

CUTTING THE DIGITAL PIE

WHAT IS EQUITABLE?

The question of equity in streaming is key to IMPALA's work. Our [ten-step reform package](#) sets out a whole host of measures to grow the pie, change how revenue is allocated and boost diversity. Over the year we have had multiple meetings with streaming services to discuss our proposals.

Choice is crucial for creative entrepreneurs, who need to be visible to maximise revenues. There are lots of different business models and it's important to find the right one. Not all artists want the same. And in a market where artists with labels have a better outcome, our members have more requests than ever before from artists looking for label partners to take a risk and believe in them. Risk is the very essence of a label, providing investment, stability, scale, brand, experience, and making sure an artist stands out, maximising visibility, income and career longevity.

Because choice matters, we oppose blanket solutions such as so-called "equitable remuneration" (for performers to negotiate with services for a parallel fee). It doesn't address how the modern music market has diversified and the multiple ways creative entrepreneurs can do business. IMPALA is [increasingly vocal](#) on this because we believe what is proposed is not equitable. There are also demands from parts of the publishing sector to revisit their share. Our view is that investment across the ecosystem needs to be mapped and revenues between different parts of the sector should not be reviewed without a change in risk taking.

All artists should receive a modern fair digital royalty rate, it's a question of social justice and is a key part of IMPALA's push to reform streaming.

Alongside that, we seek differentiation by streaming services to reallocate revenues meaningfully, no reductions in royalties for playlisting or other benefits, and of course growing the overall pie, as well as [negotiated industry solutions like in France](#). We don't believe in one silver bullet.

In October, we issued [a call for renewed collaboration on streaming reform](#), also pointing to how this question links to IMPALA's equity, diversity and inclusion work, as further explained by Ben Wynter below.

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"All that glitters is not gold!" In my outreach work for AIM, I meet creative entrepreneurs (across both artists and labels) who benefit massively from streaming as it is now. What streaming has done is democratise the music industry, removing the barriers to entry, even though barriers to being visible and succeeding remain high. In today's music market, creative entrepreneurs can go direct to market bypassing the industry gate keepers that existed 10-15 years ago. For people from a low socioeconomic background and particularly people of colour, streaming has been a game changer. Whilst there is no doubt that streaming reform would benefit many, my concern is that in any reform there will always be a loser. The majority of solutions that I have seen would have a detrimental impact on those from low socioeconomic backgrounds as income would be repurposed from their share elsewhere, threatening to dismantle the democratisation that exists.



**Ben Wynter,
AIM Entrepreneur and
Outreach Manager &
Unstoppable Music
Group Founder**

This is why I find it hard to support solutions such as equitable remuneration. When searching for a solution, it is important to take into account the wider impact on ALL creatives that changes to streaming would have.

We have to be honest about who the winners and losers would be and the long term impact those changes would bring. We need to ask ourselves what the long term effect will be on business, investment, creativity and innovation. For example "equitable remuneration" would inevitably lead to smaller label advances and lower royalty rates, which disproportionately affects certain groups. We need more resources for investment in new artists and projects, not less. We also need to think about artists who prefer to own their rights. Exclusive rights are essential for artists and labels and trying to pour everyone into a single mould is simply not an inclusive approach."

Equitable reform of streaming revenues needs collaboration - let us know if you are interested in working with us on this!