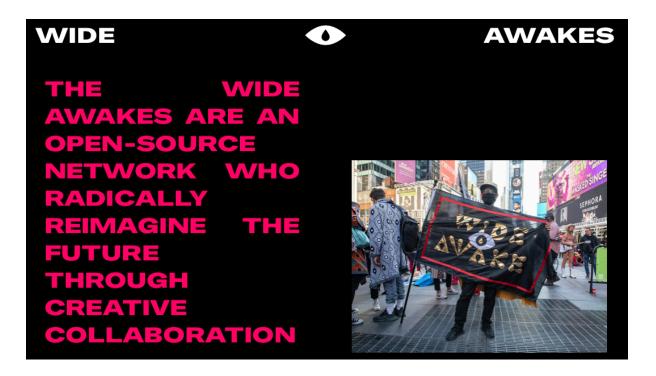
Introducing Metalabel

In a 2020 interview with the *New York Times*, Tariq Trotter, better known as Black Thought in hip-hop group the Roots, explained his involvement in an unusual new collective called the Wide Awakes.

"Throughout history it's been young people, creatives, intellectuals, and philosophers — the visionaries — who understood the power in uniting and who contributed to the greatest progress," he-said. "What the Wide Awakes represent is the modern-day version of something we've seen at different points throughout history."

<u>The Wide Awakes</u> were cofounded by Hank Willis Thomas, a celebrated conceptual artist with work in major galleries and collections, with an open invitation to his artist peers: to make political change, let's do it together under one name.



The Wide Awakes call themselves an "open-source network." Anyone can contribute, and projects are made through collaboration. This combination has produced a huge diversity of projects: public art installations; a mobile soup kitchen for feeding the poor in NYC; merch like clothes and music;

fundraisers to celebrate and raise awareness for social movements; and eye-opening billboards across the United States. The diversity of the projects is balanced by recurring themes in the works.



The Wide Awakes are a group of disparate people working together under a common identity for a shared mission — and they're not alone. The Wide Awakes are emblematic of a model being reborn in the digital age. That's the concept of a "label."

Labels

Let's talk for a minute about labels. "Label" not as in how someone might categorize someone or something. "Label" as in a record or fashion label: an organizing entity that exists to further a specific aesthetic or perspective.

Record and fashion labels both use the actual phrase "label," but entities like movie studios, publishing houses, art galleries, and other creative collectives are working in a similar spirit. They're examples of a category

we might call "culture labels" — entities that exist to fund, sell, distribute, or promote culture of one kind or another.

Decades of shady major label accounting, centralized corporate power, and exploitative deals have given labels a deservedly bad reputation. But many labels are far more value-creating than the public gives them credit.

Labels are startups and institutions for culture. Labels find, sign, and support talent. Labels provide seed funding for new ideas, creating economic security. Labels are a quality signal to the rest of their ecosystem about what matters. Labels are one of the few sources of creative capital in the culture industries.

When we step back to think about this broader view of labels, we can see their common function. A label is a group of people using a collective identity to enable a specific way of seeing into the world. Labels:

- Identify a perspective or mission to reflect in wider culture
- Acquire and redirect resources (funding, people, social clout) to support ideas and projects in line with that cultural lens or goal
- Provide seed funding and economic security to people and places in their scenes

Being a creator is an individual act of creation. Being a label is a collective one.

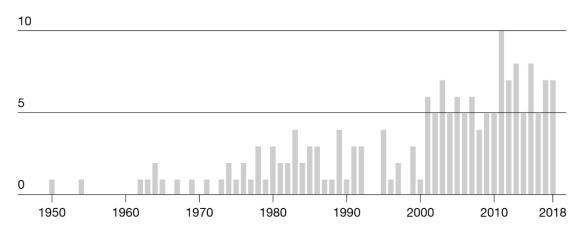
Rebooting the label

In the classic track "Check the Rhyme," Q-Tip from hip-hop group A Tribe Called Quest put it best: "Industry rule number four thousand and eighty: Record company people are shadyyyyyy."

He's not wrong. The music industry is overwhelmingly controlled by major labels, and it's no coincidence that <u>musicians receive just 12% of music revenues</u>. Established labels in many cultural fields have similar economics, all made possible by centralized control over distribution channels. The reason why every movie now is a sequel, prequel, or

remake to something already made before is a symptom of the hyper-centralization and limited worldview of large labels dominating our culture.

Number of prequels, sequels, remakes, and reboots in box office top ten



Two incidents in recent weeks have highlighted the problem with labels, and the big differences between how the world used to work and how the world is starting to work instead.

In one, the filmmaker Quentin Tarantino announced he was turning unshot pages from the script of *Pulp Fiction* into NFTs. Soon after, his old movie studio, Miramax, sued to stop it, claiming he didn't own the rights to his writing.

In another, the electronic musician FourTet accused his former label, the indie stalwart Domino Records, of pulling his albums off streaming services because of a dispute over royalty payments. FourTet alleges that he has not gotten paid the proper royalties for these albums, whose rights were acquired by Domino Records in a deal signed before digital music existed.

In both of these cases a corporate entity owns an artist's work and is restricting how that artist can use their own ideas. Both cases illustrate the problems with how labels and ownership have worked to date. Labels have largely acted as capital managers, using their ability to provide up-front

financing to acquire the intellectual property rights to creative work. But as the world changes and business models do too, this arrangement feels increasingly out of touch and harmful to the creative community. That some faceless corporate entity has a say over someone else's art is truly the essence of all that's wrong with the world.

This corporate control of culture is nothing new. Artists, entrepreneurs, activists, and others have pushed against it for decades. How? By creating their own universes separate from corporate control by starting their own labels. Mike Watt of the legendary egalitarian punk band the Minutemen explained in the book *Our Band Could Be Your Life*: "Punk was about more than just starting a band. It was about starting a label... It was about taking control." The founder of Sub Pop Records, one of the most legendary indie labels, echoes this sentiment. Their goal was "to stop the corporate manipulation of our culture." The way to do it was to build your own.

These so-called indie (or independent) labels of the past and present are universes away from major labels. They were the true cultural startups of their age. But they weren't without their problems. In the world of indie labels, money is tight, the economics are slightly less opaque (and sometimes even moreso), and ownership and control tends to be centralized. These are all aspects of being a label that will greatly change in the shift to Web3.

Labels and Web3

Combining the concept of the label with Web3 opens new possibilities for labels. The blockchain's capacity for on-chain transparency, distributed ownership and governance of resources, and new sources of funding through tokenization are all potentially transformative for labels.

Transparent accounting: Labels built on the rails of Web3 can use smart contracts, splits, and other crypto-native accounting practices to create transparent accounting and simple terms for how they pay their artists and collaborators.

Distributed ownership and governance: Labels built on the rails of Web3 can use tokens and other digital tools to make their artists not just clients of the label, but its owners too. Motown Records could be owned by the artists signed to the label, and the artists themselves could have a say in how the label functions.

Funding and tokenization: A key limitation for every label is funding, as most culture "products" are difficult to justify from a financial perspective. Labels that are native to Web3 can have the value of their impact materially rewarded without the need of profit maximization or capitalist unit economics using NFTs, social tokens, and experiments future artists and technologists will create.

Expanding economic security: At their best, labels provide artists a degree of economic security by paying for production costs, by being a longstanding business partner with artists, and by investing in new projects and ideas. Extending this dynamic to the digital world, where labels could use their resources to materially support groups and individuals aligned with their goals in fundamentally new ways in exchange for releasing creations together, would mark a huge shift in culture creation on the web.

These four changes will revolutionize how labels operate. Especially as new labels are built on these ideals. The early sprouts of the Web3 label possibilities are already starting to appear. For example the DAO Friends With Benefits has already amassed a treasury they're using to create an editorial platform, and to release, promote, and collaborate with work by their members.

Meta labels

Within this world of internet-first groups and Web3, a new kind of label is emerging. Whereas 20th century labels were focused on selling defined products for profit, newer labels like the Wide Awakes are doing something different: they're promoting an *idea*. Their releases could be a video, an experience, a meme, an event, a book, or a website. They could be free,

ephemeral, cheap, or outrageously expensive. They could be made by members of the label or by people they sign or support. What all the releases have in common is a deeper ideal it's reflecting.

We can distinguish these cross-genre, more self-aware labels under a specific name: meta labels. A meta label is a group of people using a collective identity to communicate a perspective through a series of distinct releases that contribute to a greater whole.

A meta label empowers groups of artists, creators, activists, entrepreneurs, and others to cooperate by creating a legible framework through which to collaborate and fund projects. It creates a shape, structure, and business model that encourages creators to combine their skills and experiences for a greater good.

This isn't entirely new, of course. Throughout history, artists, activists, entrepreneurs, and intellectuals have come together to advocate for new ways of seeing, from the Enlightenment to Abolitionists to the Dada movement to dance clubs. But there's never been a simple descriptor or set of tools to define these projects or to give them the capacity to operate more efficiently, more creatively, more democratically, or at greater scale. Seeing these projects as meta labels opens up many new possibilities.

Some prominent examples give us a sense of their potential:

- The Royal Society, formed in 1660, is one of the world's first social institutions and one of the first meta labels. Its mission was (and still is) to promote science in English society. To do this, a small group met regularly, sponsored experiments by scientists, and published the results in a journal they financed to help promote scientific thinking. These first scientific journals are some of the first meta label productions: they promoted a specific worldview; they released work by their members and by others, thus promoting an overall "scene."
- The Whole Earth Catalogue, created by Stewart Brand, curated a specific worldview seeing society through useful tools and a

- catalogue to help people follow it. However even if someone didn't buy anything, the Whole Earth Catalogue influenced how they saw the world. It's both a surface level cultural product and a lens through which to see the world. This duality is key to meta label activity.
- Factory Records began as a DJ night at a local club that soon turned into releasing records by others in the scene, among them Joy Division and New Order. Their global success made Factory Records a significant cultural and economic force, which prompted one of the most inspired releases of any meta label: the Hacienda, a legendary nightclub in Manchester, as Factory Records release #51 in their catalogue. "Releasing" a nightclub in their hometown is powerful meta label thinking and an example of the positive-sum cultural outcomes that meta labels make possible. Factory Records was funding, promoting, and collaborating to nurture and grow an aesthetic ideal, a regional identity, and a place in wider culture all at once.
- MSCHF is the modern standard bearer for being a meta label. Its
 bi-monthly drops range from games where people can win large
 sums of money to shoes with blood in them to toy versions of failed
 tech companies to sweepstakes that would pay off people's medical
 bills. Here's the New York Times trying to make sense of it:

MSCHF isn't a sneaker company. It rarely even produces commercial goods, and its employees are reluctant to call it a company at all. They refer to MSCHF, which was founded in 2016, as a "brand," "group" or "collective," and their creations, which appear online every two weeks, as "drops." The point is to produce social commentary; the "story" the sneakers told was more important than turning a profit. "There are several youth pastors that have bought a pair, and even more who are asking, like, 'I love sneakers, and I love God. I would love a pair of these,' and that wasn't the point," Mr. Whaley said. "The Jesus shoes were a platform to broach the idea while also making fun of it: that everybody's just doing a collaboration now."

MSCHF isn't a company, it's a meta label that exists to challenge how people see commerce and culture itself.

 Metacartel and Friends with Benefits are examples of meta labels in the Web3 age. Both are DAOs that exist to collectively organize and distribute resources to projects in line with a vision. Because these projects are built on the rails of Web3, their activities are collectively determined and collectively funded by resources pooled by their members.

Elements of a label

If we look across the many examples of traditional and more contemporary culture labels, we can see several core elements that are always present:

- 1. A core perspective or mission. That could be advocating for a certain perspective, aesthetic, region, idea, or about solving a problem and changing the world.
- 2. A principle (or group of principles) curating the output. Labels are ultimately trying to communicate an idea, incrementally, with each release. That means they need a consistent vision to successfully put an idea in the mind of the public. This means a level of creative leadership is required to curate what releases and artists are invited to be a part of the project.
- 3. **Discrete releases.** A label exists to put culture into the world, whether that's music, ideas, a way of living, words, or something else. What makes a label unique from a person's personal creative practice is that different people are invited to release work under the same banner. By constructing an umbrella under which multiple artists can sit, the label can generate more dialogue and "heat" because disparate nodes in the network are reflecting back similar ideals. What makes a label unique from a brand is that all of a brand's efforts result in the promotion of a single product. In the case of a label, its efforts are always promoting different products that all relate to the same core aesthetics or ideals.

- 4. Information architecture. Record labels use catalogue numbers to sequence their releases. A similar sequencing or contextualizing of works is a key element of the label. It helps clue the audience into the larger context of the work. This is already common in the new worlds of drop commerce and Web3, where concepts like "Seasons" have become used to conceptually organize content and community, bringing the language of fashion and television into broader cultural creation. This mixing is a hallmark of meta labeling.
- 5. A scene it participates in. Labels are at their best when they represent or are in dialogue with a thriving, organic scene or community. To truly be valuable, it must create value for the larger scene it's a member of.
- 6. A source of funding. Without funds to put into projects, any label is limited in its output. Previous labels used sales from their products to fund new releases, or someone's existing personal wealth. In the world of Web3 and meta labels, these sources of funding are evolving.

These elements are magical when they come together. They're a recipe for shaping culture. Meta labels empower anyone to shape the cultures that matter to them.

Introducing Metalabel.xyz

The first few decades of creative culture on the web were largely defined by acts of individual creativity. The cultural echoes of the pre-digital world still dominated. It was single-player mode. The current and coming decades of creative culture are being defined by collective creativity and collective scenius. From the shared language of memes to group chats to new forms like DAOs, the internet is moving into multiplayer mode.

Similarly, our old model of the "creator economy," defined by the lone wolf creator trying to hack together a living, will be replaced by a new era of collective creation, collective ownership, and resource sharing. The label will be a native business model for this new world.

<u>Metalabel</u> is a platform that empowers culture labels. We help meta labels, record labels, fashion labels, art collectives, film producers, publishers, activists, DAOs, and other culture collectives:

- Release, contextualize, and sell their work
- Connect with followers, funders, and collaborators
- Engage with Web3 tools and business models

In the coming months, <u>Metalabel</u> will launch a discovery platform for labels across cultural categories; an editorial platform that explores the history and best practices of some of the most influential labels from the past and the present; and a fund that will be used to seed new and existing labels; support research into economic and governance models for labels, creators, and activists; and support creative projects and collaborations we find inspiring.

Culture labels of the past shaped how we saw the world. They decided what books were published, which movies the public saw, and how we thought about the universe. These labels showcased great artists and released great work, yet they weren't democratic, their economics were opaque, and in many cases they failed to serve the creative communities they claimed to represent.

The culture labels and meta labels of the future will similarly shape how we see the world. They will influence which memes take off, which ideas become mainstreamed, and ultimately what direction society goes. Labels are startups and institutions for culture. They're where the new ideas will emerge and how other ideas will last. With new tooling and open governance made possible by Web3, labels of the future can also be democratic, their economics can be transparent, and they can be collectively owned, setting new norms that very well might spread to the rest of culture too.

In everything from activism to art and technology to community projects, labels will be an increasingly powerful container. Four friends coming

together to collaborate years from now will start a label. When starting his own label back in the 1980s, the founder of Sub Pop Records wrote: "A decentralized culture network is obviously cool. Way cool." We dream of a world where Metalabel is among a network of teams and labels supporting one another. We hope you'll join us in contributing to it.

If you're inspired by this project, there are multiple ways to add value:

- We're looking to connect with people who operate labels and would like their label to be part of this world. Metalabel will be invite-only to start, but we're happy to extend invites to inspiring projects across mediums, genres, and fields.
- We're looking to connect with Web3 engineers, product thinkers, and skilled operators to join our team. We're a fully funded startup with a stellar core team. We're based in NYC, with folks distributed globally.
 You can learn more about how we work together here.
- We're looking for curators and writers who can help us find and tell
 the stories of great labels. If you have a deep expertise in a cultural
 category and would like to help showcase great labels in your
 universe, please reach out: yancey@metalabel.xyz

Peace and love, Your friends at Metalabel

Metalabel is a project by Yancey Strickler, Rob Kalin, Ilya Yudanoff, and Austin Robey.