

## Industry considers digital future

By Kevin Young  
Entertainment reporter, BBC News

### Members of the record industry are worried about the internet.

New technology has led to far greater availability of cheaply-priced music.

Discounted charts album from online retailers can take business from traditional high-street stores, while the illegal sharing of files threatens sales of official releases, labels say.

The past year has also seen the rise of social networking sites such as MySpace, seen by some as a great way to reach potential fans and, with unsigned acts, talent-spotters who can offer record deals.

But it is easy for material to be placed online illegally - and singer-songwriter Billy Bragg, now in his 30th year in the business, has particular concerns.

He is among leading figures who have been gathering in London to mould the music industry for a digital future.

### 'Incredible potential'

"The majority of people posting songs on to social-networking sites don't have a record deal," he says.

"They're using the site as a way of getting attention to get a deal, so often the first legal contract they're entering into regarding their work will be through the terms and conditions of that site.

"If we're in a situation where sites are harvesting intellectual property rights, it almost becomes impossible to use these sites without consulting a lawyer."

Bragg removed his work from MySpace earlier this year when he realised that its terms and conditions meant he would lose some of the ownership rights to his own material.

He concedes the sites do have "incredible potential".

"I reckon if they'd been around 25 years ago, it would have saved me two years of playing in dingy pubs in south London," he says.

But there is a need for an industry-standard rights agreement "that recognises that ownership resides ultimately with the originator" of any music, the 48-year-old says.

"Undoubtedly Rupert Murdoch is making a lot of money selling advertising on MySpace and he's not paying a penny for content."

### High street 'collapse'

Bragg's manager Peter Jenner, who has also worked with Pink Floyd and The Clash in a career spanning five decades, has analysed the situation for the Music Tank organisation.

He is certain the mindset of the record industry must change, especially with regards to retailers.

**Labels were trying to stop the internet what it does - exchange files - and try to chain it, put lead weights on it, so files wouldn't move around**

Peter Jenner  
Music industry manager

"The supply to Tesco, Sainsbury's and Asda is going to lead to the collapse of HMV as a record business," he predicts.

"HMV is now almost already mainly video and games with some music still in there, and I think that retreat will go on. The big-store model, with all the titles, is a dead duck."

Jenner believes that the record industry has been wrong to license tracks which appear on CDs given away by

magazines and newspapers.

This signalled discs "did not have a great value - that they were incredibly cheap to make", he says.

"I suspect that making them cheaper is the record companies' latest own-goal. They're cheapening their premium product."

He also fears the internet is misunderstood by labels.

"They weren't really able to come to grips with the essential truth of the internet, which is that it's all about sharing of files."

A protection system known as digital rights management (DRM) restricts the distribution and accessibility of music files can be tightly controlled.

However, this is "a complete turn-off to the consumers and doesn't work", Jenner claims - and is another area he says needs to be changed.

"Labels were trying to stop the internet doing what it does - exchange files - and try to chain it, put lead weights on it, so files wouldn't move around.

"All it does is penalise the honest."

### **Pension**

Bragg agrees the music industry should have less control over artists' material in general.

"I don't want to be in a situation where I'm still playing when I'm 70 but you can't get my records, because either they're owned by a label that doesn't exist any more and no-one knows who owns the rights, or there is a label and they're just sitting on them.

"The ability of a song that I've written to still be raising money 90 years later raises the question of whose pension that piece of work should be.

"Someone at the record company - or my pension, for the benefit of my heirs."

It is clear which he would prefer.

Story from BBC NEWS:

<http://news.bbc.co.uk/go/pr/fr/-/1/hi/entertainment/6148654.stm>

Published: 2006/11/15 11:20:02 GMT

© BBC MMVI