferences, 2009)

Concerns about music streaming revenues

There was a lot of talk about streaming revenues, how they are generated, accounted for and redistributed by the record companies. One passage in particular describes how the major record companies (including Merlin, on behalf of the indies) receive their royalties based on market share and not on actual performance. This income is then partially redistributed to the artists, while much of the money ends up on the major record companies' bottom line, often referred to as 'black-box money' or 'breakage' (as I have also described in Nordgård, 2014).

There was a general concern that the money generated from streaming is detached from the normal royalty-based channels and that the record companies (especially the majors) are positioning themselves in a way that is unfair to the artists – that the majors are "ripping the artist off" as some tend to put it – and that it might also be devastating for the new streaming structures. In a way, this might reflect on all record companies and not just the majors, but the Roundtable dialogues tended to talk about it as a major label-issue. This was probably because any deal or progression on streaming is dependent on the major labels' decisions since the majors' financial share is so much bigger, and the fact that the deals are made directly with the services (out of the public eye) and not through some third party (like Merlin).

This makes the majors' deals subject to more scrutiny. There was distrust on whether the money was being channeled and split according to correct and sustainable structures. This also relates to advance payments based on market share, and to the equity shares that Spotify had to give away in order for the major labels to agree to a deal[36]. These issues throw up a number of concerns, namely that the deals made by the majors might prove unsustainable for the streaming companies, and that the majority of revenue generated through streaming is passed through as advance-money, and later perhaps equity-share in Spotify, and so not subject to royalty-contracts; that it's simply added to the majors' bottom line.

This would imply that the lion's share of money from streaming is never put funneled into a royalty-system and/or subject to a transparent revenue stream. On the other hand, given that Spotify is allegedly not making any surplus, such equity shares should mostly be regarded as insurance from the majors that they will benefit from any future streaming success if they give away rights at a lower level than what they're bargaining for. The equity share should be viewed as insurance or a bet, as one delegate puts it, that Spotify would generate revenue in the future, but that they will have to give up something in order to match the risk that the majors are taking by giving away their rights cheaper.

In a way, this is not much different from what the majors have done in the past in other similar situations, and it's not much different from what happens between any

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[36] There are several references to the major labels receiving ownership in Spotify both in public and academic debates, as well as during the Roundtable Conferences. The actual share of ownership that is owned by the majors and Merlin, differ in the Roundtable Conferences, and elsewhere, but is said to lie somewhere between 18-21%. This can of course have changed.

commercial businesses that negotiates a trade-off. Spotify obviously represents a possible future model, but at the time when these conversations took place, it hadn't yet proven itself capable of generating much money. During negotiations between Spotify and the labels - primarily the majors – there was a gap between what the rights-holders require in return and what Spotify can actually generate before the market reaches a certain size. And this is critical when Spotify is establishing itself with freemium subscriptions (free subscriptions based on ad-revenues) in order to build up a market.

If the major labels were to agree on a royalty fee that was low enough for Spotify to build up their business, they would obviously not make much money, and seen from the labels' perspective, they would be taking an unfair proportion of the risk. During negotiations, the labels required a trade-off for the risk they were taking, by agreeing to lower rates, and the only thing Spotify could give in return was equity in the company. Now, as argued by delegates in the Roundtable Conference there was nothing wrong or even remotely dishonest about striking such a deal – it was perfectly legal and very common. And given the potential capital appreciation on digital music platforms (illustrated by the trade value of Facebook, YouTube, etc), such a deal could also prove extremely lucrative for the labels. However, there was a concern that the trade off - which is arguably based on music rights (it's solely based on catalogue and access) – was not feeding back into the system of rights-holders.

How will any future revenue from equity shares in Spotify be passed along to rights-holders? Will the majors exhibit the same commitment to bargaining for higher royalty rates if income from equity surpasses income from royalties? These are all interesting topics that weren't really discussed in detail.

What *was* discussed and highlighted however was that the deals around Spotify and streaming in general are problematic for artists, and in the end, might undermine the legitimacy of the record labels. As one indie label director mentioned, if the majors broker 'unfair' deals, where artists receive a limited share of revenues, other companies may benefit from offering better deals to the artists, building a better roster and a better reputation than that of the majors. Such reasoning seems reasonable; fair treatment of artists was seen as a competitive advantage for record companies.

However, it was argued that allegations of unfair/unsound/illegal models for the redistribution of royalties should be a general concern for the recorded industry as a

whole. As the indie label director pointed out, most members of the public can't tell the difference between majors and independent labels. For most of them they're just *the record labels* (and the music industries more generally, as elaborated on in my introduction). And if the artists, or the public - or perhaps even more importantly the policy makers - get the impression, rightfully or otherwise, that the labels are ripping artists off, then it undermines the legitimacy of the record labels. And at a time where critical decisions need to be made and in which political maneuvering is required in a field with highly opposing interests, public appearance would seem to be paramount.

3.2.3 Internal frictions and dynamics of the music industries

Many of the conversations during the Conference laid bare various internal frictions in the music industries, such as the relations and conflicts between artists and record labels, and it's important for anyone attempting to grasp the complexities of the music industries and their difficulties in adapting to new frameworks and realities to understanding these frictions.

In the following, I will present several themes under this macro topic of internal frictions in the music industries.

3.2.4 The role of the record company

There was a great deal attention on the artist and artists' rights. The Conferences included a number of managers who spoke on the artist's behalf and there was great concerns placed on current developments, the lack of transparency on revenues from digital and the growing skewed nature of revenue distribution.

A central issue in relation to the role of the record company is both its role in absorbing risk, investing in talent, as well as an embedded set of important skills and competences. And a central claim related to the role of the record company in the digital era is that it has become obsolete (a prominent argument in academic writing on these issues, such as in Tschmuck, 2016). These claims were present during the talks, but no more than occasionally and always within the context of discussions on the role of the record labels, and additional scrutinizing of the claims.

One manager who represents one of the world's most successful artists argued, during a discussion about the record companies' role in 2007, that from his standpoint, there was not much the record company could offer. The artists they work with has sold tens of millions of records, has significant brand-value, and are doing great, distributing digital music from their own website. The record label was obsolete in his eyes, as was any publishing deal, and they were perfectly fine doing this themselves:

> I think there's a more revisionist sort amongst us, really. I'm afraid that you are still talking about the same old deals and all that sort of stuff. I look at record companies and I think about what they can do for our artists and I have to say, not very much. I mean the physical distribution, I'd be very happy to do a deal with a record company just for physical distribution. Everything else, the artist holds. It's as simple as that. The

record companies have essentially got outdated by outlined services, and what they don't supply, they like to think that they do, but actually what they don't supply is any understanding of the artist, the artist's position, the whole basket of rights that an artist has. Everything that goes into that basket, including the sort of intangible things like the brand.

They don't understand that and I know this from bitter experience. And they don't understand how to deal with the big brands that we are talking to. I know this too from very bitter experience. In the particular case that you mentioned, (Major record company X) actually nearly blew that whole multi million-euro deal out of the water by trying to do a little deal for a few thousand pounds with (Company Y) in Thailand. It was just a matter of chance that we discovered that they were doing this. And of course they didn't have the right to, they had to seek our approval, but somebody down there thought they could get away with it. It actually could have blown that whole deal out of the water. We are talking about revolution, and we are not talking about what you are talking about I'm afraid, Delegate B.

We are talking a whole new paradigm. (Major artist X) is out of publishing. Is he going to re-sign a publishing deal? Absolutely not! Why on earth would we? He's got one album left with his (Major record company X)-deal, is he going to re-sign another record company deal? Why on earth would we? Why on earth would he? Absolutely not! Are we going to continue to really try and exploit the thing? We don't have the answers, I can't say that we have the answers any more than anybody else, but are we going to continue to do what we are trying to do with his website, which is a business now, which has got a good subscriber base. Are we going to continue doing that? Absolutely. Are we going to try doing all the other things, are we going to continue using MySpace and trying to get money out of it? Absolutely! How we are going to do it, of course it's out of this conference. But I'm afraid that these old models, these old things, just have gotten unattractive.
(Q13, Roundtable Conference, 2007)

Apart from an interesting in-hindsight reference to MySpace as the favored partner, the statement also represents some critical and interesting considerations that should be appreciated. First, the manager determined that the record companies have

become outdated and useless for his artists. According to his statement, this was based on at least two developments; (1) that their functions/services have been substituted by others and (2), that they lack any understanding of the artists' position.

The latter point can of course be debated; whether it's the result of a development, or whether this has always been the case. However, part of the statement must be assigned to the time of the claim (2007), when the general view was that the "the music industry" as we knew it was collapsing and that new models would have to emerge. Related to this is also the anticipation that future models would be entirely different and based on different economics and different logics (which the record companies don't understand), like brand value.

Also, the statement represents a relevant and recurring topic when we talk about digitalization and artists. Very often the cases used in debates around digitalization and disintermediation relate to successful artists (for example Radiohead or Trent Reznor) who have long ago built up their career – and often in partnership with record labels. This was also elaborated on by the following discussions after the manager made his argument. It was pointed out that these types of brand-deals, which include a major international tech-company and millions of Euros, could hardly be adopted by upcoming artists to finance their careers. It's a luxury enjoyed by a few artists, not necessarily a model to be copied universally.

Such assertions are discussed convincingly by Anita Elberse' in her *Blockbusters: Hit Making, Risk Taking, and the Big Business of Entertainment* (2013), with references to Radiohead's 'In Rainbows' release as superstars who can afford to build up and pay for their own professional team of experts. Tellingly, when looking at the artist in question, they later signed with another major label as soon as the old contract ended.

Also, the digital platforms the manager elaborated on - both the artist's own website and myspace.com (this was in 2007) - are no longer seen as sufficient for the release and distribution of music digitally. Nevertheless, the point illustrates one of many dimensions in the relationship between the artist and the record company, and even though this particular case might be tied to a specific artist, as well as specific circumstances in 2007/2008, it represents parts of the wider dialogues during the Roundtable Conferences in the first two years.

Over the next years of dialogues (2008-2011) the discussions relating to labels being obsolete are far less prevalent. However, there was definitely tension and conflict present relating to the artist/label relationship. One might argue that the discussions in this regard were maturing and developing, as the very question of the labels' role and function became less central, and focus was given to how labels, their conduct and models are adjusting to new digital regimes.

This -more than the above delegate statement - represents an important feature during the talks. While the statement from 2007 must be considered in light of both the time as well as the specific artist in question (and in particular the size of the artist's career), there was a more interesting discussion emerging in 2009, focusing more on revenue-distribution and fair conduct. More so, these discussions were similar, and focusing on much of the same issues we are discussing today, in 2016, and hence representative of topics beyond a specific case or time.

Much of this relates to streaming and could be detected already in 2009, as in this quotation where a director of an independent record company addresses Spotify's revenue streams and in particular equity and a lack of willingness to forward money. The quotation is a continuing of the above passage on equity shares in Spotify, but the point here deals with revenues.

> *(Director of independent label): I think when you want to create a particularly different business model, which kind of breaks a lot of the rules, which is what Spotify has done… if you want a highly discounted rate on the royalties, then you've got to give us something else in return. And the most valuable thing that most companies, and certainly in Spotify's case, could deliver to rights owners was equity. Now it's up to each rights owner as to what they do when that equity is realized. If companies think it's "bottom line" money, well then okay that's your decision, but that is going to create such a bad feeling within the industry if it is not passed on to the performers and the artists. I think the companies that do decide to act fairly and prorate the money out on usage across the circus, across the floor. I mean it's not exactly a complicated calculation. That word is going to get out, and certainly at (Name of company) we see that as part of our competitive advantage. If we're treating people fairly and other people put it on their bottom line,*

well whom do you want to come and work for?

Delegate B: I just want to respond to that as a manager. I think that is a very important issue, which we should come back to, which is the issue of legitimacy. Because I think that goes right to the heart of the whole issue of piracy - if it is perceived by the artists and it gets out to the public that the money doesn't come back to the artist, then you run into the issue of legitimacy. And I think that is incredibly important. And in a sense, it doesn't matter if you are being fair at (Name of company, because the word will be out that THE record companies, which will include the good as well as the bad, are stealing all the money. It undermines the legitimacy. And I think that is an absolutely key issue, which I don't think the record companies, as a whole, have come to grips with.

(Q14, Roundtable Conference, 2009)

Part of the discussions relating to frictions between artist and record label relate to assertions about an industry that is moving away from being a royalty-driven industry to becoming more advance-driven. This implies claims that an increasing share of revenues from recorded music is no longer based on royalty rates from the consumption/listening of music. It's instead based on negotiations between the labels and the ISPs, and the outcome of these negotiations is determined by the catalogue's size and value. Obviously, if you're Universal Music and you control the rights of Avicii, Lady Gaga, Kanye West and U2, you have bargaining power over anyone who wants to build up a digital music platform. The same goes for the other two major labels.

Many of the conversations centered on the record labels, and especially the majors, and assertions that they were benefitting from negotiating deals based on access to catalogue by receiving lump sums in advance or equity in the company. There are allegedly substantial sums of money that are being channeled through what are essentially non-royalty based revenue-streams (referred to as black box money or "breakage"), and so the artists are considered to be excluded from these revenues that stem from copyrighted work – their work – but which is derived outside of the royalty structure.

As has already been exemplified in an earlier statement about Google's process of clearing YouTube for Google's purchase, by giving away equity and selling out quickly, the same must have been expected in the case of Spotify. Arguably, Spotify

didn't make a surplus at the time of the Roundtable Conferences, and still doesn't in 2016, and so revenues from equity shares can hardly be considered. Nevertheless, when references are made to Spotify and the equity deal, this must be considered in relation to the YouTube deal and lead to reasonable expectations that this might happen again. Both cases involve equity shares and the latter also involves a more intricate deal structure with market share as a key component.

Arguably, you can say that there have always been different degrees of conflict between the artist and the record company, as described by numerous authors and scholars (Chapple and Garofalo, 1977; Negus, 1996, 1999) Such frictions should perhaps be regarded an inherent feature of any commercial collaboration that builds on deals where both parties seek to maximize profits and minimize risk. In addition, the music industries - and especially the record companies - are built on a model where the hits offset the economic failures, indeed where economic failure could be regarded as the norm (Negus, 1999) and where sustainability lies in the greatest possible exploitation of the few successes.

Frictions and anxieties stemming from the symbiosis between artists and record labels have a long history in the studies of the music industries, and based on the conversations of the Roundtable Conferences it seems that tensions have escalated. As most of the preceding quotations suggest, there were repeated claims that radical change needs to happen and furthermore, that the role and function of the record companies is in jeopardy.

Size matters!

Size is an important component in understanding why the music industries are struggling to find consensus on important issues and why they are not able to agree on solutions. It was a recurring topic and it spreads around all the related industries, not just those within the sector of recorded music. In some way it was being referred to as friction, a term also used to describe tension between the internal industries, and between core industries and the telcos and ISPs. But in a number of cases it was being explicitly pointed out that size is a determining factor in why the music industries are having trouble organizing themselves around possible actions or solutions.

An emphasis was placed on discussing the record companies and in particular the multinational record companies, the so-called majors, who're often referenced in a conservative and indeed negative light. These references vary from humorous anecdotes referring to the "universal horrors of working in a major", to more structural

criticisms on the positions of the majors and their inability to act on certain issues, evident when the conversations target new revenue streams and the distribution of monies.

In some ways, the critical references to the majors can be viewed as criticisms of the very system of the record companies, as these companies make up the majority of the market (at least in economic terms). And since they are key components to any solution that might develop, these criticisms must partly be viewed in relation to my previous section on labels and artists. But, in order to avoid a tiring and limiting analysis of the dialogues by suggesting that all the problems of the music industries derive from the major record companies' incapability to act on the challenges (and opportunities), perhaps a better suggestion would be to regard it as a classic conflict between size and power. This, at least, makes more sense when the dialogues address issues that don't relate to record companies, but where the concerns voiced are similar.

There are numerous references about the importance of size in relation to publishing companies and collecting societies. And in many ways, they refer to the same topic of bargaining power relating to catalogue and repertoire. However, unlike the major labels, where much of the negative references deal with the relations with artists, the references to major publishing - and perhaps more importantly - the collecting societies, refers to discussions around solutions on databases and inter-territorial systems for rights clearance and revenue distribution. And hence it also relates to external industries (SAFs) and legislation/policy making (the State). In fact, a very significant feature in the dialogues is that much of the difficulties and discussions follow a dimension of size across the industries and in two specific contexts:

1. The dominant position of some actors, which allows them to dictate terms, agendas and proceedings (and perhaps even the lack of such).
2. The difficulties related to the myriad smaller entities that can stop progressions but that are very difficult to locate. This is the case with publishing in particular and I will return to it more thoroughly.

3.2.5 The complex structures of the music industries

Several of the topics I've touched upon, such as the dynamics between artists and labels, or the dimension of size, should be considered subcategories of a more general

topic that deals with the structure and dynamics of the music industries. Throughout the Conferences there were continuous references to the complex structural nature of the music industries and its internal power dynamics, logics and agendas, often in response to claims or suggestions on how to move forward, or why the music industries seem perplexed about central issues.

There were numerous, frequent references to the complex structures of the music industries as being a critical factor for their inability to reach any consensus on issues considered essential for progress. Roughly speaking, these references follow at least two related logics where one seems to follow the other, namely that (1) the complexity of the music industries is a key reason why the music industries are not able to respond and act optimally on the digital progressions. From this follows that (2) it's difficult to see future solutions with such a complex structure intact.

> *(Music industry analyst): You know, we are gathered here together and we are coming from all of what you might call the factions of the industry, you know; publishing, record companies, managers. And, you know, historically these elements within the industry have occasionally got together to say 'we want copyright extension' and so forth, but at the same time they fight amongst each other. And you know, the managers have quite a bit more say, music publishers would like more from this, the record companies would like more, and they fight between themselves. Now we in a sense reflect those kinds of tensions. But if we go back to what's happening the first time…. I think a question that can be raised is: Can we as a group, imagine it as an industry, is it really worth our while defending the industry as a whole? Is it not maybe within the industry tensions to such an extent that actually the whole thing can't hold together?*
> (Q15, Roundtable, 2011)

Apart from illustrating that the composition of the Roundtable Conferences very much represents the full range of music industry-stakeholders, the statement also suggests an absence of coherence and cooperation, apart from these rare occasions where they cooperate on certain issues (copyright extension, as the delegate suggested). Other delegates refer to the music industries as being in a state of anarchy, suggesting the same absence of cooperation in a sector with little coherence when it comes to agreeing to agendas and objectives.

However, the statement also questions whether the notion of an intact "industry" is really worth defending, or even whether it's worthwhile. This latter point is interesting as it suggests that any solutions to be found in future scenarios, would require a radical restructuring of the music industries, perhaps rendering some of the existing functions or roles obsolete. And it reminds us again of the reluctance among some to move forward and risk their position in the market and/or value chain. This reluctance (or concern) must be seen against a backdrop of the challenges that are being described and discussed during the Conferences.

However, the complexity of the music industries was highlighted in continuous calls for collaboration, in the face of what many saw as inherent, long-standing antagonisms.

> *(Record label director) Whoever it may be, (previous speaker) is quite right there. Everything is fragmented; the world is getting more complex in a more complex business world. In many ways you will need more business help. And I think there is not enough emphasis put on the positive relationship between creators and publishers, record companies, or whoever it may be that supports them. And this is a time when everybody needs to support each other because knocking the shit out of each other like we tend to do isn't going to solve anything. And identifying that your streams of revenue, whether they may be small things in cutting costs, or whether they may be large things for advertisers or whatever, is going to take a bit more collaboration. And essentially, it's going to require people to accept that the business side of our industry has a necessary complexness.*
> (Q16, Roundtable, 2007)

In analyzing the dialogues, it's clear that that the complexity of the music industries is such that the term "the music industry" as an all-encompassing, singular term is inconsistently deployed at best, and unhelpful and inaccurate at worst. In both the public perception and in academic work on the music industries, the continued reference to "the music industry", can lead us to understanding it as a singular, monolithic entity with a hierarchical structure.

Though these industries may be viewed as a sector, or constituting a value chain around music creation and music consumption, and even though they tend to agree on

a number of issues, they most definitely disagree on some central issues, as evident in the data from the Roundtable Conferences. The dialogues constantly reference inherent structural differences – characteristics that are central to understanding how the internal power struggles and agendas affect any possible solutions. Based on the data, I wish to emphasize a couple of issues I believe adds to this complexity.

There are levels of competing interests between many of the central players in the music industries, like the record companies, the publishing companies and the collecting societies on some very central issues. This is very much a question of licensing, definitions of different types of consumption and the resulting differences in revenue streams. It's a phenomenon that relates to questions such as whether we are talking about streaming as a download, or whether it's defined as a broadcast with performing rights and a different revenue path, and the challenge is to have the parties involved act with a minimum degree of synchronization. However, any such synchronization seems to also imply a restructuring of the sector, which leads to considerable competition for position, influence and revenues.

The most evident of these developments - so far as we can see from public debate and references in the media - relates to the relationship between artists and labels. And while this is reflected in the dialogues from the Roundtable Conferences, they also demonstrate that the complexities and internal frictions also relates to music publishing, which in some ways correlates with the record companies (which sometimes have identical owners), and also the collecting societies.

Following the Roundtable Conferences, one important feature - one that I wasn't particularly aware of - was the competing interests between collecting societies. There are numerous references to an entrenched rivalry when it comes to offering digital catalogues – a competition based on size – as with record companies and the publishing companies. This dimension is evident, and central to the talks around the structuring of a "one-stop-shop" for digital rights, as well as a global database for recognizing rights owners and distributing monies, such as the International Music Registry (IMR) and Global Repertoire Database (GRD).

Possible solutions and propositions for progress were contested due to the fact that publishing companies, but perhaps more important, collecting societies can't agree on a route forward. This is very much due to classic competition over size and a (justifiable?) fear amongst smaller societies of becoming extinct, and/or eliminating the need for both the publishing companies and the collecting societies.

(Music industry representative): I think what makes it complicated is that there are too many people in the value chain who are defending their stakes. I'd say within the next ten years either publishers or collecting societies are going to be obsolete. One of the two is going to be obsolete. They're not going to want to give up, so what's blocking the whole development of the digital world is the egos, it's the fighting, it's the inward breeding. It's too many people in the value chain who want to secure their future. If you're not mentally able to lift yourself out of that struggle and status quo, then somebody else will have to start doing it for them.
(Q17, Roundtable, 2009)

Many of the debates and published texts on the music industries' digital adaptations are concerned with theories of disintermediation, and expectations that traditional partners in the value chain will become obsolete or replaced by external stakeholders or agents. However, they often neglect to address the fact that issues with providing easy licensing to companies can be traced to stakeholders other than the record companies. I will return to this below.

3.2.6 The dysfunctional music industries

Among the numerous references to the complex structures of the music industries at the Conferences, some went as far as deeming the music industries a dysfunctional system, incapable of navigating the present challenges (and opportunities). These assertions were made by delegates both inside and outside the traditional domain of the music industries, with some being made by licensors, based on issues related to doing things legally, as demonstrated by "the screen of death", which I will describe below (Q18). However, similar suggestions were also made by music industry executives and -representatives, who argue that solutions for progress depend on too many stakeholders with too much ownership and opposing agendas.

These assertions speak of a disorganized, opaque system and give voice to allegations of unfair conduct. Furthermore, on several occasions, the music industries were referred to as being literally unable or unwilling to solve the pressing issues. This

can very much be interpreted in light of the resignation that was evident in much of the earlier talks.

However, it's also linked to another interesting dimension, namely the expressed need for external aid, in particular from policy-makers and legislators. In one particular case during the Conferences, one of the delegates called for the referee (the European Commission) to come in and rule on the differences, and did so with biblical references to the wisdoms of King Solomon. In many respects - based on the conversations in Kristiansand - the music industries appeared to be perplexed, keeping them from acting on critical issues. This seems to hold true in regard to the establishment of a central registry of rights in particular, either as a Global Repertoire Database or as an International Music Registry. I will tackle this in a separate section below.

There was a great deal of self-criticism on how the industry as a whole has handled the opportunities and possibilities presented in the new digital models, much of it dealing with a reluctance to depart from the old model of selling copies, of matching supply with demand, in favor of a model where fans pay for access and where recorded music revenues are partly detached from actual consumption. Many spoke of a reluctance to abandon the old model based on rivalry and excludable goods, to devote more time and energy to establishing new models and new revenue streams.

At the same time, the group was constantly trying to figure out what a future model would look like, what revenue streams would develop and whether future models will provide more or less revenues than those that precede them[37]. And given a general uncertainty about which models the future might find both prosperous and sustainable, and the fact that the delegates couldn't agree on any specific model, the criticism should perhaps not be interpreted as a call for the abandonment of the music industries' main structures, but rather an internal criticism of its inability to progress

This self-criticism of its strategic choices and handling of a new digital reality runs parallel with the notion that the external industries - as in the ISPs, the handset manufacturers and the telcos - were not necessarily creating profits for music and music creators. And to an extent this contradicts a popular perception of the music

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[37] It is important here to note that these conversations were held when on-demand, subscription based streaming was still in its infancy. Even in 2011, only a very few select markets (like Norway and Sweden) could show numbers that suggested the format's success. Today, this is different and streaming has prevailed as the dominant format, although with much debate on economic sustainability (Maasø, 2014; Nordgård, 2016; Pedersen, 2014)

industries in general and the recorded music industry in particular; as conservative luddites neglecting or refusing to adapt to digital change. Some of these claims may be true, but in order to fully understand how and why the music industries act upon the digital proposition the way they do, we need to look at the structures of these industries themselves, and that the cause of some of the troubles the music industries have had is based on inability, more than reluctance.

In order to best illustrate what is referred to as a dysfunctional system of rights clearing, databases and licensing, I will highlight a case from an ISP representative, referring to what he calls "the screen of death".

3.2.7 The screen of death

As previously mentioned, a very important feature of the Roundtable Conferences was the degree of involvement from "outside" stakeholders. There were several international policy makers present and several representatives from the ISPs and the ICTs, actively taking part. In 2009 in particular, one delegate representing an established digital music platform, gave a statement about the difficulties his company was experiencing in doing business with the music industries. It's a fascinating example that I believe correlates well with much of the other dialogues and illustrates perfectly the dysfunctional nature of parts of the music industries.

> *(Director of Music ISP): All right, so, this is as (another delegate) said, is the screen of death. Just to take these abstract conversations about the complications of music licensing and make them concrete, and give everybody a gut-level understanding of what a pain in the ass it is to do this stuff legally, I describe what has come to be called the screen of death.*
>
> *So there are just under nine million tracks on (Company X) right now. As I'm sure everybody in this room knows, in order to get each one live, we need two sets of permissions. We need permission from the owner of the sound recording, which is usually a record label. And we need permission from the owner of a composition, which is usually a publisher. So we have about nine million tracks, but we don't just need the 18 million permissions; we need those two sets of permissions for*

every different use we might make of that track. And this is how we keep track of it all; on the screen of death (he presents a table on PowerPoint).

So basically, there are label rights and publishing rights. LS means we have permission - either yes or no - to stream the track on demand. LT means we have permission from the label to download the track to somebody's computer. LP means we have label permission to make a portable download. And then LB is label permission to burn a track directly to a CD, which is how we used to sell tracks back in the old days of 2002. LD means we can sell a download, and then the piece for the same rights we have a publisher's permission. And BO means it's a buy-on-legal, which means you can only get that track if you purchase the entire album.

So again, with label rights, it's fairly straightforward. You just have to give the labels millions and millions of dollars and then in return, they do you the very kind favor of giving you a list of everything you have just bought. Everything in their catalogue, they deliver it to us with yes' and no's. On the publishing side in The States, it's way more complicated. I mean the screen of death actually used to have a lot more no's on it. I looked hard last night for an album that has a lot of no's and happily, because we spend so much time and money trying to get this right, it was hard to find one.

In the States, to get publishing permissions, there's no single place we can go to find out who even controls what. So the NMPA, the National Music Publishers Association did a deal, administrated by Harry Fox (Harry Fox Agency), which basically gave us permission for maybe about 70% of the American catalogue. Nobody knows for sure exactly how much. It's sort of assumed to be about 70%. But unlike, say, Universal Records, who just sends us a list and say this track is licensed, this track is not, this track is licensed, this track is not, Harry Fox doesn't do that. Harry Fox says: You have to send us a list of everything you want to know if we have a license for or not. And we will send you back

yes' and no's on your list. Which is weird, but it would be workable if they actually did that.

Unfortunately, what happens is we send them our list of 9 million tracks and instead of writing back and saying yes, yes, yes, no, no, no, they write back and say unrecognized, unrecognized, unrecognized, yes, unrecognized, unrecognized, unrecognized, no. So the unrecognized means they might be licensed to us by the NMPA, Via Harry Fox, we're just not sure. Or, they might just be controlled by somebody else entirely. So we spent, over the last eight years, several million dollars trying to locate the publishers for all the tracks that were unrecognized by Harry Fox, and strike individual deals with all these publishers. So what you see here, all these yes' means the publishing rights are coming from Harry Fox. All these yes' and no's, some of the no's, are coming from the label, in this case Universal. This is a Black Eyed Peas record. And this one track down here, you will see, there's just no values in the publishers field. For some reason, that track, Harry Fox hasn't said yes or no to it, and we haven't yet tracked down who the publisher might be. In this case it doesn't matter because the label has said we can't stream it anyway. So this is how we do it and how we do it legally – how we figure out who to pay. But an important part to keep in mind is that, as far as our customers are concerned, they don't understand any of this. They don't need to know any of this. All they know is when they go to this album, for some strange reason, four of the tracks don't play!

Delegate A: So, what would be the set of reasons for labels not to allow you to stream?

(Director of Music ISP): That's an excellent question! The reasons they would allow us to stream some tracks on an album and not allow us to stream other tracks on the album. In this case, because it's a Black Eyed Peas record, I'm guessing they may have guest-stars from another label on them, they may have samples that they didn't get digital rights for. In some cases it may just be that it was the single and at the time, I mean this is what? 2005? At the time they may have just thought.... I mean this happens less and less frequently, but sometimes they don't give us the

single on demand because they think that will drive up sales. They're wrong, but that's the thinking sometimes.

Delegate B: So they wont give you the tracks the most people want?
(Director of Music ISP): Yes.
Delegate B: Fantastic! Great marketing!

(Director of Music ISP): Again, that was 4 years ago, although it looks like they never actually corrected their mistakes here. So, it's very expensive and very complicated to do it right. And unfortunately, in the States we have this notion of punitive damages for copyright infringement. So the liability that we face if we get any of these things wrong, is intense. And, you know, sometimes somebody will tell us they control the track and so we'll turn it on. And then somebody else will come to us and say; why did you turn that on? We control that track and we didn't give you permission!

So a music service, with which I am familiar, but which shall remain nameless, recently got some of these letters wrong on the publishing side. The publisher contacted the music service and said, "Hey you're infringing our copyright". The music service said, "Oh, sorry about that. It was an honest mistake and we will take it down right away. And we will happily give you all the royalties that have accrued", which I think were just under $700. And the publisher said; "Well, no, we think we will sue you for copyright infringement instead". And instead of getting the $700 in royalties that they were legally entitled to, this music service settled for $1,1 million.
Delegate A: That is ridiculous!
(Director of Music ISP): It's a fairly straightforward calculation, it's like.... Delegate B: And even if you can prove that you did everything to do it correctly?
(Director of Music ISP): I mean, it was, I'm not the lawyer to make that decision. And this music service that I know of, basically did the math and figured out that well, the odds of prevailing are such and such, if we take it to court and lose, the damages are potentially. $1,1 million to avoid all the legal costs of having a trial and the potential infringement

penalties, turned out to be worth it in that case. It is a crazy, crazy system.

The other thing that we can get into if we want to; these no's are very, very troubling. It basically means that nobody knows. And this is a famous track by a famous act. That one shouldn't be that hard to track down. I'm actually not sure why it's a no, but I wanted to show you something with "no" values. Because, there is no single place in the States and I think globally, to go and find out who controls which copyrights. And the people who do have this information are building businesses on the scarcity of this information.

Our company, I will confess, we spent millions of dollars assembling our own internal database of publishers of non-Harry-Fox-tracks, and who the composers are and what the splits are, who the copyright owners are. And we recognize how valuable that information is. So we have discussions internally; well we made this several million investment building this database. Should we build a business on top of that? There are three or four companies in the States right now that are trying to build businesses on the fact that they have this information and other people don't. What I personally would like to see, what I'm lobbying internally in our company to do, is basically to treat this information as a public good and just make it publically available. So what I'm hoping to figure out some way to do, and this is me speaking in person and not the company right now, is to figure out a way to create a database that is publically accessible, has this information and lets people enter their information.

Because creators, if we could spread the word and let artists and publishers and composers know that if they enter this information in the database, places like Sound Exchange, places like Rhapsody, anybody with money to give to artists can A: go and license their material from them and B: can send them royalty-checks. It's difficult because the people who have this information thinks it's valuable and think it's theirs and want to charge for it.
(Q18, Roundtable Conference, 2009)

This passage illustrates a number of important topics, some of which I will return to later. First, The ISP representative describes a rights-clearing system that cannot be said to work satisfactorily. It's a system with a high degree of uncertainty, with little transparency and minimum accountability for anyone other than the licensee. The topic was a recurring theme throughout the years of the Roundtable Conferences and central to the talks, linked as it is to the core challenges of enabling digitalization, and directly linked to the initiatives to develop a registry, or a database (described below). It questions the conduct of paying lump sums to major record companies and supports earlier notions where friction lies in the major labels' handling of rights-clearing money (as well as money coming in from lawsuits) and whether this is passed on to artists through a royalty system.

Importantly, the statement says nothing about how this money is handled internally by the record companies. There are no claims of money being withheld from the royalty system. The statement is an observation and expression of concern about the structures and systems that the sector relies upon from a representative of the external companies that do business with the music industries.

At the end of the statement, the ISP representative mentions another important issue, which is the fact that in the absence of a functioning solution offered by the music industries, they have invested themselves and as result now possess this data. This, I believe, is of great importance as it adds to the complexity of the music industries and further obscures the internal and external power balances within, challenging the power and positions of those who used to have a monopoly on the data.

The problems with data

It's important to point out that the above statement must be read as just that; a statement. It represents the experiences of the ISP-representative and is not necessarily an accurate representation of the companies/organizations mentioned. However, it represents a recurring topic and so I consider it a significant contribution to a theme that was addressed in several ways, by several stakeholders; namely that part of the difficulties the music industries have in adjusting to digital demand, stem from its own deficiencies.

With regards to the specific case with rights-clearing in the US, this was also addressed by stakeholders from "inside" the music industries, evidenced in the following quotation from 2011 when one of the delegates talked about the troubles of

finding and including the different sources of data that exist in order to create an international registry of music metadata. A major concern lies with locating the proper rights holders.

(Music industry representative) And I think, not understanding and acknowledging that our data is so imperfect and that we have so little understanding of where it should go. Just to recap for those who weren't here last year, I made it clear that, at the end of the process, we found that we could only locate and identify between 30% and 40% of the rights holders. Now, in the United States if you add on statutory damages that's a no-go! You know, $150,000 a movement, there is not some reasonable judge who is going to say: no harm no foul. It dictates a fairly high consequence for even the smallest indiscretion.

And so like a game of Hearts, if any of you know how that game is played, if you are not going to get every heart and the queen of spades you shouldn't even try, you have to get them all. And licensing is like this, especially when it's a new model, especially when it's an anarchistic model, especially when you are looking to monetize music consumption. So yes, we found at the end that even though the NMPA - the National Music Publishers Association - voted unanimously to support the project, the Harry Fox agency then follows up and says: We can only get for you 30-40% of the rights and even then we will not indemnify you, and even then we will not tell you who's rights they were that we secured and how we secured them and how we verify that. I think there's no self-respecting company that would accept that as a conclusion, least of all Edgar Bronfman who is on the board of those organization and so forth and he turned to me and said: I'm just astonished to find a couple of years into this project that we cannot locate the rights holders. And so, if you can't do that sitting in a corner office in 75 Rock, having a quarter of the content already and a unanimous vote of the Music Publishers Association and I emphasized just to run an experiment at six schools, that you've got a problem. And it makes what is going on with the GRD and now the IMR extraordinarily attractive because if there's any predicate for progress... and again, I don't care what your deal with copyright is, if you think there ought to be signed paperwork for every

use, or you believe in blanket compulsory government compelled licenses, or you believe in voluntary blankets in-between, you either got to find those holders to get permission and you got to figure out how to pay them.

(Q19, Roundtable 2011)

There are a couple of themes represented in both statements (Q18 and Q19) that are important to appreciate and understand. First, it further illustrates the dysfunctional systems of the music industries by suggesting that the necessary data is simply not available – that the structures the music industries have are incapable of providing the new digital businesses with critical services, further underscoring the complexities in the music industries.

What is also important to understand, following my earlier exhortations, is that these issues are not related to the recorded music industry - the record labels - but the publishing companies[38]. It expands the understanding of the music industries' troubles of adjusting to a digital era, beyond the analogy of record companies' reluctance to accept new digital models.

As the first (Q18) statement illustrates (backed up by many other delegates) the record companies are "easy" to deal with, assuming you have the necessary funds to do so, which is itself a difficult topic, not least when we consider the claiming/receiving of equity shares, as with Spotify and YouTube).

The publishing side seems more difficult when it comes to providing rights for vast catalogues, and even worse, for multiple territories. The point is that the above examples suggest that the difficulties the music industries are having in adjusting to new digital models are not limited to the record companies. On the contrary, the statements suggest that there's a significant deviance in what data is available and what is expected to be available, and in some ways, this may well be the result of the music industries not taking the necessary action to restructure and develop their databases and systems.

However, the statements also indicate that the problems encountered with insufficient data relates to the music industries as much as the external industries, the

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[38] An important notion here is that this case with Harry Fox Agency relates to the US market and American systems on publishing and licensing, which differs quite substantially from the European market. I will not provide any thorough description of these differences, beyond underlining that the case relates to the US and hence it must not be assumed to be general conduct in all markets.

ISPs and the new digital businesses. The critical importance of having such data available is difficult to overestimate. And the Roundtable conferences demonstrates widespread concerns in finding that ones' own data is insufficient and only covers fragments of what was thought it did. In some ways, this could be translated to further support the notion of a defective and perplexed industry incapable of adapting. What I primarily find interesting with this and other similar statements, however, is that they demonstrate a shared concern among traditional stakeholders. And it further points to the scope and scale of the difficulties with data that surpass reluctance and motivation, and raises the question of capability. While the former problem may be solved with incentives and lubrications, the latter challenge seems more difficult to surmount. Ultimately, as I will elaborate on, progressive developments rely on both aspects.

Size Matters (again)

Quotations Q18 and Q19 stem from respectively 2009 and 2011. There were similar discussions in 2010, where it's argued that the true damage lies in the fact that no sensible company or investors would dare to invest in something that doesn't have licenses cleared, for fear of being sued. And an additional dimension was revealed that deals with size: locating a vast number of rights holders is made all the more difficult when attempting to track down smaller rights-holders. The quotation below further demonstrates an internal criticism of counter-constructive greed where smaller actors may attempt to leverage economic rewards from these systemic flaws:

> *(Music industry representative): Important doesn´t come close to describing the work, I mean....*
> *(Comment): necessary!*
> *(Music industry representative): Let me be clear. For example in (project X) we found little resistance from large rights holders. The issue I think today are small rights holders that are hard to find, that are hard to bring together and so as a result you have Microsoft and Yahoo sued by 150 song-writers in Tennessee, whose collective royalty check was probably $11. But the suit was a GDP for a small country, based on $150,000 statutory damages.*
>
> *So lawyers can easily go out and find small players who are entitled to $10 checks and who are happy to sue for $150,000 at least and bring them together. Now, who wants to step into the music licensing area with*

a new business? That has got to be our greatest fear. And a symptom that we have failed here, is that it′s absolutely doctrine in the technology entrepreneur community, that if you ask for rights you won′t get funded. The approach that is favoured is to move forward without the rights and to settle later on. And that proves we've failed. That proves we′re screwed. Because that become the operative doctrine there. There′s no VC (venture capitalist) that will give you money pre-license anymore. And that means that those people who wrote us these big checks to go into business with us, can't do it anymore. The VCs have learned. They don′t pay you for licensing. You either tell them I′m not going to worry about it, which I'll be okay with. Or that I′ll come back to you down the road when I have resolved it but they won′t fund you to get licensed.
(Q20, Roundtable Conference, 2010)

This illustrates a significant challenge in licensing and copyright, and the difficulties of having too many stakeholders with too much collective ownership who can opt out and halt progress. This is even more evident when looking at the music industries from a global perspective, with multiple territories, multiple stakeholders and multiple parties that can veto and stop progress. In Michael Heller's book *Gridlock Economy. How Too Much Ownership Wrecks Markets, Stops Innovation and Costs Lives* (Heller, 2008), he argues that too much ownership, fragmented across too many owners, stops innovation and prevents progress on solutions which require the approval of multiple stakeholders. The challenge is that nobody has the requisite authority to push through a solution, and everyone can block others from doing so. And, as the statements above illustrates with reference to the 'game of hearts', the problem with licensing is that you need to clear everything, not least because of the potential legal ramifications in getting any of it wrong. The fear of litigation was the primary reason why this ISP in Q18 ended up investing so much money into building their own database of rights.

3.2.8 Calling for a global database

There are several interesting angles and approaches one can take to analyze the above statements and I will return to some of this in Part 3. However, the important thread running through these examples is that they all refer to and support initiatives to develop and implement a central registry of data on copyright – or a system for

integrating the different registries. These initiatives can be identified in two specific projects: the Global Repertoire Database (the GRD) and the International Music Registry (the IMR). Both projects are discussed and elaborated upon throughout the Roundtable Conferences, and the lack of progress toward these goals is frequently lamented.

In many ways, The Roundtable Conferences serve as a forum for discussing the specific initiatives of the GRD and the IMR, and over the years have attracted different inter-governmental policy-makers to monitor the talks and/or to help facilitate progress. Ideas and initiatives addressing the issue of a central registry have been on the table prior and parallel to the Roundtable Conferences, but despite these efforts - efforts which extend far beyond the talks in Kristiansand - a global database or international registry has not emerged.

The global database is subject to a number of difficulties, such as the internal power-struggles of the music industries, in particular amongst the collecting societies and publishing companies. It is partly a question of power and perhaps even the very existence of some of the collecting societies. If it's decided that a solution lies in the creation of a singular global database then, depending on what form this database takes and how it functions, it might in fact be hara-kiri for most of them. It presents many with a significant dilemma and must be considered as a backdrop for many of the dialogues on these issues.

As exemplified by "the screen of death" passage, the problem with licensing is not only that obtaining rights for multiple uses in multiple territories is an endeavour fraught with difficulty, but also that even the data that reveals *who owns what* is difficult to find. The dialogues suggest that this was partly due to bits and pieces of data being divided between multiple stakeholders who have specific but limited data, either based on company ownership (the publishers and the record companies) or by territory (the collecting societies). And most of these actors consider their data an asset to be monetized by usage or access, which again makes it difficult to find common ground upon which a global database can be built. It's a double-sided dilemma.

On the one hand, the central actors seem to opt for their own system or database as the favoured option. On the other hand, the same stakeholders may also reject any of their competitors' systems from becoming the standard or platform used in any of the two global/international initiatives. One can understand their reluctance - due to the efforts and costs invested to build and maintain databases – to simply give away

such investments. It makes little sense economically. But more so, for certain actors, and especially perhaps the collecting societies, to run and own databases and to give access to the data therein on behalf of their members, is in many ways seen as these institutions' "raison d'etre", and to jeopardize this, to allow external partners to surpass them, might threaten their very existence.

Paradoxically, the reluctance (or incapability) to make progress on these matters may also generate potential new competition, as exemplified in the case of "the screen of death", by forcing new digital entrants to obtain the data themselves. It represents the threat of making traditional registries and databases obsolete if external businesses can bypass their services. However, it also represents potential future competition from ISPs who're considering building a business on top of their own databases (as demonstrated in Q18). This truly poses a set of dilemmas and so a great deal of effort is expended in order to agree on solutions or viable routes for cross-border licensing, to enable ISPs and digital start-ups to license music fairly and to secure a reliable platform or system for harmonizing music rights across markets and territories.

Consolidating structural conditions and political demands
As already established, the need for - and the problems with - establishing a cross-territorial system or platform for music rights, is a theme woven through all five years of the Roundtable Conferences. The topic brings up a range of issues of territorial, or case-sensitive origin. However, it also builds on greater issues that must be considered at a macro level and in relation to international politics. The challenges related to defining and implementing a central registry for music rights are tied to more general internal dynamics and power-struggles within the music industries – the kind of difficulties that renders "the industry" paralyzed from acting on pressing issues. However, the challenge of defining and implementing a global database for music rights also represents a process of pressure, or expectations from external actors on issues that can potentially cause great turmoil within the music industries.

Not least does it represent a very articulated expectation – or even admonition – from governments and political actors, such as the EU, to solve the problems and provide what is considered to be a minimum level of service or accessibility to critical data. According to the Roundtable Conferences, this was related to multi-territorial licensing and the European Commission's aspirations for a single digital Europe. There are several references during the conferences to initiatives from the European

Commission, an expectation that the music industries should sort out the issue of databases, registries and licensing, and many of these references implied assertions of political hostility towards the music industries and in particular the record labels.

To better illustrate how the Roundtable Conferences seemed to consider the positioning of the EU (which to a certain extent results from the delegate's own communication with them), I'd like to refer to a long passage from the 2009 conference, made by a representative from the collecting societies. Here, reference was made to dialogues with the European Commission and rather explicit suggestions on how to move forward (but without any reference to what future solutions should look like):

(Music industry representative): In this way, they hope to streamline the Pan-European and/or multi-territorial licensing processes through consolidating the two rights-categories; reproduction right and performing right, into one single unitary license – or integrate the layers of different rights and rights holders into one single license. So this is the one-stop-shop. And how is this done? It's again an open affair. It's up to us, the music industry, to tell them what we'd like. There are indications, or subtexts here, where they suggest a super-society. A European Super Society that contains all the rights, as a one-stop-shop, several (societies), like (Name of delegate) was outlining before: the four big societies, have a one-stop-shop.

Or we can even imagine national super-societies that can issue Pan-European licenses with everything contained. So this is the extended, or mandatory collective management system for administration of digital making available rights and the provision of an additional available right to equitable remuneration. So making-available flat rate, extended collective license agreement, it's all the same. We just have to agree on how to do it. Now, this is off course a beautiful idea, and I think it's an idea that in many ways has been planted by some of us in talks with (Name of EU Commission representative) and other prominent members of different commissions. But the practical consequences are now at stake and have to be pondered. Because, what does this mean?

Well, for one thing - and this is the big obstacle - it means harmonization of copyright laws and especially the different limitations and exceptions. It means the creation of a European copyright law to ensure coherent online licensing. That means a directive. And that takes eight to ten years. So, we're going to have a business model with no legal framework. And eight to ten years to wait until everything is in place. I'll leave out the bits that concern the satellite and cable directive, but I'd just like to say that it doesn't sound like it has anything to do with us, the music industry, but actually it has a lot to do with societies and how they're built, how their income comes in, how they can set their commissions. Because some of these societies can shuffle in a lot of money from the satellite and cable, and it makes them look very, very good. And if they miss these opportunities - he mentioned the RTL case - if they can go to GEMA and get a Pan-European license, there's going to be a lot of income lost in SACEM, in KODA, in all the different societies. And this income was very easily accessible for them and it made them look very, very good.
Comment: The satellite and cable thing is also very important because it's about transparency of the administration, which is the key thing.
(Music industry representative): Exactly! What this also implies - and this is something we also perhaps should address - is the creation of a freely accessible online database containing information of rights, rights owners, licenses and repertoires. That's what they're saying, but that scope is too big. If we could have a database of reference, so that we can actually know that this is the work in question, that would be sufficient. It would be open to businesses; it would be open to societies, publishers alike. But who would own it? Who would run it? These questions are left in the open. And we had our (Name of Organization), biannual meeting in (place and date), this year, and this question came up. It comes up more often. Could we have a global database reference that would actually enable this online business to thrive? Its a great idea, but if anyone has the answer to how, then....
(Q21, Roundtable, 2009)

The difficulties with multi-territorial licensing and the need for a central system where one can find rights-holders and/or obtain rights, is critical. The need for - and the difficulties with - describing and enabling a central registry for music rights

became an increasingly important topic during the Roundtables' initial years, first because it represents a critical component to most of the digital propositions being discussed at the conferences, such as models based upon levies, as well as the enabling effect it has on new digital businesses in general.

But it became an ever-more central part of the conversations in the later years as models and prospects for central registries manifested through the two specific propositions: the GRD and the IMR – both of which were presented and discussed at the Roundtable Conferences.

The very central position of the topic was probably due to the fact that several of the Conferences' delegates were involved in the processes of developing propositions and models for databases/registries, either through their affiliated companies/organizations, or through personal engagement, and both propositions were presented and discussed vividly. There were differences of opinion on how to solve this, but there seemed to be a general consensus about the need for a central, global database, though how this should function (is it for example a database, or a coordination/network of databases?) and how it could be owned and run was an open question.

Jockeying for positions

A general problem related to the establishment of a central registry is that parts of a society's investments in databases and structures may become obsolete as we configure a set of autonomous, national collecting societies into pan-national or super-national deals and constructions. And within this setting, some societies are uniting to either become that one system or to object to any other competing society becoming the standard or the hub. The collecting societies build on an economic rationale where the costs of licensing rights and monitoring use is made possible by economies of scale, standardized deals and standardized fees.

It's also a system where national collecting societies provide the rights for usage within a certain territory (almost always defined as a country and almost always with a natural monopoly[39]). This implies that the different national collecting societies grant rights for their respective territories, on behalf of other national societies, and also collect revenues on behalf of other national collecting societies. This money is then redistributed between the respective societies, based on mutual agreements. It's a case of reciprocity as well as a matter of scale.

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[39] Exceptions can be found, for instance in the US, where you have different, competing societies within the same country.

To achieve optimum economic sustainability, the transaction costs must be kept to a minimum as the usage of millions - if not billions - of plays, each with a small fee attached, adds up to significant amounts. In addition, the model requires a large number of transactions, each with a small fee and a smaller cost, in order to generate profit for rights owners. A reduction in transaction costs is achieved by implementing blanket licensing, which gives licensees access to the entire global catalogue and saves them from bargaining for each type of usage or each type of repertoire. And naturally, following from this is that size is of an essence. The bigger the territory and the bigger the repertoire, the more transactions and (hopefully) less marginal costs you have.

If you're PPL or PRS for Music in the UK, and you license the rights for the UK catalogue, you're collecting huge amounts of money from all over the world. You're also licensing your own catalogue as well as others' catalogues within the UK – a territory of a substantial size - and so the economies of scale kick in. This is an important feature of copyright management and a logic that renders some societies more important than others.

My analysis by no means serves as a comprehensive overview of collecting societies, their role in the music industries or the changes they are facing. For a fuller and deeper understanding of these issues, there are numerous contributions that elaborate on the subject. Regarding the explicit topics relating to digitalization and the role of collecting societies, see for example Wallis et. al. (1999) or Handke and Towse (2007).

My point here is to illuminate the recurring issues of internal power struggles and that of size, also when talking about the collecting societies. These are topics central to any possible development of a Global Repertoire Database (GRD) or an International Music Registry (IMR), and dimensions central to any bargaining and negotiations for access and rights. They pervade the discourse at the Roundtable Conferences and so I would argue that both are important indicators of the complex matrix of agendas and powers that constitute the music industries.

And, as the first quotation in this section indicates, some of the external expectations about how copyright management can be married to digital, online requirements (by the EU, for instance) causes turmoil within the industries and its relation to size. The bigger societies may have different goals and ambitions for a central registry, since have they different conditions.

3.2.9 External pressures

Apart from issues that can be organized under a heading of 'internal frictions', there is another thread that can be extracted from the talks: external pressures. Throughout the years of the Conferences, a significant proportion of the talks were focused on describing the pressures from two parties in particular; political bodies and new digital companies, how to better understand and respond to them. Perhaps this is the case in particular with the latter of the two, though the former is inextricably linked to the difficulties with databases and registries, and I will begin by elaborating on this.

3.2.10 Policy-making and legislation

The discussions around a central registry for music rights were closely tied to another important theme during the Roundtable Conferences, namely that of political pressures and agendas which influence the stakeholders' progressions and frameworks. There were abundant references to specific political developments and in particular the pressures coming from different policy makers on how to respond to the digital progressions.

According to the delegates, attempts to influence political progressions were initiated by a full range of stakeholders, both internal and external to the music industries. And based on these talks, one must expect such initiatives to have had a certain effect. There were references to music industry stakeholders (present in the Roundtable Conference) that have communicated their views to the European Commission (which was claimed may have been the catalyst for the process of creating the GRD), and there were distinct allegations of how external parties, companies, and organisations have conducted (successful?) campaigns in order to turn those in the industry against each other and have the state rule in its favour. Some of these issues will be discussed further below.

There were also references to policy makers' interference, and requests that the music industries sort out their problems and get things in order. The citation below in many ways illustrates the challenges in responding to specific political inquiries on very complex issues and hence reveal both the internal difficulties – the complex dynamics of the music industries – as well as perhaps an underestimation of these problems from a political, legislative position. In this case, the quote belongs to a music manager and his response to a rather detailed and optimistic call from the EU.

(Music industry representative): No, I think that in this sense, I am totally with (name of other speaker). We have - certainly in Europe - a break-through in the sense that Government is saying that we have to resolve this problem. And I think that when that gets picked up, it's likely to then go back into the US and go worldwide. Which is why I mentioned the ACTA-thing (Anti-Counterfeiting Trade Agreement). Because there's clearly a lot of work that is going on within these governments of the powerful countries about looking at this situation. And it is coordinated. The British Intellectual Property Office (IPO) has come out with a document which is remarkably similar to this EU document. In other words, they allegedly haven't seen it; they just happened to come out with something which is remarkably similar.

And at the same time, we have the situation with the ACTA-thing coming through, which is a totally different thing and which seems to be saying that on the one hand the EU is saying to the music business and the content industries 'get your shit together'. On the other hand, the ACTA is saying to the ISPs that 'you've got to get your shit together'. There seems to be a drive towards all this now. How do we all rather puny people, who are worried how we can find a 1000 dollars to get here to this conference, how are we going to deal with and cope with the pressures of the institutional powers who derive benefit from the chaos. And in particular - and this is really important - the fucking lawyers! The lawyers are making a fortune out of the complexity. The more complicated it is, the more lawyers you need. And who is it that writes the laws? The lawyers! So we have a real fundamental problem that we as a group have to resolve. And I mean, this is but a tiny fraction of the group. We have to resolve our issues. And I think it does involve moral rights.

Exactly where do we stand on moral rights?

(Q22, Roundtable Conference, 2009)

Besides illustrating the tone of the talks and the complex (and perplexing) nature of the problems at hand, the quotation also illustrates a number of important

topics that have been addressed above, or will be below. It illustrates the active role of the EU - the state actor - in progressing on the issues of digitalizing the music industries. It also suggests that there are several political initiatives involved in putting simultaneous pressures on the music industries (exemplified with the British IPO) as well as external actors (the ACTA-initiative). But more than anything else, this quotation represents the major difficulties of aligning state actors' requests, or demands on issues so complex that the music industries themselves seem incapable of taking action.

Nevertheless, there seemed to be an agreement among the participants in the Roundtable Conferences that political bodies and representatives have clear expectations that the music industries would be able to overcome their difficulties and come up with solutions. Further, these expectations also suggest a threat that if progress was not made, that policy-makers might force through their own solutions. This dilemma was captured in the dialogue below, where a representative of an international technology company warns against the music industries not coming up with viable solutions.

(Representative of technology company): My point is that a public policy-maker has to choose between perspectives that it has to present the voters. Free speech advocates will use any argument that they can to paint anyone who favours monitoring its people as people who are opposed to free speech. And that's not a note, that's my point. And what I will not like to see happen is the answer just being: Well let's just compulsory license everything! Because we are tired of listening to the problems, we'll just compulsory license and then you people can figure it out. Because I don't think that in the end that really is a result that will be the best result for everyone. Maybe it would be but I think it would be sad if the default position was: We can't take any more of this, it's taking too much public policy time, we're just going to take a way out that solves... you know, gives you money and we can then move on because we have a public policy priorities to deal with.

(Music industry representative): Well you got to...sorry, but I think it's interesting that the EU and the Hargreaves report deals with this, but they go on and on at great length about the need to protect intellectual property, and if protecting intellectual property, you can't draw the line

and say: actually it's going to be out and (???) area. I'm not arguing with what you are saying, I'm a great believer in the idea that an actual solution is to give up control and make sure you get money, you know, I mean I am not arguing about that particular side of it, but…….
(Representative of technology company): Well maybe it is, but in any case, my suggestion is, and this is really just me talking Ok? This is not (Name of IT-company)'s position, this is not their position. If anything, you could argue that IT companies can be better off with compulsory license regime because we wouldn't have to spend amazing amounts of money building back-end rights-management systems, that we do now. So if anything... I'm saying that it would be a shame if you, if the music sector could not come up with an answer that actually works for you and that could be endorsed as a public policy. That is why I, as a person who loves music a great deal, would say: I don't think that you want to end up in a position where your future is taken out of your hands in an important area of pricing and control, and simply end up on a blanket basis, one size fits all. It's like, "we'll just make it a compulsory license and let you people argue about the rate"

(Music industry representative-2): I don't quite see why you get to compulsory licensing from what we're saying before.

(Representative of technology company): Because at some point the amount of public policy time that is spent on a sector becomes more than it is in the interest of policy makers to spend. And at some point they expect that "well, ok, if we pass regimes that..." If they pass enforcement regimes and they don't produce the result, and there isn't actually good evidence to suggest that the regime actually have produced the result, then the answer becomes "right we've had enough listening to this, we'll just make a compulsory license and we'll see how that works, next! We'll come back in 5 years', hopefully 10". But on a practical level I would say, there are a lot of companies that would love to monetize music, and do it on an equitable basis. From my internal discussions with the (name of IT-companies), there is actually a bias in favour of music. Most of the people in these companies are young, most of them are in the perfect demographic to listen to music, to go to concerts and the rest. I know

people in Google who help festivals to get live transmissions on to YouTube, like Coachella, to be live on YouTube. People do it because they want to do it. They thought it would be cool for Coachella to be visible live on YouTube.

And so there's a real constituency, there are people who want to make sustainable models. Find a way to make it, as (Name of delegate) said, find a way to make it easy to come up with licensing arrangements which say: Fine, we are not going to extract every dollar up front that we can, because the..... Well that will brachiate the system, if you succeed, you pay more, if you don't succeed, you don't succeed. The future has to be in trying new things. Don't tell the people how to sell your product, let people come up with clever ways to use technology to........
Comment: Maybe you can suggest....
(Representative of technology company): No, that's not.... It could be subscription services of this kind or that kind.
(Music industry representative-2): What's wrong with compulsory license.

(Representative of technology company): I'm saying that if the default becomes: We are just going to create a compulsory license scheme, because we are tired of spending time listening to this, then the decision about the future of music is taken out of the hands and it just becomes a question of splitting up the money. And maybe that's okay, but it seems to me that the music sector would be better off choosing its own future and advocating for a result.
(Q23, Roundtable Conference 2011)

This discussion, I believe, is very important, illustrating the type of dilemma the music industries' stakeholders find themselves in; they have to find solutions, or else solutions are found for them[40]. And, as the delegate representing a major IT company

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[40] It's also a very good example of the type of discussions that the setting and the Chatham House Rule provide. The Roundtable Conferences catered for open discussions where progression was sought on difficult issues. The fact that the Conferences included representatives across an extended value chain and where people were encouraged to speak off-company policy proved to be of great benefit in producing the quality of content the talks fostered.

suggested (even though he was clear it was his personal opinion and not of the company he represents) this dramatically reduces the music industries stakeholders' abilities to come up with solutions that suit them. The same dilemma was present in the following statement from another delegate made the year before, with reference to the working group that was assembled to initiate the work on the GRD;

> .....we want to start it with the mandate that we were given by the Commission and I think is one of the things that's worth bringing out into the open; if you talk to any of the people that were on the original working group, they were more or less told: If you don't do this..... we are effectively, we are appointing your companies to sort this out. And if you don't do this, you wont like the answer we come up with instead.
> (Q24, Roundtable Conference, 2010)

There's an underlying threat that lies in the mandate given by the Commission, and it's an important factor in better understanding the motivations to come up with a solution, as well as illustrating the significant degree of political interference in the processes. Based on the dialogues, there seemed to be considerable political pressure on the music industries to sort out their systems and structures. No doubt there was - and there remains - a commitment among music industry stakeholders to come up with propositions on how to progress. As I've elaborated on above, there's a general objective among the music industries internally to figure out ways to license digital, online music services, but these motivations seem amplified by the indirect threats communicated by policy makers and government official (the data holds several similar references).

More so, many of the elaborations that refer to policy makers and political processes, and the initiatives for unraveling the digital complexities with licensing and multiple territories, also involves suggestions that political institutions and policy makers seem to blame the music industries for the gridlocked situation. Several of the delegates referred to meetings and/or dialogues with policy makers who explicitly blame the music industries – and specifically the record companies - for the gridlocked situation. And following this, it was suggested that this was the main reason as to why the initial working group on the global repertoire database did not have anyone representing the record companies. I'll return to this later in this section, as well as in Part 4.

Significant effort was put into interpreting what policy-makers are aiming for, what they expect and what initiatives can be expected from them. When I have tried to extract a separate topic, or theme on policy-making and legislation, I base this foremost on the extraordinary amount of time and effort spent on these issues. And some of the issues relating to policy-making and legislation relates to what must be considered responses to the music industries own incapability of sorting this out themselves. In some ways, it could be regarded as a response to the music industries' own expressed difficulties of prevailing in these issues and their own calls for assistance (as demonstrated in an earlier delegate statement, with reference to King Solomon). Based on the Roundtable Conferences there is little doubt that much of the political initiative is partly triggered by the music industries themselves, directly by lobbying from some stakeholders, or indirectly by not being able to act on political inquiries.

However, an additional issue concerning policy-makers and legislation relates to external industries and businesses and their pressures on developments. And as a last topic, before I embark on Part 3, I'd like to elaborate on this, not least because it specifically relates to policy-making and legislation.

3.2.11 Pressures from external companies and businesses

One central and very evident topic during the Roundtable Conferences was the music industries' relations to external, or relating industries, companies or fields. It's a continuing topic that relates to a range of different themes and variables. References to external industries' pressure on the music industries' digital progressions might be made indirectly, such as unaddressed allegations or claims of pressure, competition and political interference on pressing issues from companies, industries and businesses outside the realm of "the music industry".

Such claims, or allegations, might also be neutrally-charged, as they don't necessarily accuse anyone of deliberately bypassing the music business, but simply that these external businesses' actions have tremendous impact on the music industry – it interferes with the processes – and these stakeholders don't seem to understand the structures and logics of the music industries, nor do they seem to care.

Though the talks around external stakeholders' influence on processes often suggest that it represents a necessary progression and in some cases, a preferred involvement, it also relates to an increasing friction. There's an acknowledgement that

changes are needed, that there are new stakeholders, and that control is no longer the sole domain of the traditional intermediaries. As elaborated on above, emphasis is put on the music industries - and in particular the record companies - coming to terms with no longer having the control they used to. This pertains to discussions around the nature of the Internet and an acceptance that the future business of music doesn't rely on controlling the circulation of copies of recorded music and speaks to critical debates around the music industries' former models and their reluctance to abandon the old models.

However, discussions around control also involve elaborating on the position of new actors, such as the ISPs and the ICTs - the pipes to people - and the control with connecting creators with their audiences – a central objective of the music industries. Controlling the pipes - the means to reach audiences and fans and to be able to affect consumer habits and trends - have always been a major part of the music industries', and in particular the record companies' main contribution to the business of music; a gatekeeping function. This is in many ways related to the control of distribution, a control that seem to have been lost to the tech companies and ISPs, and concerns seem to be not only about regaining this control but also about whether these new actors, these companies and businesses are really capable and/or willing to enter the realm of the music industries.

Again, referring to a critical notion from one of the delegates (in Q5, Roundtable 2010), the problem may not be that control is lost, but that these new stakeholders don't understand the music businesses' complexities, or worse, that they have no ambition to understand the business of music. In some ways one could argue that rather than opposing interference from "outside stakeholders", the fear is that their commitment to interfere may only be temporary.

As already established in my introduction, the music industries amount to far more than printing and distributing recorded music. And there's an understandable unease about whether or not these new businesses will take part in the symbiosis of connecting fan with creator, or whether these stakeholders will simply disrupt from a distance. In the Q5 quotation lies a reference to a shared "love for music" which may not be felt by these new entrants (although the opposite is argued by the representative of a technology company in Q23). But more so, the quotation also illustrates the complicated efforts needed to sort this out; the *very well-choreographed dance that needs to happen*, which is not working.

This is a process (or dance) between two partners in which one (the ISPs, the handsets and the pipes) allegedly doesn't tango – because they don't understand how to. Or, based on the dialogues from the Roundtable Conferences, because they don't aspire or need to?

The ambiguous relations of music and tech

However, perhaps the most important part of that statement (Q5) is that it rests on a premise, articulating the music industries on one side of the equation, and the handset manufacturers and their "pipes to people" on the other. It very distinctly delineates between the two fields, sectors, or industries and is evident in previously mentioned discussions about Google, Apple and Spotify and concerns related to these businesses' long-term commitment to music. In other words, a very important conclusion to be drawn from the talks is that there's a divide between two different fields; the music industries and the others.

Such a division of fields, or sectors, also involves differences in agendas, so a significant proportion of the dialogues that relate to the relationships between the music industries, ISPs and ICTs, also relate to political processes and concerns that these external actors have a large influence over political progressions. As the following quotation from a dialogue between an artist manager and a major record company representative demonstrates, any attempt to accept or include the ISPs and the Telcos as natural allies in the value chain of the music industry (by bypassing the publishers and the record companies), falters around claims over these industries and businesses' ambiguous approaches to the process:

> (Music manager): So, in a sense, what we're suggesting, back to where we're going with the EU, our natural allies are the music services and the ISPs and the creators. And bypassing - or being willing to bypass - the publishers and the record companies.
> (Major record company rep): But I think that we have to remember that between 2002 and 2005, the ISPs and Telcos were the most effective lobby-groups in this place. They created and intensified the war between the recorded and publishing rights. And they systematically did that through a bunch of different associations. At (Major record company) we ended up hiring a couple of people that were helping lead those groups because they were becoming so effective bringing the industry

against itself. So, working with the ISPs is not about working with the head of the op-co (Operating Company) in the local market; it's about working with the heads of Dutch Telekom; Telefonica, etc. So, it's not just engaging at a local level.

Because they're very smart, they were very, very clever in the way that they gave the impression to the EU and governments in a number of different territories, that they were trying to do deals and they were disingenuous in the way that they forced the issue in terms of the definition of revenue. And they made that an issue that they knew would separate publishing and recorded music and it worked very effectively.
(Music manager): So, what was their gain? To get the free access to music in a way?
(Major record company rep): It was really to give themselves five years of the traffic and the audience that P2P was generating. But also, to begin to move the EU towards compulsory licensing. NOKIA in 2002 was lobbying very effectively for this. The first deal (major record company) did with NOKIA was effectively an attempt to build a bridge to NOKIA, saying 'look, there may be another way that we can work together'. I remember at the time, licensing a device which was an awful music phone, the 3300, and being rated by the other majors because they'd licensed it to a device that wasn't DRM compliant at the time. And I said, these guys have got a business that generates 34 billion in turnover. They could buy our industry quite quickly if they just clubbed together with one of the Telecos. And we are sitting there making it impossible for them to license and that is exactly what they want us to do.
(Q25, Roundtable, 2009)

There are several interesting points to be gleaned from this. First, it further supports the idea of a division between the music industries and "the others", and it suggests that "the others" have (successfully) lobbied to pit internal stakeholders inside the music industries against each other. The delegate from the major record company went far in suggesting that these businesses - that undoubtedly have an economic capacity that far exceeds the music industries - benefit from the status quo. In other words, it suggests that these new digital stakeholders have little interest in progressing on issues that would allow them to legally license content. The quotation

suggests that the new digital stakeholders are actively seeking to disrupt progressions by influencing policy makers and by disrupting the internal order of the music industries.

Importantly, these are the statements from a major record company representative and must be read as his opinions and descriptions of the digital developments. And as the last part of the quotation illustrates, the record company representative's argument speaks to a dichotomy found throughout the conversations of the Roundtable Conferences, namely that the new digital companies have ambiguous agendas in striking sustainable business models, and that this becomes amplified by the music industries own inabilities to licensing properly. The quotation further brings in the dimension of policymaking and hence I believe it completes the image of conflict lines that are discussed throughout the Roundtable Conferences.

My analysis highlights three factors that have much explanatory power for understanding how and why the music industries' digital progressions unfold the way they do:

1. The complex structures of the music industries and the difficulties this represents
2. The influence and pressure from external stakeholders, and lastly;
3. The political processes and the degree to which these are influenced by the two preceding factors.

In the following, I will elaborate on these factors by extracting them as separate, macro-themes, based on the themes described above.

3.3 Three Concepts to Understand the Music Industries Digital Adaptations

As elaborated on in part one, my methodological design rests on a qualitative approach where my ambition is to explain (rather than simply describe) the phenomenon at hand. The ambition is to extract patterns or variables from the dialogues that have explanatory power beyond the specific case, problem, or question. The goal is to sufficiently understand and explain why the music industries seem to have difficulties progressing their digital business. And if anything should stand clear from the above description of the Kristiansand Roundtable Conferences, it's that the music industries' digital progressions have a wealth of difficulties – only some of which have been described in this dissertation.

Needless to say, the topics, challenges and opportunities discussed during the Roundtable Conferences are complex and difficult, far beyond that which I've had the chance to elaborate on in this text. However, my ambition has been to extract and elevate certain themes or topics that might help explain why there seems to be stagnation and frustration following the processes of digitalization and to try and extract concepts with explanatory power beyond the case of the Roundtable Conferences.

These objectives of my research correspond well with the previously-mentioned link to Keith Negus and his suspicion of one-dimensional explanations of how the music industry operates, and his exhortations to research and 'gain a useful insight into the complexity of people, organizations, companies and alliances and the historically changing motives, influences and agendas which shape the production of popular music' (Negus, 1999:8-9).

Hence, while an obviously valuable discovery from my data is the absence of and need for a central registry, a database, or a system to coordinate databases of rights-holders to provide licensors and licensees with a transparent and trustworthy tool for obtaining and monetizing rights, a more important question seems to be why this is not prevailing. Not least due to the effort expended by the central stakeholders to proceed with it, both inside and outside the music industries, as well as the political ambitions and pressures to come up with a solution. The discussions around a database or registry fundamentally embody what I consider to be central topics during the Roundtable Conferences. As I will expand upon in this section, there seems to be three core concepts to be extracted from the data, all of which appear decisive on the topic of global databases or registries, as well as other topics, and which I believe must be given emphasis when trying to understand the music industries' digital adaptations.

As stated in the opening of my dissertation, the main objective of my research is to provide new insights on how and why the music industries adapt to new digital opportunities and challenges in the way they do. This broad and ambitious goal has been further broken down into three sub-questions that I will try to respond to and answer. Based on the above data, I will seek to provide new insights on (1) why the music industries seem to have difficulties adapting to new digital behaviors and new business models, (2) what variables affect these transitions and lastly (3); what stakeholders are involved in the processes.

When analysing the conversations from the Roundtable Conferences, patterns emerge. Most of the topics and themes that I have presented above share similarities; they connect in one or several ways, and in particular they seem to point toward or add up to three distinct concepts:

1. The *internal structures of the music industries*
2. The *exogenous pressures*, and
3. The *role of the policy makers*.

This is not to say that the other topics described above are of little or no importance; on the contrary, they're highly relevant, but somehow, they seem to be (to a lesser or greater degree) dependent on the three concepts and hence suggest a strong explanatory power among these three concepts. However, in order to understand the true explanatory force of the three concepts it's important to situate them together with different sets of topics and themes in order to better understand how and why they are so central to the understanding of the music industries' difficulties in adapting to an online era. Some topics are related to one or two of the three concepts, while others seem to relate to all three. This is most obviously the case with the discussions around licensing and the *creation of a central registry* in which all three concepts seem to be important. In the following, I will elaborate on these three concepts further.

3.3.1 Concept A: Internal dynamics: the dysfunctional music industries

Concept A; Internal Dynamics propose that the structures and dynamics of the music industries is a determining factor of their adoption of new digital opportunities, by 1) preventing solutions that require consent from a broad range of actors, 2) creating internal and external hostility, 3) fostering external political reluctance and 4) preventing external companies from exploiting musical works in a fair and proper manner.

When assessing the internal dynamics of the music industries, an important issue reappears, namely how to define which stakeholders constitute the music industries – which to include or exclude and where to draw the lines. As such, the Roundtable Conferences don't really contribute to my introductory discussions on the structures and nature of the music industries, beyond referring to the classic components; the recorded music industry, publishing and live, and of course, continuous references to the sacred symbiosis of the artist and the fan.

The data from the Roundtable Conferences doesn't really allow a conclusion on any particular limitation on the music industries, by defining specifically what they should be understood as. However, there are two features that seem significant and which will be given emphasis.

The data demonstrates a very disparate set of stakeholders, supporting (or even demanding) the plural form of the term *music industry*. If anything, the data clearly demonstrates the opposing agendas of central stakeholders in the field; hence any reference to it as a concurrent and singular industry severely misses the point.

The other significant feature in defining the music industries relates to its external boundaries, because even though there seems to be opposing views on whether external actors have, can, or should interfere or take over some of the functions (such as distribution and marketing), they are nevertheless referred to as just that: *external*. The delegates of the Roundtable Conference - representatives from the traditional music industries as well as from other industries - continuously refer to a distinction between "us and them", supporting an external boundary separating the primary stakeholders from the others. Such differentiations become evident in the discussions around whether these new stakeholders/actors *understand* the music industries at all – implying a clear exclusion from the field – suggesting both an insufficient understanding as well as an interest.

However, the same conclusion can be drawn from claims and allegations (also from non-music stakeholders) that the new digital actors don't intend to stay – that their inclusion in music business value chains are purely instrumental (for selling hardware) and temporary (until they find something else). In both instances claims are supportive of the distinction between internal and external stakeholders.

From these two features, I will return to the latter in my second concept, and in this section place emphasis on the internal dynamics.

My proposition to a first concept of understanding how the music industries have adapted to digital change lies in its internal structures and dynamics. The proposition is that while external factors may be important and prove relevant (as I will elaborate on shortly) the concept with the highest explanatory power seems to be the internal dynamics of the music industries. This of course echoes a vast number of scholarly contributions arguing that the music industries' digital crisis stems from its own reluctance or incapability of adjusting to a digital era (see for example; Bower and Christensen, 2008; Johnson et al, 2008; Moreau, 2013, or Hesmondhalgh's elaborations on digital optimists and utopians (2013)).

However, as explained in my introduction, these contributions seem to miss several complexities, both internal and external. Most specifically, they tend to target the record companies and in particular the major record companies as being the sole problem. And while scrutiny over the major record companies' conduct in relations to digital change is well worth attention, it hardly covers the vast array of complexities at work, as partly described above.

Hence, my proposed concept must be interpreted through several different variables or themes, and based on an understanding of the music *industries* - the broader range of stakeholders and actors - not just the record companies. I have elaborated on several such topics above, based on my data, and I will use this opportunity to try and tie together what I consider to be a concept for understanding the music industries' digital progressions. I'd like to propose the concept of internal dynamics through two prisms:

1. The inadequate and dysfunctional systems and structures of the music industries and
2. The internal power-struggles.

Both are of course related to each other, but I will briefly elaborate on them separately.

The distortions and deficiencies of the music industries

Concept A builds on a vast number of claims and elaborations that render the very structures and dynamics of the music industries as dysfunctional, or incapable of arriving at ways to progress. This may be general assertions that the industries need help from the referee (the EU, or WIPO) to sort things out, or elaborations on how the music industries constitute people and businesses defending their stakes and positions, unable or unwilling to accept the new business models that digitalization opens up.

Arguably, this is not a feature exclusive to the music industries, and Johnson et al, 2008; Bower and Christensen, 2008 demonstrate this perfectly with references to disruptive innovations among computer companies, hard-disk drive manufacturer, photocopying, etc. It seems to be a fairly widespread reaction (or inaction) to change and hence not a feature exclusive to the music industries. Also, accounts of the music industries as being dysfunctional are hardly novel:

> *Yet most of the time the music industry clearly does not operate as it should, or is supposed to. It doesn't work (continually producing huge numbers of "failures" and disorder) even according to its own most basic criterion of success. In the process, it generates a large amount of confusion, incomprehension, misunderstanding, exploitation, conflict and anxiety. When great music does manage to escape from this vortex, it seems all the more inexplicable and even magical* (Negus, 1999:8).

Keith Negus refers to both economic and cultural rationales that are embedded in the music industry. In this particular quotation, Negus is referring to the record companies and their economic models and internal cultures of conduct (or social relations), as what can only be understood as dysfunctional. It resonates well with my own findings and more broadly so, on the music industries.

It's important to consider that Negus' text was published before the current digital crisis (or at the brink of it) and proves that much of the confusion, exploitation, conflict and anxiety in the music industries existed prior to - and independent of - the digital turmoil of today. The music industries' disorders must be understood more as embedded features of the music industries, rather than exceptions, or extraordinary conditions due to digitalization.

Digital progressions amplify internal complexities

I could have chosen from a vast number of scholarly contributions to make a point about music industry disorders and corruption; both academic as well as popular writing is full of references to the misconducts and the unconventional culture of the music industries. My point then is to argue that any dysfunctional feature of the music industries must be regarded as being independent of digital change and not as an effect of it. And rather than suggesting that the current digital crisis has created such disorders, it seems plausible that these events have an activating or amplifying effect on embedded conflicts and deficiencies within the music industries. Examples of such embedded conflicts could for instance be found in the relationship between artist and record company, or that between collecting societies of various sizes.

These anomalies also seem to trigger responses or actions among external actors like the ICTs and the ISPs (with reference to the ISP's investments in proper copyright database), and maybe even more importantly, political hostility among policy makers and legislators (as in the case of the European Commission allegedly excluding the record industry from the initial process of creating a Global Repertoire Database). It seems that due to the digital alterations, shortcomings and errors in the systems of the music industries become evident and critical, as demonstrated with my previous reference to the Harry Fox Agency and the troubles with licensing rights in the US (Q18).

The wealth of challenges internal to the music industries also reveal themselves during the continuing attempts in establishing a central database for music rights – either the Global Repertoire Database (GRD) or the International Music Registry (IMR). The fact that neither of these efforts have morphed into a central database cannot be seen as anything else than a clear example of internal difficulties and power-struggles, and the fears among central stakeholders about their own positions. Further, it may also be held up as evidence of how these factors hinder the political ambitions of external businesses (for example the political concept of a Single Digital Europe).

Hence, part of my concept on the music industries' internal dynamics must be understood in macro perspective and as an inherent feature of the field.

When the internal dynamics become such an important part of interpreting the music industries' difficulties in adapting to new digital formats, this is primarily because current events seem to trigger or amplify latent conflicts. These conflicts and

complexities can be found in different parts of the music industries – for example with different constituting SAFs – and are best understood through specific cases, such as the struggles with establishing a GRD and/or an IMR. The efforts undertaken to establish the GRD in many ways displays massive political and strategic differences between the collecting societies, the major publishers and to a certain extent the record companies. There are references to significant distrust between the smaller collecting societies and the bigger ones, indicating a fear that possible solutions might render certain responsibilities or tasks obsolete, or that a central registry will benefit those with the biggest market share and most lucrative repertoire catalogues; that it favors a winner-takes-all model. Furthermore, the debate around a central registry also questions whether there's really a need for both the publishing companies and the collecting societies. My point is that it is in the spotlight of great upheavals where the inherent complexities of the music industries are illuminated and become a perplexing feature.

The music industries understood as SAFs

It is here in this first of three concepts that I'd argue that Fligstein and McAdams' Theory of Fields should be applied in order to understand the digital progressions related to the music industries. As already described in Part 1, their initial building block is the Strategic Action Field (SAF), and I have already suggested that the music industries are one. The music industries should be studied as an SAF, constituted of multiple other SAFs, such as the record industry, the publishing companies, the live sector, or even Universal Music, if we continue to break it down to sub-level SAFs.

And in keeping with Fligstein and McAdams' definition of an SAF, the music industries clearly consists of different actors jockeying for positions, either between different embedded SAFs, or as incumbents and challengers within an SAF. Fligstein and McAdams define a field as an arena of social action where actors organize themselves around some specific outcome. In this case, such an outcome would be the creation of music, or perhaps even better; 'to connect artists to fans, so they can have that great experience we've all had' (Q5).

Importantly, Fligstein and McAdams argue that "games" within fields can also be played by actors outside the field, or actors playing multiple fields simultaneously. One striking observation from the Roundtable Conferences and its participants is the level of mobility within and between the different strategic action fields. As mentioned earlier, most of the participants holds several positions, or have in the past. They might have or may have had artistic backgrounds, or been managers, worked at a record label

or publishing company. Some currently hold several roles and positions in different SAFs within what is defined as a broader strategic action field - the music industries - and some have also started working outside of it, for the ISPs and the ICTs.

To briefly recap on what Fligstein and McAdams say about field boundaries and memberships:

> *A field requires four sorts of agreements or institutions:*
> 1. *An agreement about what is at stake*
> 2. *An agreement about who the players are and what positions they occupy*
> 3. *A consensus regarding the rules by which the field works, and*
> 4. *A shared interpretive framework that allows those in the field to make sense of what other actors are doing in the field in a particular situation*

(Fligstein and McAdams, 2012: 216).

Increasing conflict levels in time of crisis

Although tensions are definitely part of Fligstein and McAdams' SAF, these tensions are minor during periods of stability. Here, the different actors, although competing for power and positions, are more or less aligned along goals, means and positions. And although instability can happen and alterations within an SAF are indeed possible, there is relative stability.

However, when such great turmoil as those revealed in the Roundtable Conferences' data appear, I'm inclined to interpret it as results from an exogenous shock, or event. The external pressures, described above in my presentation of my findings, have created what Fligstein and McAdams define as a crisis, in which even the four agreements, or institutions are at play.

Arguably, the different attempt to introduce 360-degree contracts, encompassing a full range of revenue streams and activities, may serve as an example of the eroding of agreements around roles and positions in the music industries. And while this first example refers to internal bargaining for positions and roles, there also seems to be competition from external actors. One can find examples of such during the discussions around the creation of a central registry, and in particular the case with the GRD. The fact that the record companies were kept out of the initial process, while "external" companies such as NOKIA, Amazon and Apple were an integral part of it,

might suggest that there's a break with Fligstein and McAdams second institution; *the agreement about who the players are and what positions they occupy*.

Arguably, the fact that the record companies are kept out, and that these "external" actors are invited in, must be interpreted as a challenge or threat to the second institution in Fligstein and McAdams' concept of a field. However, this is not to be interpreted as evidence of convergence, as I will discuss in my second concept; it's simply an example of the increasing tensions and resulting uncertainties over roles and positions.

One finds some of the same features in the Roundtable Conference's discussions concerning publishers and collecting societies – arguments were made about whether both actors are indeed needed, or whether one of these can perform both institutions' services. Further, questions were raised about whether external companies, such as Google, Apple, or any of the streaming companies that have acquired substantial databases on music rights (see the quotation from the ISP representative on Harry Fox Agency), might overtake such roles.

These discussions or questions echo widespread claims that have been made concerning whether or not one needs record companies anymore, since anyone can record, distribute and market their music online, and by extension, whether one needs "a music industry", as fans and artists converge and intermediaries are rendered potentially obsolete. As such, it relates to disruptions in value chains and the channel functions of different stakeholders, as briefly discussed by Anita Elberse (2013).

I'll return to these questions below, with a focus on my elaborations on the pressures from external actors. I'll continue bringing in Fligstein and McAdams throughout my presentation and discussion of the other two concepts I propose. However, my point here is to argue that the music industries have (both today and historically) been organized in a complex way that inhabits multiple potential conflicts. These conflicts are dormant in times of stability, but when exposed to such magnificent turmoil as that of the digital developments from the turn of the millennium, they activate and become barriers to progression.

Transparency and conflicts

Many of the talks during the Roundtable Conferences reveal a significant level of conflict around critical issues. And although attention to such conflicts must be located beyond the record companies realm, this in no way implies that record companies, and

in particular the majors, are of no importance to the concept of the music industries' internal dynamics.

And there are two important topics from my data that illustrate how significant the record companies' role is in discussions around digital change. First, claims and allegations are continuously made about the majors channeling revenues outside the royalty systems, "ripping the artists off", and hence creating much internal flack, tension, conflict or anxieties, as Negus labels it (1999: 8).

Claims about black-box money, or "breakage" in the record industry is by no means a new phenomenon (see for example Chapple and Garofalo, 1977), but it seems as though this theme has been reinforced due to new digital platforms and formats. This is evident in the discussions surrounding music streaming (Nordgård, 2013, 2016a) and allegations on both "breakage" – that non-addressable money lands on record companies' bottom lines – as well as black box money – that revenues following catalogue access, or equity returns go directly to the bottom line. The result, nevertheless, is increasing tension internal in the music industries, continuously being addressed by the managers in the group.

An additional way to interpret the effects of the record companies' role in the internal dynamics of the music industries is by focusing on its external effects on external companies as well as policy makers. Claims – whether justified or not – around unfair or even illegal conduct from record companies' revenue-distribution creates arguments for external companies to bypass these actors. It also creates an opposition (rightful or not) among policy makers and legislators. This is especially evident in claims that the Sony-BMG merger created discontent in the European Commission and that this was the reason the record companies were kept outside of the processes. I will return to both of these topics when I respectively present and discuss my two next concepts.

Time is on my side

One last observation I wish to relate to my concept of internal dynamics is that *time* is of the essence! One very appealing suggestion is that the music industries are perfectly capable of sorting out the current issues, if given the time do so. The problem may instead be that the digital progressions are unfolding so rapidly and the demands for solutions on very complex issues are unfolding faster than there is the time necessary to make new arrangements.

Interestingly, this may also be the case with policy and legislation, as pointed out during the Roundtable Conferences. Policy-making takes a long time, and in the case of establishing a licensing regime that allows for cross-border licensing, this also requires the harmonization of multiple autonomous jurisdictions. The fact that a Single Digital Europe hasn't unfolded yet may prove how difficult this is. The music industries' internal dynamics are indeed complex. And perhaps part of the challenges relating to digital progressions builds on external misunderstandings, or oversimplifications of such complexness.

Arguably however, a more swift and flexible response to the digital challenges and opportunities might have been possible if the music industries were indeed organized as one monolithic industry – *the* music industry – where decisions could be made on behalf of an entire organization. Perhaps the trouble is that people tend to mistake the music *industries* for *the* music *industry* and hence have unrealistic expectations about the speed at which solutions can be found.

Following this last point, one may argue that part of the problem lies in external businesses' demands and expectations of the music industries, and part of the problem may lie in the disparity between external actors' needs for rapid response on critical issues, and the music industries' need to consolidate its stakeholders and adjust current structures. And following from this, it seems to further complicate the processes when these external actors are allowed to dictate the speed and the agenda for the digital progressions. Hence, my next concept deals with the external fields.

3.3.2 Concept B: External actors' impact on progressions

Concept B proposes that a central factor for the music industries' digital progressions lies in external actors' actions and their effects on developments. Furthermore, it proposes that external actors' actions are exterior to the music industries and hence represent what Fligstein and McAdams refer to as exogenous shock. From this follows that there has been confusion about what relationship external actors currently have with the music industries, and perhaps more importantly, what role they aspire to have in the future. Interpretations of the music industries' digital progressions therefore need to sufficiently allow for stakeholders' impact on developments to be on the "outside" of the music industries and not be dependent on theories of convergence.

What is external?

The term "external actors" is a diffuse phrase that encompasses a range of businesses and industries and it holds at least two particular meanings in my work. First of all, it refers to actors and stakeholders *outside* of what is traditionally defined as "the music industries". It refers to what Fligstein and McAdams calls exogenous, as opposed to endogenous. It refers to actors considered by the delegates of the Roundtable Conference to be on the outside of what is ordinarily defined as the music industries.

As shown in the elaborations on the dialogues, a very distinct feature of the Roundtable Conferences is that the delegates consider those industries and actors from the ICT-sector (Information and Communication technology) as not being part of the music industries. It relates to these actors' limited understanding of how the music industries work and hence refers to a separation of the different fields, or at least an extraction of what is understood as the music industries, and "the rest", with "the rest" being a designation of the different actors and stakeholders that don't 'belong' to the traditional music industries (but who's actions no doubt have an impact upon them).

Secondly, it also refers to very distinct industries and companies – some of which are specified by name during the Roundtable Conferences, such as Apple, Google and Spotify. I have previously elaborated on this in the section on findings. And even though the list of companies could be extended based on the data I have – and I suspect even more so if the talks were held today - the point is that when referring to "external actors" this relates to both the abstract concept of "the others" (as in opposed to the music industries) as well as very distinct companies, and the effects and impacts their actions have on the music industries' digital progressions. Hence, when referring to external actors, I'm referring to the businesses and companies that would 'belong' to the ICT-industries: the Telcos, hardware producers,

ISPs (Internet Service Providers) etc. It's a rather elusive and broad definition that refers to a multi-faceted set of industries and companies.

Impacts of "the others"

A sizeable proportion of the dialogues during the Roundtable Conferences address impacts from external industries and how the music industries can and should respond to them. Obviously, many of these dialogues follow an economic rationale that can be recognized through specific discussions and elaborations around the decreasing value of music, about piracy and the substituting of business models, or new consumer behavior that renders some of the traditional music industries' core functions obsolete.

Impacts from external industries that are being addressed and discussed during the Roundtable Conferences are varied, though they clearly describe a significant economic decline in the recorded music industry and question the economic sustainability of the sector.

During the initial years of the Roundtable Conferences, impacts from external actors are claimed to relate primarily to piracy and the fears of a general collapse of the established business models. Piracy as a theme is limited in its presence during the talks, and referred to as an effect rather than a cause. In other words, the conversations do not address piracy as the cause of all the troubles, but as evidence of the music industries' incapability of responding to digital progressions as well as external actors' exploitation of this fact.

The topic of piracy is definitely part of the impacts ascribed to external actors, although mostly indirectly, as they don't really target piracy, but the changes and disruptions that allow piracy to occur. Following this, a great deal of effort is expended arguing that technological progressions have made piracy possible on such a level that any attempt to control it is futile and that everyone needs to come to grips with how this new reality works – a reasoning that expands to all digital models on the table. In other words, many of the discussions around piracy and the devaluation of music relate to concepts of digitalization and not necessarily piracy in the more "traditional" sense as represented by RIAA lawsuits for example.

The dialogues around these issues differ between very pessimistic views of the future due to the impacts from external actors (with allegations of businesses that hijack and bypass revenue streams from music) and propositions on how the music industries can adapt and take part in vast economic opportunities (very much related to digital advertising revenues). Issues around piracy, however, also involve a great deal

of self-analysis, and arguments that the music industries have indeed been reluctant to or incapable of providing the necessary frameworks in which external industries can license in a sensible manner (see for example Q18 and the "Screen of Death"). In other words, discussions around the music industries' processes of digitalization are much more heterogeneous than commonly argued when simply relating it to piracy and Napster, and I will elaborate a little further on this.

New digital models and economic sustainability

Economic impacts from external actors also relate to concerns about the sustainability of new, legal models (for example music streaming) or the longevity of models that are claimed to be subsidized by hardware and tech-companies (such as the references to iTunes and Apple). But, perhaps more importantly, impacts from external industries also involve very distinct allegations of external actors interfering in the progressions of the music industries by (1) increasing the internal conflict level and pitting industries against each other, and (2) by lobbying policy makers, and for changes in legislation.

As elaborated on above in my findings, there are concerns about whether these external industries at all understand the complex dynamics of the music industries, and even more problematically, there are allegations of external actors' participation in the processes as mere attempts to slow down the processes of finding legitimate (and economically sound) solutions to the digital online consumption of cultural content. In other words, external actors are considered to have a significant role in the pace and success rate of these processes, but it's suggested that their motivations are based on economic models outside of the music industries (the sales of bandwidth, handsets, hardware and apps). This adds weight to a divide between the music industries and "the others".

A lack of convergence

The music industries' processes of adapting to a digital, online era have been described through various academic accounts, emphasising different parts of the process and presenting different views on the phenomenon. I have already presented and discussed some of these in my literature review, such as disruptive innovation (Bower and Christensen, 1995; Johnson et al., 2008; Moreau, 2013), creative destruction (Handke, 2006), etc, and although these propositions clearly address much of the same phenomenon as I do – the conjunction of two industries, or fields, seeking to exploit digital opportunities – these contributions seem to build on a premise of

convergence, or at least a collocation within the same field, or market, as discussed in my section on disruptive innovation.

However, the data from the Roundtable suggests otherwise. Various statements and elaborations from both within and outside the traditional music industries suggest there to be discrepancy and conflict between the field members and "outsiders", which may suggest that theories of disruptive innovations have been built on premises that do not appear in my data.

More specifically, while an expected convergence of the fields may have been anticipated, a considerable distance and conflict of interests between which stakeholders are considered to be part of the music industries and which are considered to be outside of it, is communicated throughout the Roundtable Conferences. In order to illustrate the significance of this, one could return to Fligstein and McAdams' theory of fields (2012) and their four agreements or institutions that constitute a Strategic Action Field (SAF), and in particular the first: *an agreement about what is at stake* (2012: 216). There seems to be an inconsistency around what is at stake.

Obviously, for the music industries, the goal is to create and sell music in various formats to various audiences. Representatives from the music industries refer to the experience of connecting an artist with a fan as their "raison d'etre". No doubt, this can be considered a romantic, perhaps glorified version of what is at stake. However, it coincides with widespread and established definitions of the music industries as intermediaries between artist and fan (Negus, 1996, 1999, Frith, 2007) and hence music experience or music creation is what is at stake when the intermediaries are being so severely affected.

This by no means underestimates the fact that the music industries are and have historically been full of examples where music, music experience and the connection of artists and fans, is of less importance. However, the music industries as a whole, seems to be aligned around this as a goal. And conversely, it is repeatedly argued that businesses labelled as "external" have different goals, such as selling devices, access (the pipes to people) and attracting audiences to their platforms. Music, music experience and the symbiosis of artist and fan, in this relation, should perhaps be considered a mean and not a goal.

Drawing on this, an important notion seems to be the lack of convergence between the fields. Unlike the tech-companies of the '70s and '80s that merged with and owned record companies, their distribution structures and publishing companies (Burnett, 1996; Wikström, 2009, Hardy, 2012) these new tech companies seem to

simply want to capitalize on the traffic generated by consumption, legal or illegal (Levine, 2010; Silver, 2015), but from a distance.

Music streaming

An interesting case that may exemplify this is the current developments in 2016 on streaming services in music. So far, none of these services have followed the case of film-streaming services (such as HBO and Netflix) in investing in new content and actually becoming producers. Where the streaming services in film have taken the role of providing distribution and retail, they have simultaneously adopted core functions in the film industry by taking risk, investing in content and becoming catalogue owners and producers. There are significant differences between the film and music industries and a direct comparison is limiting and unfair. However, when discussing claims of convergence, the comparison seems justifiable, as the former of the two represents a fundamentally different type of interference, more closely related to definitions of convergence. In music, this is not as clear.

So far, this development hasn't happened with the music streaming services, though developments suggest that this may happen in near future. As competition between streaming services escalate, windowing and exclusive releases have been increasingly adopted as a tool to grow market share. Why this hasn't driven any of the services to actually go into business and invest and own exclusive catalogue, is an open question[41]. It may be due to the fact that the music-streaming model rests on a model with (close to) universal catalogue and that this in turn is considered a central value proposition for consumers/users. Unlike film, where this has never been part of the bargain, it may be considered such an important part of the model that no one wants to undermine it.

It may also be that the business of music is such a complex affair with many specialized competences, and that it would require significant changes to the organizational structures and missions to become a music producer and owner. On the other hand, central streaming services long ago merged with music industry talent (TIDAL, Apple Music), so this is an unlikely explanation.

A more plausible explanation, and one that is continuously being claimed during the Roundtable Conferences, is that the external companies see music as a temporary business that may change in the future as other types of content become

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[41] This could of course be a case of definition when TIDAL is co-owned by a range of artists, some of who give TIDAL exclusive access to their music. Or when Dr.Dre gives Apple Music exclusive access to his legendary album, 'The Chronic'.

more lucrative. In some ways, this was argued to be the case with apple and iTunes – initially created around music and eventually turning into an apps business (and with Apple Music resurfacing again in the center of music business). And thus, the nature of the alignment in business between the external industries and the traditional stakeholders of the music industries is considered ephemeral and transitory compared to the structures of the old, physical business of music.

On the other hand, the future business of music (or any other type of creative content) may be built on just that – a precarious and unstable cooperation between stakeholders with divergent goals and objectives, in some ways not so different from the types of cooperation described in relations with the traditional intermediaries in the music industries. However, these relationships seem to be lacking agreements on central issues that define a strategic action field, and thus suggest a different, or less degree of convergence between the fields.

Lack of consensus on the rules

There also seems to be an inconsistency with regards to Fligstein and McAdams' third agreement that constitute a field: a consensus regarding the rules by which the field works. This is in particular evident with regards to a subversion of copyright and licensing (Levine, 2010; Liebowitz, 2006; Menell, 2013; Silver, 2013). The fact that a vast number of digital innovations seem to opt out of the rules of the music industries (copyright and licensing) suggests that there's no coherent understanding of such institutions' position in the field of music (or simply that these actors don't consider themselves as part of this SAF).

Also, there are references from the Roundtable Conferences suggesting that ISPs, Telcos and ICT companies' primary objective is to expand a period of chaos in order to further profit from the lack of proper licensing, suggesting that there is neither an agreement of the rules, nor of what is at stake.

My point with this is not to discuss the fairness or legitimacy of the conduct of these companies, but to demonstrate that some of my data suggests an absence of an agreement among the music industries and what is defined as external actors on central institutions of what makes a strategic action field; in particular agreement 1 and 3 (Fligstein and McAdams, 2012: 216). Thus, in order to analyse the music industries' digital progressions, my proposition is to adopt Fligstein and McAdams' *Theory of Fields* (2012) and recognize the music industries as a strategic action field exposed to an exogenous shock, primarily (but not exclusively) emanating from external actors.

Why is this important? First of all, to have a more accurate understanding of the power-relations and the internal and external dynamics of the music industries – the fact that stakeholders are not aligned around what is at stake, nor the rules of the game - I consider important to understanding the frictions that shape current developments, to gain an accurate understanding of where and why tensions occur.

A significance lack of shared objectives

Are intentions by external actors for participation in the processes aligned with the general goals for the field of the music industries, or do these industries represent other (competing?) intentions and goals? Better yet, are these industries' participation in the processes at the expense of other actors' involvement? In my above elaborations on Concept A*; The internal dynamics*, I refer to the initial working group of the GRD and the fact that it was represented by NOKIA, Apple and Amazon, and suggest that this undermines the very foundation of the music industries as an SAF.

However, there's an important point to made here: these industries - the ISPs, the tech companies and "the pipes to people" – seem to have little interest in taking over anyone's position and responsibilities, and although some of these companies have substituted some functions in the music industries' value chain (such as distribution and retail), the question becomes whether they have truly adopted core channel functions for a specific part, whether this is at all necessary and whether they have any ambitions of doing so. It's really a core question when it comes to theories of convergence; whether there really is a sense of converging fields.

The data from the Roundtable Conferences suggest that this not to the case. Statements and elaborations from stakeholders within and outside the traditional music industries suggest that the interferences by external companies are temporary and secondary to the real goals and agendas of these companies.

These elaborations on what agenda and motivations external actors may have for interrelating with the music industries are solely based on my data from the Roundtable Conferences and thus do not represent an attempt to make general statements about external industries. However, for my study, it really doesn't matter whether allegations of competing agendas accurately represent these external actors. The very fact that representatives from the music industries hold these views is in itself a good indicator of the difficulty in integrating the two fields. In other words, it may not hold true, but the fact that the fears over whether they understand or intend to take part in the business of music are so evident must be regarded as a major difficulty

in aligning the two fields, or businesses, and I consider this to be a central finding in my study.

The concept of pressures from external industries and companies further feeds on my third concept, the relations to legislation and policy makers, and I will elaborate further on this in the following.

3.3.3 Concept C: Relations to legislation and Policy makers

Concept C proposes that a central factor in the music industries' digital adaptations lies in legislation and policy makers – the state. The concept proposes that state actors are continually sought activated and influenced by music industry-stakeholders in order to help facilitate progressions. However, the state is also influenced by other external actors with (perhaps) competing agendas, which further complicates progressions. Concept C also proposes that the state may have its own agendas, and so the proposition is that in order to understand how the music industries adapt to digital progressions, one must consider the state's role.

A central feature of the Roundtable Conferences is the references to different state actors – public bodies and policy makers – during the music industries' adaptation to digital realities. These references tally with Fligstein and McAdams' elaborations on the role of the state – or state strategic action fields. Besides Fligstein and McAdams' general emphasis on external actors – the strategic action field's embedded relations with other strategic action fields (state fields as well as non-state fields) – their inclusion of state-actors as a central component in a strategic action field's stability and instability has become increasingly important in my analysis of my data.

References to different types of state-actors – their agendas, their calls and their roles in the music industries' digital progressions – amount to a considerable proportion of my empirical foundations. From a strictly quantitative point of view, these topics add up to a significant share of the overall time that the Roundtable Conferences spend presenting and discussing different topics. But perhaps more importantly, references to state actors appear in topics that seems highly central to the talks, such as harmonizing licensing regimes, the establishment of central registries for music rights, or more general discussions on the need to sort out the perplexed situation the music industries find themselves in.

Obviously, issues involving state actors increase in prominence during the later years (2009-2011) as the Global Repertoire Database (GRD) and the International Music Registry (IMR) are on the agenda. But the state actors are continually referred to and represent an important factor with a significant role (and responsibility?) in facilitating progress.

It is our contention that it is almost impossible to talk about action in a strategic action field without reference to its relationship to one, or indeed often, multiple state fields. This is because the stability (and instability!) of any non-state strategic action field depends to some degree either indirectly or directly on its linkages to the state
Fligstein and McAdams (2012: 71)

The state is indeed considered central by the music industries' stakeholders. And by observing conversations during the Roundtable Conferences (as well as sessions parallel to the conferences), the music industries (and in particular recorded music) seems to be important to state actors, such as the EU Commission and the WIPO. The fact that the European Commission initiated the first roundtable on the GRD is a good indicator of the topic's position in European politics. And this, I believe, opens up for an interesting discussion around state actors' agenda on digital developments.

Fligstein and McAdams argue that in times of crisis, incumbents in previously stable fields can typically call on their allies in state strategic action fields to help restore the status quo (2012: 71). As argued above in concept B, and earlier in my theoretical foundation, perhaps the truly disruptive feature of the digital progressions is neither technology, nor the economic models, but copyright, and in particular the enforcement of it (very much in line with Wikström's suggestion that the music industry could/should instead be labelled the copyright industry (2009)). And if it is agreed that copyright indeed represents a critical part of the agreed rules in the music industries as a strategic action field, then the state's position according to Fligstein and McAdams represents the possibility of restoring a kind of predictability and security in the field by enforcement of copyright.

However, an interesting question is whether the state considers the field of interest to be the same as the music industries. The fact that the major record companies, or the IFPI were kept outside of the initial process of the GRD can perhaps be interpreted as a sign of divergence in the perception of the strategic action field; who the incumbents are and which actors constitute the field. I'll return to this in my discussion below.

"*In the modern world, state actors alone have the authority to intervene in, set the rules for, and generally pronounce on the legitimacy of most non-state fields* (Fligstein and McAdams, 2012: 19).

During the Roundtable Conferences there are numerous references to governmental and intergovernmental political institutions and organizations around topics that are highly central to the talks and discussions. One key element represented in a range of topics is copyright. And while avoiding a difficult and highly specialized field of academic research on legal issues, one can easily determine that copyright, or more precisely the extensive undermining of the enforcement of copyright made possible by digital, online platforms, has had a tremendous effect on the music industries (Menell, 2013; Liebowitz, 2006; Levine, 2010; Silver, 2013; Wikström).

This resonates with the conversations and presentations of the Roundtable Conferences, and building from this, one must also agree that copyright is the domain of the state and therefore political, legislative considerations. Based on the Roundtable Conferences, the state is a highly important stakeholder in various facets of the music industries, not least when it comes to copyright. We observe this in the discussions around licensing and the need for a global repertoire database. It's also possible to approach copyright as a central part of the music industries' internal rules and conducts (Fligstein and McAdams (2012: 216), which I will return to below.

According to Fligstein and McAdams, the state normally holds an important position for any strategic action field as it grants the stability and security within different geographic, political and economic borders (2012: 67). However, the state gains increasing importance in times of crisis, as stakeholders (incumbents) seek to stabilize their fields and restore the status quo. The state alone can enforce law and order within a geographical territory and therefore holds a central position when it comes to issues such as copyright and illegal/legal consumption of online content.

This also implies that the state is sought influenced by various stakeholders, with varying (and competing) agendas. And to further complicate such issues, state actors also have their own interests, identities (as elaborated on in Concept 1 and Concept 2), and institutional missions which routinely affect non-state fields (Fligstein and McAdams, 2012:173). This last point is important, as it relates to other, competing interests that a state actor might have to consider against demands from content

industries, such as freedom of speech, access to information and knowledge, or just the general welfare of a people – a utilitarian approach to the matter.

Nevertheless, based on my data from the Roundtable Conferences, the role of the state can hardly be overemphasized. Different political bodies are continually being referred to, in particular the EU, but also WIPO, and other national political bodies and initiatives. There are continuous references to initiatives undertaken by several of these state actors, some of which seems to be based on political ambitions or motivations, rather than (but not necessarily conflicting) requests or demands from music industry stakeholders.

As elaborated on through my descriptions of various topics above, such as cross-border licensing, the need for a central database, or calls for interference/rulings from "the referee", the state is a critical component in the talks. Not least is this evident in the discussions and elaborations around the creation of a central database, either through the EU-initiated GRD, or the WIPO-initiated IMR proposal.

I'm not going to go through the different topics here; they've been described respectively above. However, I'd like to emphasize that three important findings can be extracted from the discussions and elaborations about the state, namely:

1. That the state (represented through a vast range of different political, governmental and inter-governmental bodies) is considered a central actor in order to help fix, organize and rule on important issues related to the digitalization of the music industries
2. The state interferes in these progressions in various forms, also on its own initiative
3. The state can be influenced or manipulated, and my data suggests that considerable pressure/lobbying is and has been exercised from stakeholders within and without what is considered "the music industries".

Vying for political impact

The state (on various levels) has their own interests and agendas on the cultural industries' digital progressions, however a considerable part of the Roundtable Conferences relates to the degree of influence wielded by policy makers from both "inside" and "outside" stakeholders, the degree of impact from these pressures and the degree of conflicting interests from the parties involved.

And perhaps more importantly, claims are made that external stakeholders deliberately interfere in the processes by pitting the industry against each other and by influencing critical political proceedings, such as the processes of finding ways for cross-border licensing. An indicator of the effects from such can perhaps be found in the fact that NOKIA, Apple and Amazon were all part of Commissioner Neelie Kroes' initial EU-roundtable – and the following working group – on databases (the GRD), while none of the record companies were, which resonates well with claims made during the Roundtable Conferences that the EU seems to blame the record companies for the stagnation in cross-border licensing. Such reasoning may be right or wrong, but that's not the point. The interesting thing is that according to the Roundtable Conferences, it's claimed that these companies have been left out of the processes of figuring out how to build a global database and a way to internationally license music digitally.

Further, there's an evident perception among several of the Roundtable delegates that the music industries -and specifically the record labels - are blamed by the EU and the European Commission for why we're not seeing a functioning model with a digital licensing system and a one-stop-shop for music copyright.

This must also be seen in light of the European Commission's bigger ambitions to create a single Digital Europe, an endeavor that goes far beyond the music industries and their problems and aspirations. As one of the managers points out; "*the record companies seem to have been completely cut off from some of the most important meetings and dialogues*" while referring to some of the content in these meetings as being "*complete heresy*" for the IFPI. It's argued that the Commission seems to be "severely pissed-off" with the record industry for not being able or willing to license in a sensible manner, and that they are to blame. The fact that the IFPI was being held outside important processes must have had an effect in increasing internal frictions.

Again, turning to Fligstein and McAdams' concept of the SAF and the Internal Government Unit (IGU), the IFPI should be considered and IGU, representing the incumbents in the field and responsible for maintaining stability and for lobbying The State (Fligstein and McAdams, 2012: 78). And if looking at it in this manner, then obviously, sidetracking the IFPI (or other companies/organizations representing the incumbents in the recording industry) from these processes must have had an effect on the power balance outside of the field. It must have had an effect on the position of the IFPI in relations to external companies. Equally, it's likely to think that it must have impacted the IFPI's position internal in the field of the music industries. By being cut

off from critical political processes, it must have impacted the IFPI's (and the incumbents in the field) position and role internal in the field of the music industries.

It is argued that the hostility towards the record companies must be seen in light of the Sony-BMG merger in 2004, which was approved by the European Union's Antitrust chief in June 2004 and was later subject to great scrutiny from The European Appeals court in 2006, a process comprehensively described in Phil Hardy's book *Download! How the Internet Transformed the Record Business* (2012). Perhaps an important anecdote in this perspective is that a very central person in the European Commission's process of approving the Sony-BMG merger was the then-Commissioner of competition, Neelie Kroes, who later initiated the Roundtable conferences on the Global Repertoire Database and in 2010 became the Commissioner of the Digital Agenda. It is not unlikely that the processes around the Sony-BMG merger influenced the Commission's attitude towards the major record companies, as claimed by one of the music managers in 2009:

> *(Music manager): I think another thing that I would like to say, looking from the sidelines; it looks as though the Commission is severely pissed-off with the record industry. I mean they've blanked out the record industry from a lot of the discussions. A lot of what they're talking about is absolute heresy as far as IFPI is concerned. And I think that this is also a very interesting aspect of what is going on. And I think that in one of these Roundtables they excluded all the record companies, didn't they? At one of the recent Roundtables?.*
>
> *(Comment): Yes, the second one.*
>
> *(Private consultant): You have any idea why that would be?*
>
> *(Music Manager): Yes, because they can see that the record companies have been causing the trouble. I mean in a sense, the failure of the record companies to license in a sensible manner is seen as being the prime reason to why there has been a problem developing a single European Market for digital music.*
>
> *(Comment): But it's not only the record companies. It's also the European-Telecommunications network operators and a lot of lobbying organizations from the industry, whether it be the computers and hardware.... They're focusing on the creators and the consumers and they're sort of squeezing the intermediaries.*

(Music industry consultant): I think also, what is important to understand, is that in the course of the merger debate that the Commission got involved in, it slowly learned a lot more about the record industry, and I think it felt that it was conned by Sony and Bertelsman, and I think that while the IMPALA appeal wasn't ultimately successful, I think the degree to which it was continued, changed the thinking of some people in the Commission and they felt that they'd been conned, and therefore was less concerned. I think you're wrong, (addressing the music manager). They don't blame the record companies for not making a European-wide license for music, because it can't in the online world, whereas it could actually in the physical world.
(Roundtable, 2009)

Regardless of whether the Commission blames the recorded industry for the failures of licensing and thus the stagnations in the processes of creating a Digital Europe, there seems to be some evidence to support the claims that important stakeholders in the music industries are being sidelined in some critical parts of the digitalization process. This may simply be due to the industries' own shortcomings and hence political reluctance to build a system on these businesses' preferences. But it may also be that - as argued in the above statement as well as in other statements - lobbying and pressure from the ISPs, the ICTs and the online music services has had an effect, and it's clear that a significant number of the Roundtable delegates seem to think so. There seems to be a genuine fear that at some point the European Commission will just cut through and rule on these issues and with little regard for the music industries' concerns and positions.

Based on my analysis of the dialogues, several themes throughout the talks evolve around policy making and legislation as critical to the music industries' digital adaptations. Some of these describe policy making as central to solving gridlocked processes, yet other themes refer to the impacts of political interference, or lack of such. Nevertheless, my research suggests that policymaking and legislation is a central concept to understanding how and why the music industries adapt to these new frameworks the way they do.

4 CONCLUSION: TYING IT ALL TOGETHER

The main objective for my dissertation has been to better understand what determines the music industries' processes of adapting to a digital, online era, to more thoroughly understand the driving forces that lie behind developments that have been vividly discussed and described in academic writing as well as in public debates. And in order to approach such a complex and broad subject, I've chosen a very open and explorative objective for my research: **What determines the music industries' processes of adapting to a digital, online era?**

It's a simple, yet very difficult question. And it's a question that has attracted a broad range of opinions and claims, particularly after the turn of the Millennium, often drawing on dichotomies and too often feeding on polarized debates, some of which have been presented and described in the first part of my text. It's also a subject that draws on two competing extremes: a utopian belief that technological progress will provide better outcomes, almost by default (see Hesmondhalgh' elaborations on the digital optimists, 2013: 313-338), and conversely, a dystopian approach that suggests the collapse of the traditional music industries, copyright and creativity. An important ambition for my work has been to counter some of these extremes and provide more nuanced accounts of a very complex set of processes. And more than anything, I believe the data from the Kristiansand Roundtable Conferences demonstrates the heterogeneous character of the music industries, and the many different agendas and goals represented in these processes.

Apart from being an open question, the single sentence written above, is also a neutral proposition. It says nothing about what determines the music industries' *success* or *failure* in adapting to a digital, online era. It simply asks *which* factors determine these processes. The question doesn't really point in any direction as to whether these processes should be regarded as negative or positive developments. On the other hand, building on current debates and literature, the research question certainly relates to processes seen as being problematic, processes with many inherent frictions and difficulties. And therefore, it in many ways has a specific direction: it suggests that developments are less than optimal, and it seeks to explore what creates or adds to these frictions and difficulties. Importantly then, a premise for my explorations has not been to determine whether these processes are good or bad, whether they are desired or undesired, whether they add to human development, democracy and happiness, or whether it represents the destruction of creativity and the

arts. Rather it has been to understand why the music industries' digital transitions seem to stir so much confusion and frustration.

My ambition with this research has been to describe and explain determining factors that influence the music industries' processes of adapting to a digital, online era. I have sought to achieve this through a critical review of literature and a qualitative analysis of the Kristiansand Roundtable Conferences. Based on these two approaches I've extracted and presented what I propose to be key concepts for understanding the music industries' digital transitions:

1. The *internal structures of the music industries*
2. The *exogenous pressures*, and
3. The *role of the policy makers.*

Importantly, these factors, or concepts, don't appear in isolation from each other. As demonstrated in Part 3, the three concepts feed on each other and in critical ways amplify the effects of each of the other factors. This particularly applies to the first of the three, as it seems to have a determining role for the effects on the other two.

4.1   The most critical component is the music industries themselves

As demonstrated in the last section of my previous part, Concept A (*Internal dynamics: The dysfunctional music industries*) has significant explanatory power as a factor on its own, as well as having significant impacts on the two other factors. Based on the dialogues from the Roundtable Conferences, my work demonstrates how the complex rivalry structures of the music industries prevent its stakeholders from responding to opportunities as well as threats. The internal structures and the (dysfunctional) nature of the music industries clearly create internal frustrations and external hostility. And more importantly, it seems to prevent the music industries from acting on the digital potential that appears. This is perhaps best illustrated with the references to the problems with licensing a streaming service in the US (Q18). My analysis also suggests a very clear link from these perplexing features, to a weakened political position. The fact that the music industries have such opposing agendas on central issues in the processes of digitalization seems to weaken the sector's position towards policy makers and legislators. My data even suggests it fosters political reluctance.

And so, in answering the main objective of my research: *What determines the music industries' processes of adapting to a digital, online era?* and in trying to narrow it down to one critical factor, the answer would have to be; the music industries themselves.

My proposition suggests that key explanations can be found in the complex (and dysfunctional) ways in which the music industries are structured and thus how these stakeholders respond to digital change (Concept A). Although similar in conclusion to other academic writing, my dissertation provides a very different analysis, and in order to appreciate these differences, there are three important premises for my work that need to be acknowledged.

First of all, I've argued that often our concepts of the music industries are limiting and in some cases flawed. As elaborated upon in Part 1, much of the academic literature deployed to understand how the music industries work operates within a limiting framework, where the music industries are referred to in singular terms, suggesting a coherent set of stakeholders, aligned around specific agendas – often identical to that of the major record companies (see Drew, 2014; Rogers and Preston, 2016). A more heterogeneous model must be applied that allows for a wider range of agendas and logics (Barnett and Harvey, 2015: 103-105). I have tried to expand these frameworks by looking to theories outside the traditional field of music industry research, and particularly Fligstein and McAdams' theory on Strategic Action Fields (2012).

Secondly, and closely related to the first point, is the conception of *change*. While not wishing to underestimate current economic turbulences, it is important to acknowledge that change is an integral part of the music industry (Drew, 2014) and not exclusively related to digital technology and the Internet. Change seems to be a defining feature of the music industries, rather than an exception. And in particular, change through technological innovations has long had an impact on music creation, distribution and consumption – stirring up critical debates very similar to the ones we are currently seeing. As evidence, one need only to look to Negus' contribution from 1992, elaborating on culture and conflict in the popular music industry, placing a particular emphasis on technology's impact on the music industry (1992: 20). Not least is it evident in Negus' reference to the 'sharp divide between what he labels the pessimistic "techno-phobes" and the optimistic "techno-euphorics"' (ibid). Change needs to be assessed parallel with the idea of continuity (Hesmondhalgh, 2013: 1-2).

But equally, the true nature of change can best be understood if applied to a sound understanding of the structures, dynamics and logics of the music industries, hence my emphasis on the first point.

Thirdly, and owing a great deal to the works of Keith Negus (1992, 1996, 1999), is my emphasis on understanding the human relations that constitute the structures and developments we seek to understand. This relates as much to a theoretical approach as to a methodological design, and it relates to an ambition of trying to understand the human relations that constitute the companies and organizations we aim to assess (Negus, 1999:16). If further relates to my usage of the Kristiansand Roundtable Conferences to gain insights in this complex field of study.

I believe this latter point in particular highlights a critical difference from other scholarly contributions, concluding by pointing to the music industries themselves as the key reason for their difficulties in adapting to a digital online era. Because, while pointing in the same direction, my own conclusion refers to a heterogeneous set of stakeholders and agendas, operating under logics that to a certain extent make sense within these frameworks. And equally importantly, these frameworks are pressured by external forces (Concept B) and in many ways dependent on policy makers and legislators (Concept C). Thus, in order to truly understand how and why the music industries' structures and dynamics have such an impact on developments, one must see it in relation to the two other concepts.

4.2   Internal dynamics and structures

Internally analyzing the music industries to attempt to explain its digital challenges is nothing new. There have been different approaches, some of which resemble parts of my own theoretical and methodological choice by adopting Fligstein and McAdams' Theory of Fields. Wikström for example describes much of the same phenomenon as I do here, arguing in his article from 2005 *The Enemy of Music: Modeling the Behavior of a Cultural Industry in Crisis* that endogenous conditions to a large extent are affected by exogenous factors. Other than establishing a divide between endogenous and exogenous actors/stakeholders, his article also argues convincingly that endogenous events may prove just as important as exogenous factors and that more focus should be directed inwards in order to understand the events of a digital crisis.

Wikström's line of argument is in many ways similar to my own, and where I choose to deploy Fligstein and McAdams' *Theory of Fields* (2012) to my studies, Wikström chose to use theories of System Dynamics, or Systems Thinking, building on Senge (1990), Forrester (1961), Richardson (1991) and Anderson & Johnson

(1997). Interestingly, *systems* are defined as "a group of interacting, interrelated or interdependent components that form a complex and unified whole" (Anderson & Johnson, 1997: 2) and furthermore, that all systems exist in larger systems. Wikström exemplifies a system by pointing to the record company as a system, and arguing that the record company can be included in a bigger system; the music industry, which again is part of the cultural industry. It's very much like the Russian-doll structure of Fligstein and McAdams, and very much like my own adoption of strategic action fields and its incorporation in broader fields.

However, there are some distinct differences in the theories and how these are deployed and thus also some differences in how Wikström and I interpret our field of study. First of all, a *Systems Thinking*, or *System Dynamics* argues that behavior can be explained by structures and hence desired or undesired behavior can be controlled by changing certain components or parts in the structures that make a system. It's a somewhat instrumental approach to a phenomenon built around human interactions and social relationships. Systems Thinking argues that everything can be explained by structures (Wikström, 2005: 66) and thus limits the role of human relations and the power struggles it represents. And while Wikström's adoption of systems thinking is appealing, I believe Fligstein and McAdams' theories provide better options for understanding the dynamics of the music industries with their emphasis on social relations, language and social skills.

Nevertheless, Wikström's article from 2005 is founded on theories that in many ways resemble my own. And although it differs in what I consider to be important aspects of the model, or theory, it very much follows the same approach as my own research, building on a similar emphasis of interpreting the music industries as a separate field, with internal structures, that are affected by and have an effect on external actors, adding up to a broader structure or field. It further suggests an internal focus should be placed on the music industries in order to understand the digital crisis.

4.3 Defining a crisis

I consider it a difficult challenge to establish whether (and if so in which ways) the music industries are in crisis. Both academic and public debates have continually referred to the music industries post-Napster as an industry in crisis, a diagnosis amplified by the record companies' own statements, elaborations and lawsuits (see Liebowitz, 2006: 22-25 and Drew, 2014). However, in order to progress, there's a need to establish whether there really *is* a crisis and if there is, what the nature of such

a crisis is. There's a plethora of writing that establishes the crisis of the music industries. However, the vast majority of these deal with "crisis" as exclusively economic. It also restricts the crisis to the recording industry, by defining it solely as in relation to changes in formats, distribution, business models and economy.

Again, Fligstein and McAdams provide an alternative way to define a crisis and argues that a 'crisis must refer to a situation in which the legitimacy of the principles of the field is being threatened such that they no longer are able to deliver valued ends' (2012: 176). They expand on this by saying that an empirical indicator of a crisis in a field is the incumbents' inability to reproduce themselves. Interestingly, if applying their theory to the music industries, I arrive at some of the same dilemmas as with theories of disruptive innovations (Moreau (2013), Johnson et al (2008), Bower and Christensen (1995)), namely that the major record companies seem to emerge from the current processes with a strengthened market-position vis a vis that of the independent labels (not least evident in the streaming economy; Nordgård, 2013, 2016a; Pedersen, 2015).

However, Fligstein and McAdams deliver two further yardsticks for a crisis that seem evident in my data and applicable to my analysis, namely that (1) incumbents are no longer able to deliver ends to their members and (2) intervention by outsiders, whether it be state or non-state actors (2012: 177).

The former can be measured in a number of ways and Fligstein and McAdams exemplify these by pointing to profits, clients served, political change and legal victories. While significant analysis on the effects of digitalization has been undertaken on profits and economic change, a better way to determine a crisis in the music industries could be to look at the incumbents' ability to deliver political change and legal victories in a time of pressure or instability.

I believe my findings from the Roundtable Conferences clearly proves this to be the case; the incumbents in the music industries have weakened their position in delivering political and legal ends to its members (as argued in Concept C). This is evident from the many references to the music industries - and in particular the major record companies - being excluded from important political processes (see for example my section on the Global Repertoire Database and the many references to political processes and propositions "*seen as heresy by the IFPI*"). As opposed to simply looking at economic developments, I believe Fligstein and McAdams offer a more appropriate way of defining a crisis in the music industries.

The latter of the two proposed measurements from Fligstein and McAdams, *intervention by outsiders*, also seems applicable to my data and evidence of a crisis. And while intervention or disruptions from external actors and industries is featured in various other academic elaborations, I believe they have not sufficiently allowed for such intervention to appear without any expressed ambitions or desires from "external" stakeholders to truly become incorporated in the field of the music industries, or even their markets. As described above in Concept B, an important part of my argument here is that while there is significant economic impact from external pressures, there seems to be little convergence of the fields. Or to put it differently, the music industries are definitely experiencing a crisis, however not an existential one, as their positions and functions are not really threatened by actors who have ambitions to replace them.

4.4 These are not converging fields

As the dialogues of the Roundtable Conferences suggest, and very much in accordance with Fligstein and McAdams theory of fields (2012), the actual convergence of fields is limited. As an example, consider Apple and their role in establishing iTunes as a broadly adopted model for legal digital music that quickly became the dominant platform for downloading music.

The combination of iPods and iTunes arguably took Apple from a $1bn company in 2003, to a $150bn business in 2007 (Johnson et al, 2008: 39). However, as argued by a number of the delegates in the Kristiansand Roundtable Conferences (see my section on Apple above), iTunes was not established to save the recorded music industry, nor to acquire/take over parts of value chain (distribution and retail). It was established to supply a user-friendly and legal platform for obtaining content for their core product: the handsets – the iPods (Q8, Q9). This is also a central argument by Johnson, Christensen and Kagerman (2008) when they state that Apple has essentially adopted a reverse "Gillette's razor-and-blades model", by giving away low-end products (music) in order to sell their high-end products (the iPods). From this perspective, it can be argued that Apple has never had any ambitions of interfering with the music industry, or becoming part of it, but due to the lack of good, legal options, Apple had to create the platform themselves.

In many ways, the same argument applies to Apple Music – the streaming platform Apple presented in June 2015 after acquiring Beats Music one year earlier. Either way, Apple has had a major impact on the music industries' adaptation to a digital era although its proximity to the music industries is arguably distant.

Extending this line of argument - that intervention is exogenous and fields don't really converge - is that we are mistakenly interpreting external actors' actions as vertical integrations. And while this may have been the case in the past, it seems highly unlikely to be the case today. There's arguably a very different level of interrelations between the music industries and external industries today compared to what we saw in the '70s, '80s and '90s (Burnett, 1996; Wikström, 2009; Hardy, 2012). As referred to above, the major record companies were historically examples of vertical integrations owned and run by electronics - or communications conglomerates such as General Electrics (RCA), Thorn-EMI (EMI Music), Philips Electronics (Polygram, which eventually became Universal) Sony (Sony Music), Time Warner (Warner Music) and Matsushita/Panasonic (MCA) (Burnett, 1996: 50-58).

And although examples of vertically integrated conglomeration within electronics and communications are still represented among the three majors, as is the case with Sony and Warner, this level of convergence or integration does not seem to be the case with the companies and industries who we recognise as today's external actors. On the contrary, based on statements during the Roundtable Conferences, they seem to be keeping a distance to the music industries.

4.5 Suggesting alternative approaches to understanding digital change

Returning to my initial ambition of this work, I believe I have demonstrated how the internal structures and dynamics of the music industries have determining effects on its processes of adapting to an online, digital era, by influencing its position and role towards external stakeholders – companies and industries – and policy makers and legislators. My work places emphasis on the internal dynamics, the power relations and human behaviors that constitute the music industries, suggesting this to be the main factor for the troubles the music industries are experiencing.

Arguably, my dissertation rests on data from 2007 to 2011 and could easily be considered old and outdated in 2016. In fact, while finishing my dissertation a common comment or question to my work has been the fear (or claim) that it would become outdated even before the work was done. Such assertions very often rest on an excessive focus on the platforms and formats, which change consistently, and too little on the structures, power-dynamics and human behaviors internal and external to the music industries. And perhaps more important, the topics and questions raised in this dissertation are sadly not outdated, as they continue to be target to discussions and controversy.

One of the central findings in my dissertation is the persistent nature of critical features in the data. Some of the discussions and topics being raised in 2007 are continually being discussed in 2011. Some of them are still being discussed and worked with at the brink of 2017. A most obvious example is the continuous lack of a central registry, a database, or a system or structure to offer metadata across territories, suggesting that solutions don't lie in technological frameworks (like block-chain technology), they lie elsewhere; or, at least in combination with other factors. I believe I have described three concepts that should be taken into account when assessing progress, or the lack of such, in the music industries' digital transitions.

An important notion in the end: this has been a study on the music industries, not a study on digitalization. I consider digitalization to be an example of inherent features in the music industries, and not the other way around. It's not the music industries serving as an example of inherent features in digitalization processes. And I believe that my findings here illustrate features in the music industries that are problematic and difficult; features that have significant impact when triggered and amplified by processes such as the transitions to a digital, online era. The focus is nevertheless on music and the music industries.

That been said, I believe my dissertation provide valuable insights in challenges following digitalization and content industries, and I believe much of it can be transferred to other industries, sectors and fields. Nevertheless, the focus and scope of my study is to supplement the study of popular music and music business research and I hope that my work can complement and strengthen a growing community of researchers in the field, at the University of Agder[42], nationally and internationally.

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[42] http://www.uia.no/en/centres-and-networks/popular-music-research-unit (last visited 02.12.2016)

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