
PRELIMINARY ANALYSIS OF ACTA, PIPA, SOPA AND THE MUSIC INDUSTRY ACCORDING TO THE THEORY OF FIELDS

MIRIAM COSTA TOYAMA

Universidade Federal de São Carlos
Rod. Washington Luís - Km 235
São Carlos, São Paulo - Brasil
CEP: 13565-905
E-mail: miriamtoyama@gmail.com

MAURO ROCHA CÔRTEZ

Universidade Federal de São Carlos
Rod. Washington Luís - Km 235
São Carlos, São Paulo - Brasil
CEP: 13565-905
E-mail: mauro@dep.ufscar.br

SILVIO EDUARDO ALVAREZ CANDIDO

Universidade Federal de São Carlos
Rod. Washington Luís - Km 235
São Carlos, São Paulo - Brasil
CEP: 13565-905
E-mail: seacandido@gmail.com

Abstract

During the 1980's and 1990's music industry has experienced a steady growth in sales and profits. However, from the year 2000 the performance of this industry began to deteriorate. Several scientific articles, as well as record companies and organizations representing the recording industry in various parts of the world point to the virtual piracy as the cause of this poor performance. Virtual Piracy, in turn, has been made possible by the emergence of a number of innovations, arising out of the music industry. Among these innovations one finds MP3 files, that allows the dematerialization of music; Peer to peer softwares (such as Napster, Kaaza, Gnutella, E-mule, uTorrent, etc..), which allowed the music to be sent over the internet without the need to pay for it (virtual piracy); CD and DVD burners and digital players (like iPod and MP3 players), which allowed pirated music to be played away from the computer, and lastly the broadband connections, that allow that piracy of music to be performed much faster. Major firms and organizations representing the recording industry took several strategies trying to diminish virtual piracy. Initially these actors have initiated lawsuits against those responsible for file-sharing networks, what caused several Peer to peer networks to be shut down (such as Napster, Gnutella and Kaaza). However, facing the new reality, the architecture of these networks has been modified so that those responsible for them had no control over what is distributed across the network, since these networks have become decentralized, which means that the file is transferred from one computer to another without the need of going through any kind of central server (a computer that lists of what is being transferred and the IPs of the computers involved). Became more difficult to prosecute those responsible for the file sharing, then, organizations representing the recording industry (mainly the RIAA) initiated lawsuits against the users of these networks, which caused a temporary drop in the volume of illegal downloads, however, the

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illegal downloads increased again in subsequent periods. Furthermore, although not all the actors who carry out illegal downloading of copyrighted songs would buy the product if piracy was not possible, users of these networks are potential consumers for the industry music. Several authors state that the music industry's battle against piracy is not a struggle to ensure the production of new songs (as claimed by the major labels and their representative organizations), but a fight to save a business model.

This article aims to analyze the present situation by using the theory of fields. Fields are mesolevel social orders localized inside the global social space, which are characterized by its relative autonomy and by the fact that its structure is related to a specific configuration of agents. The focus of the analysis is recent attempts of incumbent actors to implement new pieces of legislation in order to re-establish order in the field. The efforts of major companies of this industry, in coalition with other entertainment industries and politicians, to approve SOPA (Stop Online Piracy Act) and PIPA (Protect IP Act), in the United States, and ACTA (Anti-Counterfeiting Trade Act), at international level, are here analyzed. The article makes evident that field theory is an appropriate framework to the sociology of markets, contributing to internalize aspects ignored by economics and taking seriously the assumption that economy is embedded in social life.

Key words: *Economic Sociology, Theory of Fields, Music Industry.*

PRELIMINARY ANALYSIS OF ACTA, PIPA, SOPA AND THE MUSIC INDUSTRY ACCORDING TO THE THEORY OF FIELDS

1. Introduction

The music industry presented increasing performance in terms of sales and profits during the 1980s and 1990s (BENZE et al, 2009). The stability of the market, controlled globally by majors companies like Sony-BMG, Universal, EMI and Warner, favored the mass sales of hits materialized in CDs and K7 over the world. As a result, by 2002 sales over the world totalized US\$ 34,6 billion.

However, in the end of the 1990s and beginning of the 2000s this performance started to deteriorate. International Federation of Phonographic Industry (IFPI), Recording Industry Association of America (RIAA) its Brazilian counterpart (Associação Brasileira de Produtores de Discos – ABPD) and several researchers (like LIEBOWITZS, 2003) attributed the bad performance of major companies to illegal copy and distribution of music, made possible because of a set of innovations created outside the music industry. Among these innovations one may find the MP3 files, the peer to peer software, broad band internet, CD/DVD burners and MP3 players, which empowered millions of consumers to replicate and distribute music independently from the big companies controlling the market. With the mass use of these innovations, made possible by the growth of information technology markets, it was possible to everyone to compress an audio file, say a music file and share it through the internet using peer to peer software. The broad band connections, CD/DVD burners and MP3 players have favored the “virtual piracy”, as termed by recording companies, by making it faster and more enjoyable (since the music no longer had to stay on the computer).

Against these new forms of distribution, controlled by consumers, especially the youngest, who are also happen to be the main target of music industry hits, the music industry has been trying to use a number of tactics. It has delivered educational campaigns stating the job losses and qualifying the activity as theft. It has also invested in the development of technological ways to prevent virtual piracy, like Digital Right Management (DRM), which is a way to limit the use of digital content and devices after sale. The music companies and their associations have also started a series of law suits against those responsible for the peer to peer networks and their users and have been pressuring governments to harden the copyright legislation and to find ways to enforce these laws. Finally, companies adapted their distribution strategies aiming to take advantage of the new technologies (CÔRTEZ et al, 2008; BENZE et al, 2009). However, the performance of the music industry has never recovered to the levels it presented before.

Neoclassical economists have trouble to explain music industry situation. Orthodox analysis tend consider that the influence of societal sectors considered not to be part of economic realms as externality. Over this lenses, market sphere is independent from social life work only as price mechanism that automatically regulate atomistic and rational action of economic agents.

Considering traditional economic approach insufficient to make sense of the transformations in Music Industry, the article proposes its analyses using field theory. It is suggested that this sociological approach which focus on meso level social orders to explain stability and change may offer a more complete and rich explanation to what is going on in phonographic markets, taking seriously the assumption that economy is embedded in society.

The specific analytical focus here is the recent attempts of incumbent firms of creating new regulatory apparatus in the United States in order to keep their privileged position.

2. Market's as Fields

The concept of field is borrowed by sociology from Physical Sciences as model to explain regularities in individual action by recourse to relative positions of actors in a social space (MARTIN, 2003). Its most influential version was primarily developed by French sociologist Pierre Bourdieu between the 1960s and 1970s, who defines fields as a mesolevel social order localized inside the global social space, which is characterized by its relative autonomy and by the fact that its structure is related to a specific configuration of agents (BOURDIEU, 1996; LEBARON, 2009).

Sociology of markets is taking seriously the idea that economic life is embedded in society. Despite important advances that have been made by authors enrolled at New Economic Sociology, studies and researches conducted in the area, in general, require a broader theory of stability and change of social institutions (FLIGSTEIN and DAUTER, 2007; FLIGSTEIN, 2001). Therefore, the notion of embeddedness remains vaguely defined by fragments of theory generated a huge amount of empirical studies not followed by theorizing efforts (KRIPPNER, 2001; FLIGSTEIN, 2001).

Field theory can be taken as a reference for understanding markets, helping to unify the empirical findings in a common theoretical framework, increasing the coherence and the reach of new economic sociology. One of the tasks in this direction is integration of the contributions for the sociology of markets into the more general framework of fields. The intention of this part of the paper is showing how this promising project may also help to make sense of recent transformation of Music Industry.

From the perspective of field theory, markets may be defined as a social space formed by a group of firms which relate with one another based on a set of institutions that reflect the history of the society in which they are rooted and a particular distribution of power between the actors. These firms may be producers, suppliers, customers with different resource endowments get engaged in relations of exchange, competition and cooperation (FLIGSTEIN and DAUTER, 2007). The power structures of the field define the dominant firms, giving coherence to the actions of participants in space (PODOLNY, 1993), what is called the conception of control of the field (FLIGSTEIN, 2001).

Within a field, actors share at least four basic meanings and understandings, what helps to identify it (FLIGSTEIN e MCADAM, 2012). In the first place, they must share a minimum degree of what is at stake. Actors also make sense of his own position in the space, as well as the position of his allies and enemies. They also have an idea of what they can and can't do, what means that there are shared meanings about the rules they have to follow to be accepted in the dispute. Lastly, field members have interpretative frames to make sense of the actions of others field members, what Bourdieu (1983) calls *habitus*.

Unlike in mainstream economics, the field approach assumes that apart from the financial resources, actors use different types of "capital" in markets, among which stands out the symbolic capital, associated with the status of the actors and their products in the field (BOURDIEU, 1984; PODOLNY, 1993). As highlighted by the network theory, social capital is another important tool used by powerful actors to maintain domination (BOURDIEU, 1985; GRANOVETTER, 2003). Another key feature is the control of science and technology in the field, a very powerful form of domination in fields (CALLON et al, 2002; THOMAS,

1994). Social skills are another key resource for firms (FLIGSTEIN, 2007), which generally “head hunt” talented professionals in labor market.

Field approach can be used at different levels of market analysis. As termed by Fligstein and McAdam (2012), fields are like fields are like "Russian Dolls", composing and being composed of other fields. When one adopts macro analysis, actors can be, for example, particular industry or even an entire country's economy. In micro frames, actors may be individuals or firms. The definition of the boundaries of the markets to be analyzed is always a challenge and is necessarily arbitrary. Actors/fields may be hierarchically or not hierarchically related, dependent or interdependent, distant or closely related to each other, depending on the density of the ties kept.

The starting point for the analysis of markets as fields is to identify the state in which this space is in order to take into account what is specific of each dynamic (FLIGSTEIN e MCADAM, 2012). Markets might be emerging, stable, in crisis or in some intermediate state, and identifying is not a simple task.

The emergence of markets is a key moment, as it is when the field is invented and finishes up influencing following states. Therefore, the analysis of markets in any state must always, with some degree of detail, start by describing the historical emergence of the space. At this point, markets are organized in a manner consistent with the institutions of society, or taking into account the way another market which incumbent actors consider to "work well". That moment has active participation of entrepreneurs (socially skilled actors) and largely defines the institutions that organize social space. The distribution of resources among firms involved decisively influences the way field will be structured, with greater asymmetry of power among counterparts usually implying in more hierarchical forms of organization.

The technological dynamics are a key aspect to understanding the emergence of new markets. It seems evident that the emergence of new products and services due to innovative technologies are powerful vectors of structuring new markets. Entrepreneurs who have successfully turn those innovations into products and services tend to enjoy periods of monopolistic advantages, which consists in a powerful incentive for innovation that is in some cases guaranteed by the State through patents (FLIGSTEIN, 2001).

States, moreover, have a key role in stabilizing markets. Along with the internal governance units of markets, governments interfere in fields to the creation of specific rules and imposing other more general definitions. An example of basic task of government is to control the level of cooperation allowed between firms that act in a certain market, guaranteeing certain levels of competitiveness (FLIGSTEIN and DAUTER, 2007). Fligstein (2001) deconstructs the meaning of neoliberal ideas of no State intervention, pointing to the several ways in which modern markets depend on states to function. The author shows that the forms of intervention vary with the groups that dominate the state fields, identifying cases in which states are controlled by capitalists, workers, local traditional elites and different coalitions.

When stabilized, markets become a lot more inertial and structured by a set of institutions. As mentioned, part of these institutions are imposed by other external and wider fields and part are defined by the actors at specific times of emergency and crisis, when there is often abrupt changes in agreements, or by change processes that are more characteristic of stability periods, which are more continuous and slow (FLIGSTEIN e MCADAM, 2012).

Fligstein (2001) states that the functioning of markets is based on some fundamental institutions, generally enforced by the State, that stabilize the relationship between the actors. Property rights determine who benefits from the returns of firms and who bears the risks of

the investments. Governance structures consist of legal rules and regulations that structure the firms and their relationship of competition and cooperation. Finally, as already emphasized, the conceptions of control define principles of internal organization of the market defining the distribution of symbolic capital among firms. In addition, Schneiberg and Soule (2005) claim that states also define which products can and can't be exchanged in markets and under what conditions.

In stable markets, economic players may be under conditions to develop more lasting relationships with each other. Network Theory show that actors when engage in repetitive transactions and get to know each other, they may gain confidence in each other and build reputations (GRANOVETTER, 2003). In some cases, asymmetric relations may get stabilized, what can be explained by the different degree of dependence between actors involved in transactions (PFEFFER AND SALANCIK, 1982). To deal with incumbent's domination, challenger many times appeal to product differentiation, focusing on niches of the market (WHITE, 2002).

Moments of crisis may result from processes of change within markets, but are generally related to external shocks from neighbor fields. In markets, firms need to live permanently with threats generated in relations with suppliers, competitors, employees and the imminent risk of technological changes that manage obsolescence of products and production processes. Globalized economies are highly integrated, what make moments of crisis common. Some impacts are generated throughout the global economic system, as the 2008 financial crisis generated in the United States (GRÜN, 2011) and others are more localized. In other cases, social movements and other civil society actors invade the markets, influencing your organization through confrontation and critique (BOLTANSKI and CHIAPELLO, 2009; ABRAMOVAY ET AL, 2010).

To protect from crises, companies use various strategies mentioned in the literature. Among the best known is diversification, which reduces the dependence of a firm in relation to a particular market (FLIGSTEIN, 1990). Dominant market actors also feature state intervention and internal governance units, which more commonly act to enforce order.

3. Music Industry Crises

As many other fields, the music industry social space resembles a Russian doll, for it contains inside itself a number of other fields. Members of the space have quite clear conceptions of control, being aware of who are incumbent firms. Actually, these firms are international and domain several local markets. They are: Warner, Universal, EMI and SONY (IFPI, 2005). These actors are represented internationally by International Federation of Phonographic Industry (IFPI) and by Recording Industry Association of America (RIIA) in the United States, the major governance units of the field. In Brazil, they compose *Associação Brasileira de Produtores de Disco* (ABPD). The market share that is not directly dominated by the majors is divided among small independent labels, the challengers.

Inside the international music industry field one can find several other fields. Indeed, every collective actor is itself another field. Major companies are more like a conglomerate of companies, being characterized as entertainment companies with music divisions. They also have activities all around the globe. So incumbent actors adopt highly diversified strategy, with hits selling being usually one of their business, what, as point out in the literature, may be understood as a strategy to reduce their dependence of a particular market and resist crises.

At local levels, one may also find music industry spaces, as every country has its own companies. These challenger players, usually with small independent labels (known as *indies*), compete with the major firms. In general, challenger firms keep a dependency relation with majors, depending on them to distribution, since they are not able to deliver products themselves (CÔRTEZ et al, 2008). Defeaters also occupy niches of the market, what is a strategy to survive the dominance of majors. Their interests are usually represented by their own governance units, which in Brazil is *Associação Brasileira da Música Independente* (ABMI).

An important strategy used by incumbents to keep market domination involves their articulation with mass media fields, especially television and radio stations. They use these high influent means of communication to promote their hits and artists. This institutionalized practice, known in Brazil as *jabá*, contributes decisively to sustain their positions in the market.

Copyright is a basic institution of the field, assuring firms the monopoly to copy the production of musicians with whom they keep contracts. It is them an institution of the field that ensures the private character of music allowing companies to make profit out of it and also making them taking the risks of its bad performance. Internationally, copyrights are enforced by WIPO (World Intellectual Property Organization), WTO (World Trade Organization). In Brazil, *Coordenação de Direitos Autorais*, integrated to the Ministry of Culture is in charge to control it (ANDERSEN et al., 2000).

The music industry has had a history of good performance for over a decade. However, as mentioned earlier, since the beginning of the 2000s it has been facing a downturn. Its major governance units (like RIAA) and some researchers blamed the development and dissemination of a set of technological innovations for the significant decrease in profits. To the degree that these technologies reach people's homes, "virtual piracy" increased in such a way that it was impossible to enforce copyrights.

The empirical finding is consistent with field theory since the crises was cause by and exogenous shock, departed from neighbor fields. The related fields in question were in the information technology (IT) sector, with which the music industry, as well as several other spaces of modern society, have a dependent relation. That is because IT market development created and disseminated vastly over the last decades the access to technology used to the production and distribution of music (including technology necessary to record human voice and instruments, to copy music into a media etc.). The development of a set of innovations within the information technology field had a significant impact on the music industry field, causing its destabilization.

The crises started by the end of the 90s with the creation of the MP3, that allowed audio files to be compressed reducing the parts of sound that are not perceptible for most people. This way the file becomes very small. Music stored in this kind of file started to be available online in websites (like MP3.com), but in the beginning of the 2000s the development of peer to peer softwares made the MP3 music files availability increase. These softwares made it possible for two people using it to transmit files from remote computers, creating a net of users connected to each other. The other innovations, like broad band internet, CD/DVD burners and MP3 players facilitated the download of music files or made it easier for them to be enjoyed away from the computer.

The practice of downloading music files from the internet, through websites or peer to peer softwares without the permission of the copyright owner is illegal due to the property rights of the market. So the development of this set of innovations has created the possibility

of virtual piracy. According to the music industry big companies and to their associations, as well as some researchers, this virtual piracy is the cause of the destabilization in the music industry field.

But the reaction of dominant firms end up causing a bad impression for the consumers and potential consumers. That can be partially credited to some of the methods these companies have being using to try to reestablish the status quo, considered many times as illegitimate by general public. As a result, for Herschmann (2010), during the course of the destabilization of the field, major companies, the incumbent actors, have acquired a negative image before their consumers. This became a process of emergent mobilization of challengers, including general public, who started to organize and payback.

Fligstein and McAdam (2012) state that when a field is destabilized, incumbent actors tend to use the legitimate tactics to maintain the dominant position in the field. Albornoz (2005) states that major companies have been developing actions against virtual piracy in four fronts: 1) releasing campaigns educating consumers that piracy is illegal and harmful to music industry; 2) supporting the hardening of intellectual property laws and the creation of new laws; 3) pressing governments to enforce the intellectual property laws in even harder and more radical ways; 4) the adoption of technological tools to prevent virtual piracy, through the adoption of DRM (Digital Right Management), which are softwares specially designed to manage what consumer can do with the music they have legally bought.

The adoption of DRM has not been successful so far for several reasons. Hackers have always found ways to crack the software and its utilization has been contested by organized civil society since it can restrict the usage of the legally bought product in a way that exceeds the law (for example: it can restrain the uses through indeterminate time). So the DRM has not been accepted by general society as a legitimate tool to stop virtual piracy.

About the educational campaign dealing with virtual piracy it is hard to measure its effectiveness. Nevertheless, there seem to be significant drop in the volume of downloads since the campaign has started.

Concerning the judicial-political approach, associations representing the music companies (especially major companies) have tried to reduce and eliminate the virtual piracy by drastically enforcing the copyright law suing infractors. The associations started by suing the legal representatives of the peer to peer softwares (like Napster and Gnutella). But programmers reacted changing the architecture of the peer to peer network and soon it was no longer possible for the representatives to know who was sharing which file with whom, since the users started connecting directly with each other. Music industry associations then began to sue directly the users of the softwares (TOYAMA, 2008). This action was particularly considered unlawful by the potential consumers, contributing to the negative image these actors have of the incumbents. Reacting to the attack, activists even formed organizations to support the defense for this law suits. Although the volume of illegal downloads have dropped short after the law suits began, according to OECD (2004), it has risen again sometime later and law suits strategy was aborted by incumbents.

But the focus of attention of the paper is to the last approach to deal with virtual piracy: the legislation. Major companies in the music industry field, their associations and other major companies in other entertainment industries have been pressing the United States government of several countries to harden the intellectual property law and to find ways to enforce it, what it analyzed in more detail as it follows.

4. Virtual Piracy and Emerging Legislation: SOPA, PIPA and ACTA

In order to reestablish the status quo and enable the reproduction of its advantages in the field, incumbents have been defeating virtual piracy. As presented above, one of the strategies they are utilizing is the lobbying governments towards a stronger intellectual property rights legislation and ways to enforce this legislation. According to Fligstein and McAdam (2012) it is common for incumbents to seek help in the government when facing field destabilization and crisis.

To Andersen et al (2000), although the legislation design to protect idea expression has different origins in different countries (copyright in Anglo-Saxon countries and authors rights in France, for example), they have been converging over the years. This has been achieved through a series of international agreements (Berna Convention, Rome Convention for the Protection of Performers, producers of Phonograms and Broadcasting Organization – TRIPS).

In the United States the major entertainment companies (not only the music division, but publishing companies, TV and movie industry as well) and their representative associations (RIAA, MPAA) have been pressuring the government towards turning the copyright legislation stronger and harder. So, as stated by Field Theories (FLIGSTEIN and MCADAM, 2012), dominant actors are cooperating to promote changes at this basic institution in order to ensure their dominance. In 1998, they had their first achievement: the approval of the Digital Millennium Copyright Act (DMCA), which was supposed to regulate the use of technological tools able to hack or break technological lock with the purpose to enforce copyright protection. Nevertheless, the law did not have the expected effects of guaranteeing DRM.

More recent attempts to harden the United States legislation include Stop Online Piracy Act (SOPA) and Protect IP Act (PIPA). The SOPA allowed the Defense Department and copyright holder to obtain court order against websites that are considered to be infringing or facilitating the infringement of copyrights. As a result, search sites like Google or Yahoo could be prosecuted for facilitating copyright infringement by showing sites that display copyrighted content illegally in searches. The act would also give the United States Attorney General power to impede American companies to establish commercial relationships with these websites and forbid them to be showed up in future searches. The PIPA was a re-elaboration of the Combating Online Infringement and Counterfeits Act (COICA), and it sought to enforce the copyright in websites registered over the U.S.A. boards, where it has no jurisdiction. It defines distribution of illegal copies of copyright protected material, distribution of counterfeiting goods and use and development of anti-DRM technologies as violations. It would also allow court to stop commercial relationship (internet providers, internet merchandise and search engines) to companies behind the accused websites.

Nevertheless, big information technology companies, civil society organizations (like Human Rights Watch, Electronic Frontier Foundation etc.) and informal groups of people are reacting unite against the new laws. Big media companies, such as Facebook, Google, Tweeter and Yahoo recently organized a blackout in protest to the SOPA and PIPA, making their services unavailable for a day. Several blogs have done the same. So challengers and incumbents actors of impacted fields manifested against the legal solutions as proposed through SOPA and PIPA. Famous people, like singers, screenwriters, comic writers and dancers have also manifested against the acts and recruited people (not only in U.S.A., but in a number of other countries) to pressure government to turn the acts down. A number of

congressmen withdrawn the support to the SOPA and PIPA, what culminated on their failing to be approved by the Congress.

This shows that the lobbying, which has been successful so far to assure incumbents to reproduce their advantages, has been failing so far in the current moment of crises. The DMCA has failed in practice, since the DRM are still being hacked, what shows that the regulative and coercitive focus of these solutions were not accepted by extensive incumbent groups of society and could not be enforced effectively.

Internationally, the Anti-Counterfeiting Trade Agreement (ACTA), which aims to “create international standards on intellectual property rights enforcement” (SOLON, 2012a), related to the usage of internet and information technology, is still being discussed, but already have been the target of protests. Its critics say it is actually a new copyright law and that it has been negotiated in secret. Solon (2012a) points out that many participants of the agreement were forced to sign a non disclosure agreement and that it is being negotiated outside WTO and WIPO. Lastly, they denounce it to criminalize the copyright infringements and blur the boards between copyright infringement and counterfeiting. As during the SOPA and PIPA negotiation, a number of internet companies, digital right groups and civil society organizations have been opposing the act.

Although the ACTA has already being sign by a number of countries it has not been ratified yet. The fact that the European Parliament voted against it, what represents a major loss for ACTA proponents (SOLON, 2012b), indicates the difficulties strategies adopted have been facing over the world.

Although the dispute is not over, it have been quite evident so far that transformations of several orders in society and the skilled action of organized groups have been putting in check the dominance of some big firms in music industry. As foreseen by Fligstein and McAdam, one of the majors reactions for the pivotal crises in the field was to get the support of State, Governance Units and built several alliances with incumbent groups of neighbor fields to enforce the old order of the space. However, the solutions proposed were not accepted as legitimate by a coalition of organized actors from several other fields, who have been victorious so far.

5. Conclusion

In the late 1990s the music industry music has generated more job positions than the textile or automobile industries (TOWSE, 2000). Nevertheless, by the begging of the 2000s this situation started to change fast and the field presented a drop in sales and profit. Results continued to deteriorate in the next decade and, although different countries in different years showed signs of improvement, the music industry as a whole has never obtain results similar to 1997 (HERSCHMANN, 2010).

Analyzing the music industry crisis through the theory of fields permits one to consider more than just the economic variables. With the development of information technology, music, that could only be exchanged over physical products (K7,CD, etc) was dematerialized and became more like an information good (VARIAN AND SHAPIRO,1999), acquiring public goods characteristics, once it cannot be effectively excluded (non-excludable) from use and its use by someone does not reduce availability to others (non-rivalrous). Since it is a good largely charged with symbolic value, being representative of group’s identities and cultures in a society, its exchange among people increased vastly with the advent of information networks, decreasing sales.

Field theory shows the most common way a meso level social space becomes destabilized is through external shocks (FLIGSTEIN e MCADAM, 2012). This was the case with Phonographic Industry field, which as directly affected by somehow sudden changes in information technology market, that put in check a basic institution of the field, over which part of the business model of firms was built on: copyrights.

Incumbent actors qualified unauthorized music exchange over the internet as “virtual piracy” and dealt with the crisis developing several strategic action to reestablish field’s status quo. The paper focused on one of the action fronts: lobbying to adequate legislation to new reality. This explains the emergence of DMCA, SOPA and PIPA in the U.S.A. and ACTA at international level. Nevertheless, the several social sectors reacted to these attempts, including IT companies, NGOs and social movements, developing other skilled/strategic action against it. As a result, SOPA and PIPA were dropped and DMCA has been systematically circumvented.

It is still not possible to determine what may be the outcome of the destabilization of the field. Some authors, like Benze et al (2009), state that the major companies should aim to change the business model, and detailed possibilities like the change of the main income source from selling music to live performances. Further researches are necessary to clarify many angles of the situation and their effectiveness for making sense of the transformations in this market will certainly depend upon the degree researchers overcome the idea that the economic realm is independent from society.

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