

## Free to Pay: The Ethics of Music Streaming

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Throughout history, new technologies have transformed the relationships between music distributors, musicians, and listeners. The invention and dissemination of audio recording technologies shifted the roles of all three groups. Booking agents became record labels, musicians became recording artists, and audience members became record collectors. Arguably these changes are not absolute; record labels still book live performances for the musicians they represent, and musicians still perform for live audiences. Nonetheless the recording of audio has irreversibly shifted live performances into a supplementary role, a means for selling musical recordings as the primary product of musicians.

Similarly, the recent advent of the internet and inexpensive recording technology has again shifted the roles of distributors, musicians, and listeners. Publishing capabilities that record labels once held a monopoly on are now offered for free by online music distributors like Soundcloud and Bandcamp. Through these services, musicians can publish music and listeners access it for no upfront costs. These changes are also not absolute; many musicians still publish, or hope to publish their music through established record labels. Yet, the existence of a free alternative irreversibly changes the expectations of both musicians and listeners.

The ethical relationship between musicians and record labels has been widely explored, often with negative results. Predatory contracts, deceptive advances, and stolen royalties are just some unethical tactics that record labels use to exploit musicians. Online music distributors seem to provide ethical alternatives wherein musicians can publish music with no strings attached. Yet, online music distributors are reframing the relationships between musicians, listeners, and

distributors in ways that may or may not be ethical. As online music distributors continue to rise in popularity, it's important to examine how they redefine our roles within creative communities.

This case study makes an ethical evaluation of two online music distributors, Bandcamp.com and Soundcloud.com. This evaluation based on criteria drawn from Bernadette Calafell and Immanuel Kant's framework of ethical hospitality. Bandcamp.com clearly defines the relationship between musicians and listeners with an emphasis on compensation, support, and sustainable careers. Bandcamp also defines a clear monetary partnership between musicians and itself as the distributor. Soundcloud.com, on the other hand, defines the relationship between themselves, musicians and listeners more loosely with an emphasis on promotion, feedback, free content, and social interaction. Soundcloud does not define a monetary partnership between itself and artists and usually does not share profit gained from ad revenue.

Ultimately, I conclude that Bandcamp's model is hospitable because it creates an obligation compensation cycle that distributes power evenly between guest listeners, host musicians, and itself as the meta-host. Conversely, Soundcloud's model is unethical because it dissolves that obligation compensation relationship between musicians and listeners in order to devalue and cheaply commodify the output of musicians.

### **You're an Artist? Says Who?**

To assess Bandcamp I will be using mission statements, self-descriptions, and values self-published on their own website and blog. These texts include, earning statements posted on their front page, their "About Us" page, their "Fair Trade Music Policy," and a self-descriptive blurb from the sidebar of their blog. The "About Us" page seems have been updated some time in 2015 due to the last dated picture. The "Fair Trade Music Policy" seems to have been added in

September of 2015 according to records provided by the web.archive.org. Earning statements posted on the front page shows monetary compensation to musicians as an all-time total and a tally of the last 30 days. As of February second 2016, these tallies were \$142 million total and \$4.3 million in the last 30 days. The Blurb from the Blog sidebar seems to have been added in February of 2014 according to records also provided by the web.archive.org.

Soundcloud will be assessed based on similar types of self-published statements on their own website and blog. These texts include, front page usage descriptions, their “About Soundcloud” page, their “Community Guidelines”, and a self-descriptive footer used on press releases. Of these sources, only the press releases have definite publish dates, stretching from January of 2012 to January of 2014.

### **Hosts, Guests, and Hospitality**

To assess these texts, I will be using the ethical constructs of guests, hosts, and hospitality, utilized in Calafell (2009). In her article Calafell examines how patrons and erotic dancers interact at a gay male strip club. Calafell specifically focuses on how heterosexual white female patrons create an inhospitable environment by usurping the role of host from dancers by forcing them to cater to their displays of heterosexuality (asking them to take dollar bills between their breasts, and heterosexual lap dances on stage). Through this examination, Calafell documents how the roles and meanings of guests and hosts change dynamically depending on those involved, and how these role changes can elicit actions that maintain or destroy feelings of hospitality.

Calafell doesn't fully define hospitality in her article, but her descriptions of the difference between hospitable and inhospitable actions are in line with ethics scholar Immanuel

Kant. In his 1795 essay “Perpetual Peace: A Philosophical Sketch” Kant provides examples of hospitality violations between hosts and guests drawn from current events in the 18<sup>th</sup> century. In his time, Kant was confronted with colonial powers dominating and subjugating host nations in the Americas, and guest travelers in north-western Africa sold into slavery by native pirates (Kant, 1927). In response to these events, Kant developed a framework of hospitality founded on a standard of human equality, wherein guests have the right to be treated without hostility when entering the host’s domain, but hosts "retain the right to expel strangers... if the [guest] does not behave peacefully" (Wonicki, 2011). Though this balance of host’s and guest’s rights, a relationship of mutual obligation is established where power is preserved and exchanged equitably. Callfell’s work expands Kant’s model of hospitality by suggesting that even the roles themselves can be passed equitably between guests and hosts.

Using Kant’s structure of obligation and equitable exchange of power, and Calafell’s case study as a model, this case study will assess how Soundcloud and Bandcamp’s self-published rhetoric defines musicians, listeners, and distributors in ways that foster or diminish hospitality. Although the digital music market may seem far a flung from erotic dancers, there are some striking similarities in how they function. In both cases the guest, a patron or listener, observes a performance provided by a host without paying first. In both cases there is also a distributor who owns and operates the platform by which guest and host interaction occur. Although Calafell documents how club owner and DJs shape interactions by determining dancers stage introductions, deciding which patrons get in and which are removed, forcing dancers to perform for inhospitable patrons, and determining who gets stage time, she doesn’t consider how these assumptions made by distributors could affect host to guest interactions.

This case study seeks to expand on Calafell's work by specifically exploring how distributors affect host guest interactions. How do Bandcamp and Soundcloud's definitions of musicians and listeners reshape hospitable relationships based on mutual obligation? Is power still being preserved and exchanged equitably between musicians, listeners, and distributors? Is it ethical to manipulate host guest relationships as a means of increasing profit? What implications could this have for users who visit distributors of other types of digital content? I hope to address these question within this case study.

### **Mouth Meets Money**

Bandcamp and Soundcloud use very different wording to describe musicians, listeners, and distributors. Their choice of wording modifies the obligation and compensation expected between these parties as hosts and guests.

In its blog sidebar, Bandcamp explicitly describes artists as sellers of a product and listeners as "supporters" or "fans" who buy that product. This definition of roles establishes musicians as hosts who provide a product and listeners as guests who pay for the artist's product. Furthermore, referring to listeners as "supporters" or "fans" confers a sense of loyalty or commitment to a hospitable relationship with a musician. Bandcamp's "About" page touts the site's ability to facilitate connections between listeners and artists that leads to monetary transactions: "fans have paid artists \$142 million using Bandcamp, and \$4.2 million in the last 30 days alone." Bandcamp as a distributor describes itself as a sort of meta-host who extends hospitality to artists by providing a straightforward, inexpensive, and trustworthy service that helps musicians control the distribution of their work and build sustainable careers. In return for this hospitality to musicians, Bandcamp receives a 10% to 15% cut of artist's sales.

The Bandcamp model creates a hospitable obligation and compensation cycle between listeners as guest supporters, musicians as host artists, and Bandcamp as a Meta-host. Musicians as host artists are obligated to provide music to listeners as guest supporters. Listeners as guest supporters are then obligated to compensate artists with money, loyalty, and publicity. Bandcamp as meta-host provides accounting, billing, and digital distribution to musicians as guest artists. Musicians as guest artists are then obligated to compensate Bandcamp as meta-host with a 10% to 15% cut of sales revenue. This cycle distributes power in a way that is sustainable for both musicians and distributors, and where listeners get to try the product before buying it. Hospitable relationships are fostered as partnerships of obligation and compensation are sustainable maintained between hosts and guests.

Soundcloud less explicitly describes the relationships between musicians, listeners and itself as a distributor. On its “About Soundcloud” page it describes itself as social platform where users can create and share sounds. On the footer used for Soundcloud’s press releases it describes itself as “the leading audio platform that gives users unprecedented access to the world’s largest community of music & audio creators.” Soundcloud defines musicians and listeners alike as “users” and their interactions are defined as “access” and “sharing.” Soundcloud touts accessibility of “sounds” with one-click posting to outside social networks and blogs.

Unlike Bandcamp, Soundcloud’s vocabulary of “sharing,” “access,” and “users,” creates an inhospitable system where musicians as users are encouraged to share all of their music without any obligation of monetary compensation from listeners. Specifically, the definition of listeners and musicians as “users” is especially problematic because it dissolves the foundation of guest and host obligation on which hospitality is based. This system lowers the compensation that listeners owe as guests, while musicians as hosts provide the same music with less returns.

This model is advantageous for Soundcloud because one of its primary income streams, selling ad space to advertisers, benefits from cheap content. By replacing monetary compensation with popularity and constructive feedback, Soundcloud can profit from users drawn in by “free” music without paying for the content that attracts them. This functional relationship is unethical because it bankrupts musicians’ role as host while allowing Meta-hosts to exploit musicians as guests to enrich their own advertising profits.

### **Music Career or Commodification**

This case study examined how meta-hosts Bandcamp and Soundcloud define musicians and listeners in ways that alter their host guest relationships.

The Bandcamp model creates a hospitable obligation compensation cycle between guest listeners, host musicians, and Bandcamp as a Meta-host. This is a hospitable relationship because power is distributed equally as host musicians and meta-host distributors are sustainably supported while listeners get to try music before they buy it. The Soundcloud model on the other hand, creates an inhospitable system as it defines musicians and listeners as “users,” effectively dissolving the obligation and compensation relationship that exists between hosts and guests. This is an inhospitable relationship because power is distributed unequally when musicians’ devaluated “sounds” are commodified by Soundcloud to sell advertisements to listeners who are attracted by “free” music. As meta-hosts provide more and more outlets for distributing our creative pursuits, it’s important to examine how they redefine our roles within creative communities. Soundcloud and Bandcamp provide us glimpses at the future of creativity as a sustainable career or a target of commodification.

## References

Calafell, B. (2009). "She Ain't No Diva!": Reflections on in/hospitable guests/hosts, reciprocity, and desire. *Luminalites*, 5(5).

Kant, I. (1927). *Kant's perpetual peace: A philosophical proposal*. (J. H. Bluckland, & H. O'Brien, Trans.) London: Sweet & Maxwell.

Wonicki, R. (2011). Universal Hospitality. In *Encyclopedia of Global Justice* (pp. 1117-1118). Berlin: Springer.



## Appendix

Text Excerpts Pulled directly from Bandcamp.com and Soundcloud.com.

### **Bandcamp.com**

#### **Earning Statements Posted on the Front Page**

Discover amazing new music and directly support the artists who make it.

Fans have paid artists \$142 million using Bandcamp, and \$4.3 million in the last 30 days alone.

#### **“About Us” page**

Bandcamp makes it easy for fans to directly connect with and support the artists they love. We treat music as art, not content, and we tie the success of our business to the success of the artists who we serve.

To date, fans have paid artists \$142 million using Bandcamp, and \$4.2 million in the last 30 days alone.

We consider that a fine start, but only a start. We continue to work tirelessly to build an enduring service, one that treats artists fairly, puts them in control, and is integral to them building sustainable careers. This approach has earned us our most valuable asset: trust. More than anything else, the trust of artists everywhere is what makes Bandcamp work today, and it's what will make Bandcamp grow far into the future. Whether you're an [artist](#), [fan](#), [label](#), or all three, we hope you'll be a part of it.

#### **“Fair Trade Music Policy”**

Bandcamp believes that music is an indispensable part of culture, and for that culture to thrive, artists must be compensated fairly and transparently for their work.

We're proud of the fact that when you choose to pay an artist on Bandcamp, your money reaches them quickly, and in a way that is simple to explain and understand. Our business, which was founded in 2008 and has been profitable since 2012, is based on taking a revenue share of sales. Our share is 15% on digital items, and 10% on physical goods. Payment processor fees are separate and vary depending on the size of the transaction, but for an average size purchase, amount to an additional 4-7%. The remainder, usually 80-85%, goes directly to the artist, and we pay out daily.

Since we only make money when artists make a lot more money, our interests remain aligned with those of the community we serve. It's a straightforward approach, and one we're happy to say works well. Fans have paid artists and independent labels \$142 million using Bandcamp, and \$4.3 million in the past 30 days alone. Thank you for being a part of a fair, sustainable music economy!

### **Self-descriptive Blurb from the Sidebar of Their Blog.**

Bandcamp is a rock-solid platform for artists to sell their music and merchandise to their fans, and a thriving community of enlightened listeners who get that the best way to support the artists they love is by directly giving them money.

## **Soundcloud.com**

### **Front Page Usage Descriptions**

Find the music you love. Discover new tracks. Connect directly with your favorite artists.

Hear what's trending now on charts

Get the app Never stop listening.

Take your playlists and likes wherever you go.

Make music? Create audio?

Get On SoundCloud to help you connect with fans and grow your audience.

### **“About SoundCloud”**

SoundCloud is the world’s leading social sound platform where anyone can create sounds and share them everywhere.

Recording and uploading sounds to SoundCloud lets people easily share them privately with their friends or publicly to blogs, sites and social networks.

It takes just a click to share sounds to Twitter, Tumblr, Facebook and Foursquare.

SoundCloud can be accessed anywhere using the official iPhone and Android apps, as well as hundreds of creation and sharing apps built on the SoundCloud platform.

### **“Community Guidelines”**

We want SoundCloud to be a community where everyone feels respected. It’s up to all of us to make sure that that happens. This page includes important information about our expectations of you while using SoundCloud. Please take the time to carefully read through this information; we take these guidelines seriously and expect you to do the same.

Respect

SoundCloud is an open, social platform, made up of a vibrant group of people with differing views, opinions, and cultural backgrounds. We support freedom of speech and the fundamental

right for individuals to express themselves, and expect everyone else to do the same. Respecting each other on SoundCloud means following some basic principles:

**Don't be a bully:** We have zero tolerance for abusive or threatening behavior within the community. We consider abuse to be any activity where the intent is to attack or demean someone else. Anyone found to be engaging in this type of activity risks the immediate, permanent termination of their account.

**Criticize constructively:** We recognize that criticism can be a valuable tool for helping each other to improve. Remember that behind each track is a person. Criticism should always focus on the content, and not on the individual who created it. Please share your opinion with others, but do so in a constructive way. Before posting feedback, always ask yourself whether you would appreciate receiving the same feedback. If not, don't post it.

**Privacy of others:** Everyone has the right to privacy, no matter who they are. Don't share personal details of another person (or entity), without their permission. This includes recordings of private conversations, photographs, unlisted phone numbers, and home or email addresses.

#### Prohibited content

As an open platform, freedom of expression is important to us. However, there are certain types of content that have no place on SoundCloud. In order to protect the community and maintain positivity, please don't post:

#### Self-promotion & building your audience

SoundCloud aims to help creators to connect directly with their fans. We understand that promoting your work is important, and we encourage you to seek out fans and other like-minded

individuals. In our experience, the most successful forms of promotion are built upon meaningful interactions between creators and their audience. However, there is a fine line between developing these connections and over-sharing with members of the community.

To help encourage a two-way relationship between creators and fans, we have technical restrictions in place to limit activity that goes against this principle.

**Footer Used on Soundcloud Press Releases.**

SoundCloud, launched in 2008 by Alexander Ljung and Eric Wahlforss, is the leading audio platform that gives users unprecedented access to the world's largest community of music & audio creators. With its continued ambition to unmute the web, SoundCloud allows everyone to discover original music & audio, connect with each other and share the sounds they hear. In addition, sound creators can use the platform to instantly record, upload and share sounds across the internet, as well as receive detailed stats and feedback from the SoundCloud community. For more information, go to: (<http://soundcloud.com/>).