Cultural diversity and the conditions for authors in the European music streaming market

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The Committee on Culture and Education adopted an own-initiative report by Ibán GARCÍA DEL BLANCO (S&D, ES) on cultural diversity and the conditions for authors in the European music streaming market.

The music sector is a major pillar of culture, as an essential component of cultural and linguistic diversity in the Union.

Today, the public streams music via online platforms that operate globally and offer access to millions of musical tracks available anywhere, at any time and on all kinds of devices, free of charge or for a relatively low monthly subscription fee. Streaming accounts for 67% of global music revenues.

The report stressed the need to support and create rules ensuring a **fair and sustainable ecosystem** for music streaming in the Union that both promotes cultural diversity and addresses the imbalances that negatively affect the sector, especially its authors and performers, and may prevent it from flourishing. To this end, all actors in the music streaming value chain need to engage in an **effective dialogue** that includes authors and performers and make the necessary changes.

The Commission is called on to:

- assess the impact of existing contractual practices in the European music streaming market, as well as of the current revenue distribution model for music streaming services, on cultural diversity and the principle of appropriate and

proportionate remuneration for authors and performers;

- explore, in cooperation with the relevant stakeholders, appropriate measures, including alternative and fairer models to reallocate streaming revenues;

- examine whether there is a high level of concentration in the music industry and to assess its impact on cultural diversity, on the remuneration of authors and on competition.

Towards a sustainable ecosystem for authors

The report emphasised that the key role of authors should be reflected through greater visibility on the music streaming services. It called on the industry to explore **new models for allocating streaming revenue** in order to ensure the most equal and fairest distribution possible for authors and performers.

The Commission should evaluate whether the **use of new technologies**, such as blockchain, and the international identification codes of rights holders, musical works and sound recordings have the potential to improve transparency and cost efficiency within the music streaming market.

According to Members, it is essential to improve the **identification of anyone involved in the creation process**, in particular authors and performers, on music streaming services, by ensuring the comprehensive and accurate allocation of metadata from the time of creation for any track uploaded to a music streaming service.

The report underlined the importance of authors becoming members of collective management organisations to ensure the right to collective agreements and collective representation. It emphasised the need to raise awareness, in particular among young authors, of the importance of accurately getting credited and paid for their music in the streaming market.

It recalled the need to **ensure the value of authors' rights**, regardless of what music streaming services offer.

Prominence and discoverability of European musical works

Members called for action to be taken at Union level to guarantee the visibility and accessibility of European musical works. They welcomed the study launched by the Commission that aims to assess the discoverability of European musical works in the music ecosystem and asked the Commission to propose adequate measures, including a **legal framework** to ensure the visibility, accessibility and prominence of European musical works on music streaming platforms.

Towards the ethical use of AI

The report called for maximum transparency and stressed the need to ensure compliance with all Union legal requirements on the development, production and delivery of musical works by means of AI technologies. In this regard, the Commission is called on to propose legal targeted provisions to ensure the **transparency of the algorithms** and content recommendation systems on all relevant music streaming platforms, with a view to preventing unfair practices and streaming fraud. Members stressed the need to work towards ensuring that consumers are well-informed, and stressed the need to set up a **clear, timely and visible label** to inform the public about purely AI-generated works that do not involve the expression of the author's personality or creativity.

Perspectives

The Commission is called on to:

- set up a **European music observatory** to provide information on music markets in the Union by collecting and analysing data in the Member States;

- analyse and report on **legal issues** affecting the music sector, in particular the music streaming market, with a view to developing the sector;

- further improve the **Creative Europe** programme, through comprehensive action on music;

- establish a **structured dialogue** between all stakeholders to discuss current issues affecting the music streaming market and to work together to find common solutions towards a fairer distribution of the revenues from music streaming platforms, in particular for authors, performers and small and micro independent producers;

- introduce a **European industrial strategy** for music to make the Union play a role in promoting the diversity of its artists and musical works, focusing on the strength and diversity of the European music sector, boosting smaller players, acquiring more investment, providing more exposure to artists and quantifying the results.