



**Report from the Conference
“Diversity and Competitiveness of the
European Music Sector”
with EU Member States’ Experts
(4-5 March 2021)**

EUROPEAN COMMISSION

Directorate-General for Education, Youth, Sport and Culture
Directorate EAC —Directorate Culture and Creativity
Unit D.1 — Cultural Policy

E-mail: EAC-UNITE-D1@ec.europa.eu

*European Commission
B-1049 Brussels*

© European Union, 2021

Reuse is authorised provided the source is acknowledged.

The reuse policy of European Commission documents is regulated by Decision 2011/833/EU (OJ L 330, 14.12.2011, p. 39).

For any use or reproduction of photos or other material that is not under the EU copyright, permission must be sought directly from the copyright holders.

Report from the Conference “Diversity and Competitiveness of the European Music Sector”

***Organised by the European Commission in the
framework of the Council Work Plan for Culture
2019-2022 (Priority C)***

edited by the European Expert Network on Culture (EENC)

Table of Contents

Introduction.....	5
A) Main take-aways from the conference	6
B) Summaries of the sessions	11
Opening session	11
Session 1 – Impact of Covid-19 on the music sector and its recovery path	12
1.1. Study on the economic impact of music in Europe (Nov 2020)	12
1.2. Rebuilding Europe, The cultural and creative economy before and after the COVID-19 crisis, Ernst & Young (Jan 2021)	12
1.3. Insights and testimonies from the music sector.....	13
1.4. Measures taken at EU level.....	14
1.4. Best practices on “music sector recovery” from EU Member States	15
Session 2 – Role of music in society, for social cohesion and well-being.....	16
2.1. Introduction by Rui Torrinha, Artistic director of Centro Cultural Vila Flor (CCVF), Guimarães, Portugal.....	16
2.2. Panel discussion	17
Session 3 – Music streaming and cultural diversity.....	18
3.1. Scene setting.....	18
3.2. Panel discussion	19
Session 4 – Music Moves Europe initiative (MME).....	21
4.1. Introduction “Why support to music matters for Europe?”	21
4.2. Update on Music Moves Europe (MME) by the European Commission	22
4.3. Testimonials: Implementation of the Preparatory action on music + Creative Europe	22
4.4. Music Moves Europe studies (Market gaps, European music observatory)	24
4.5. Next steps on Music Moves Europe	25
Session 5 – Policy debate (Member States’ experts only).....	26

The present report was prepared, at the request of the European Commission (DG EAC), by the European Expert Network on Culture (EENC). It reflects the views only of the EENC authors and the European Commission cannot be held responsible for any use, which may be made of the information contained therein.

Frank Kimenai is an independent consultant, researcher and cultural professional, specialised in the creative industry in general and popular music in particular. Frank operates from Amsterdam, and is involved in European, national and regional projects, for example in the context of Music Moves Europe, and the business management of the Grauzone festival. He is currently conducting PhD research on the resilience of music ecosystems. Frank feels most at home at the intersection of economy, culture and policy.

Introduction

The Council Work Plan for Culture 2019-2022, under the priority theme “An ecosystem supporting artists, cultural and creative professionals and European content”, includes the topic of “music” with several actions, including two workshops in 2020. Due to delays caused by the COVID-19 pandemic, and considering the important impact of this crisis on the music sector and its professionals, the European Commission (DG EAC) decided to organise on 4-5 March 2021, and with the support of the Portuguese Presidency of the Council, a major online Conference entitled “Diversity and competitiveness of the European music sector”. The Conference brought together experts appointed by the Member States and a range of external speakers, especially representatives from the European music sector. The Conference had three main objectives:

- to inform Member States’ experts of the EU level work on music, including the promotion and support of music in the context of Music Moves Europe,
- to present and identify best practices on targeted support for music from the Member States, including in the context of the current Covid-19 crisis,
- to explore together with Member States’ experts possible areas for future European cooperation, discuss solutions towards recovery and investigate sustainable approaches for the music sector.

So far, EU level discussions on music have mainly involved the music sector, the Parliament and the Commission. In their EU cooperation on culture, Member States have only rarely focused their work on music as a specific sector. The inclusion of an action on “music” in the current Work Plan for Culture, on the one hand, and the new sectorial action on music in Creative Europe, on the other, could pave the way for a more targeted approach involving all relevant actors.

The two-day Conference was organised around 5 sessions:

- Session 1 - Impact of Covid-19 on the music sector and its recovery path
- Session 2 - Role of music in society, for social cohesion and well-being
- Session 3 - Music streaming and cultural diversity
- Session 4 - Music Moves Europe initiative
- Session 5 - Policy debate (Member States’ experts only)

This Conference report summarises the above listed discussions. It first identifies and analysis the main take-aways and, in a second step, it provides a more detailed description from each of the sessions. Findings from this Conference will further inform the EU level discussions on music, especially in the context of Music Moves Europe. They will also feed into the European Launch of the Creative Europe programme 2021-2027, a conference that the Portuguese Presidency of the Council plans to hold on 17-18 June in Lisbon.

A) Main take-aways from the conference

Current state of play

The music sector accounts for 4.4% of the EU27+UK's annual GDP. It has a €81.9bn gross annual turnover, making its economic weight bigger than that of 9 EU Member States. It has a GDP multiplier of 2,2, i.e. for every euro invested, the sector supports €2.2 turnover in other industries. It is a big employer, fostering jobs for 2 million people, which makes it twice the size of the IT sector and 16% larger than automotive. These jobs are immobile and held mostly by young people, making the sector one of the largest European employers for the younger generations. The sector has a very specific structure and consists for 90% of SMEs.

Next to its economic weight, the societal value of the music sector is very significant. Music is a quintessential part of being human. It is engrained in, and shapes our brains. Music is a strong driver for personal and societal growth. It shapes identity, enhances inclusion and promotes democratic principles, it helps to cross barriers and connects people, partners and places. It intersects with social issues like gender equality, sustainable development, social cohesion and regional development. It should be seen as an ecosystem that affects our lives from the nursery to the nursing home.

The music sector is one of the sectors most affected by the COVID-19 pandemic. It has lost 76% of its turnover, and in some subsectors like live music, this goes up to 90%. The impact of the COVID-19 crisis on the social aspect is just as strong as on economic aspect. It is safe to say that the music sector is currently in a state of emergency.

During this conference, this state of emergency became clear in the heartfelt testimonials and wake-up calls from the music sector representatives. All of them agreed that the whole music ecosystem is under threat, and that the pandemic has a disastrous impact on its cultural diversity and social and economic development. The crisis is widening the gap between artists, audiences and markets. It exacerbates the already existing inequalities in the sector. The restrictions due to the pandemic have deprived audiences as well as the artists themselves from the unique experience of a live music event as a collective social event. The music sector is a hub in the wider ecosystem, and it is through this ecosystem that solutions have to be found urgently. The music sector was one of the first sectors to close, and it is most likely one of the last to reopen.

Coordinated support and reopening

When it comes to measures needed to address the crisis impact on the sector and its recovery, according to the sector, first and foremost substantial financial support is needed structured along the entire value chain. It needs to be focused on recovery, on the one hand, but also address the structural problems the music sector was already facing before the pandemic, on the other. Most speakers who intervened at the Conference called for coordinated and coherent support and action at European level, e.g. the European Commission and the Member States, ensuring a resilient recovery along green, digital and sustainable lines. Music Moves Europe provides an important opportunity for this.

Furthermore, recovery is not possible without a coordinated European relaunch strategy. Proportionate guidelines, based on a common understanding of the sector, need to be formulated. These guidelines should be clear, transparent and embedded in a coherent policy framework. The speakers representing the music sector supported the pledge to the Member States to earmark at least 2% of the Recovery and Resilience facility funds for the cultural sector, and in this regard pointed to the need to include targeted measures for music.

Policy and legislation towards the future

The Conference provided insights on major policy developments and legislation with relevance for the music sector. The discussion focused on several ideas that can be categorised as follows:

Ecosystem

The music sector should be seen as a complex ecosystem of its own, but also part of the larger framework of cultural and creative industries. The entire ecosystem needs support, but more specifically tailor-made support towards its specific economic actors like SMEs that form the core component of the ecosystem and contribute to its diversity. Cities or regions can also be seen as ecosystems. Music plays an important role in every part of these systems; from employment to urban or regional development, tourism or innovation. The post-crisis recovery can provide a major opportunity to embed the music sector in these other ecosystems. The interconnectedness between these aspects is where the resilience of the sector, the cities and the regions lies.

At European level, over the past years, a holistic policy approach towards the music sector has been emerging with the Music Moves Europe initiative. It is important to reflect the specificities of the music ecosystem and realise that the 'process' is equally important as the 'product' at the end of the value chain. It is this very process that leads to co-creation, which encourages self-esteem and strengthens the social fabric. Funding programmes at national and European levels, however, do not yet meet the demands for this approach.

Sustainability

The post-crisis phase is considered a unique opportunity to encourage a green, digital, fair and sustainable recovery of the sector. The music sector can contribute in an innovative way to reach the UN's Sustainable Development Goals (SDGs) and to address important societal issues like social cohesion, climate change, and digitisation. The Conference discussion confirmed the need for developing a policy framework encouraging and supporting the music sector to meet the SDGs and related EU values.

Streaming & Data

The discussion on streaming, data and transparency raised a lot of interest at the Conference. Streaming creates opportunities for diversity, but it may also favour some artists, languages or genres over others, as it has fundamentally changed the way music reaches consumers. Today, distribution is not the bottleneck anymore, and streaming services, that act both as media and retailer, have a powerful position including when it comes to music diversity. Interventions at the Conference pointed to the need for closer monitoring in order to provide a level playing field, including a fair remuneration of artists. Related to this, music sector representatives urged the Member States to ensure a forward-looking implementation of the new EU Copyright Directive. They also called on the EU level to end what they qualified as "legal vacuum of the streaming services" and to ensure notably more transparency of streaming services' use of algorithms and the curation of playlists. Creators, artists and their teams should be allowed to harness the power of the data generated by these companies.

The discussion revealed that, on the one hand, payment models would need to be closely examined regarding the financial compensation of the creators and rights holders, but also regarding streaming fraud. A diversification in payment models, for example from Pro Rata to User Centric, combined with a diversification of the streaming models and a stronger position for independent platforms could encourage innovation and competition, and could be an important step towards fair remuneration. On the other hand, discussants also highlighted the need to better comprehend the algorithmic functions in creating playlists and suggestions for listeners. Moreover, they highlighted that next to algorithms, human intervention and curation of playlists could also contribute to increasing cultural diversity.

The sector itself also has a responsibility to educate and train their professionals and increase their understanding regarding these topics.

Diversity

The Conference clearly confirmed the interest to better define “diversity” for EU level action on music; i.e. is it the diversity of music genres or diversity relating to language or country of origin? Is it about emerging versus established acts or independent entities versus major labels? Answering this question could be an issue for discussion in the framework of the Music Moves Europe initiative.

During the Conference, several ideas were discussed in this regard. In general terms, discussants stressed that the awareness on cultural diversity and equality should begin in childhood and should be further developed during education. The discoverability of artists should be supported at different levels. One idea put forward during the discussion, was to take example from the Audiovisual Media Services Directive (AVMSD) and consider introducing quotas for EU repertoire on playlists and music services.

Also in the context of this exchange, discussants stressed the importance of a meaningful implementation of the new EU Copyright Directive (which notably includes specific measures to empower individual creators as a weaker party in the ecosystem).

Capacity building

Professionalisation of the many SMEs in the music sector is of major importance for its resilience. In the current context of the crisis, the large majority of professionals in the music sector have to focus on their daily work and survival of their business. Training, skills development and education are hard to obtain. Support needs to be directed towards programmes to build capacity amongst the music industry professionals, notably the capacity to navigate and adapt to new business models, to develop skills acquisition, and to encourage innovation to reach new audiences. It is important to ensure that support measures do not disrupt the sector but enforce and strengthen the music ecosystem. Innovation should be at the core of this approach.

Music Moves Europe & Creative Europe

The Commission’s Music Moves Europe initiative, including the Preparatory action 2018-2020, is considered highly valuable and successful by the music sector. Views were expressed at the Conference that this holistic approach to music should be strengthened further to become a genuine music sector policy and that it is important to coordinate and structure better this policy on European and Member State level as well as to improve the exchange information and best practices.

At EU level, the Creative Europe programme will be one of the key funding instruments for the music sector, although not the only one. Creative Europe is aligned with the broad policy agenda of the EU, i.e. addressing the cross-cutting issues around the green deal, gender equality and digitalisation. The horizontal actions like the European platforms for the promotion of emerging artists and the European cultural and creative networks needs to be extended as they are necessary partners for policy development. The new sectorial approach of the Creative Europe programme 2021-27, which adds on the horizontal actions, should build on the lessons learnt from the 2018-2020 Preparatory action on music.

EU support measures should be tailor-made, and there should be a differentiation in funding amounts in order to maintain diversity on a project level. Small projects are of paramount importance for the development of the music sector, and successful projects can be scaled up in order to increase their impact.

Member States

Even though there are big differences between Member States, and even between regions, a well- adapted and coordinated music sector policy on a Member State level can help the sector to overcome the crisis and strengthen it for the future. Again, the

implementation of the new EU Copyright Directive is considered to be one of the key opportunities for this to happen.

At the Conference, the Member States were encouraged to adhere to the pledge of the cultural sector to earmark at least 2% of the Recovery and Resilience funds for the cultural sector, including music. This should be a joined effort, not only of national Ministries of Culture but also of the Ministries of Economy and Finance. Together, music sector representatives found, these national authorities should develop and adopt an ecosystem approach to the music sector.

Music can be the key to unlock a lot of potential within and between the Member States, for example the creative potential that is hidden in the European regions. Spill-over effects can be achieved towards other crisis-hit areas such as tourism, transport and education. In a number of Member States, the crisis gave way to new business and cooperation models, often public-private in nature. These models should be encouraged. Digitisation needs a better legal framework on a national and European level. The complex and costly administrative burden for acts to tour in Europe (namely regarding VAT, social insurance and withholding tax practices) impact not only the revenue of artists who aspire to an international career but also hamper the cross-broader circulation of European repertoire. Member States should, together with the EU, develop more targeted action aimed at overcoming or circumventing the enduring administrative burden.

The table hereafter summarises key take-aways from the Conference, including action suggested by participants in the discussion:

Topic	Action
Support to the sector	<ul style="list-style-type: none"> ▪ Responsibility for the EU and the Member States ▪ Better coordination at European level needed ▪ Recovery along green, digital and sustainable lines ▪ Targeted financial support needed ▪ Support needs to reach right organisations and people ▪ Direct support measures towards recovery and pre-crisis issues
Reopening	<ul style="list-style-type: none"> ▪ European coordination, including European relaunch strategy needed ▪ Create proportionate, clear and transparent guidelines ▪ Follow-up reopening with revamped music sector policy framework ▪ Earmark at least 2% of the Recovery and Resilience facility funds for culture (don't forget music)
Ecosystems	<ul style="list-style-type: none"> ▪ Look at the music sector as a complex ecosystem ▪ Need for tailor-made support measures towards the specific actors of the ecosystem ▪ Post-pandemic recovery can provide a major opportunity to mainstream the music sector in other, wider ecosystems like tourism, health and digital ▪ Policy needs to shift from music support to a more holistic European music policy ▪ Process is equally important as the 'product' ▪ Make sure funding programmes are adapted to the ecosystem approach
Sustainability	<ul style="list-style-type: none"> ▪ Post-crisis recovery is a unique opportunity to encourage sustainability, fairness and equality ▪ The music sector can be an answer to important societal issues like social cohesion, climate change, and digitisation and the SDGs

	<ul style="list-style-type: none"> ▪ Develop a policy framework enabling music to play its part in relation ▪ to these goals and related EU values (incl. green, digital and just transition)
Streaming & Data	<ul style="list-style-type: none"> ▪ Coherent implementation of the new EU Copyright Directive in the Member States ▪ Increase transparency of the functioning of streaming services, in particular in relation to the role of human and algorithmic curation of playlists and artist recommendation ▪ Develop further diversify of and transparency in payment models for streaming that could foster fair remuneration and prevent fraud ▪ Examine the position of independent digital distribution platforms and how best to ensure a level playfield ▪ Increase awareness of music professionals on the topic of streaming, data and transparency, and copyright in streaming. ▪ Further significant improvement of data gathering for the EU music sector on a regular basis is needed
Diversity	<ul style="list-style-type: none"> ▪ Examine the role of streaming services with regard to fostering cultural diversity ▪ Better define the notion of "diversity", of "national and EU repertoire" to contribute to evidence-based policies for EU level action on music ▪ Further improve data gathering and monitoring of the music sector in order to investigate opportunities for targeted action to foster diversity, that could ultimately be inspired by those for audio-visual Services
Capacity Building	<ul style="list-style-type: none"> ▪ Professionalise the SMEs in the music sector ▪ Develop support opportunities for training, skills development and education ▪ Invest in capacity building through new business models ▪ Encourage innovation ▪ Design support measures for innovations that strengthen and not disrupt the music ecosystem
Music Moves Europe & Creative Europe	<ul style="list-style-type: none"> ▪ Strengthen Music Moves Europe to become a holistic music sector policy ▪ Start a regular dialogue with and among music stakeholders with involvement of key market players in Europe (e.g. major music streaming platforms and music producers) ▪ Better align EU and Member State level policies and approaches on music ▪ Support networks, platforms and cooperation ▪ Promote gender equality and 'greening' as cross-cutting priorities ▪ Design tailor-made support measures that serve specific actors in the music sector ▪ Differentiate funding amounts in order to maintain diversity on a project level ▪ Scale-up pilot projects and preparatory actions to European cooperation projects ▪ Decrease administrative burden

Member States	<ul style="list-style-type: none"> ▪ Develop a streamlined music policy that connects to the European level ▪ Implement the European copyright directive ▪ Earmark at least 2% of the Recovery and Resilience funds for the cultural sector, including music ▪ Ministries of Culture should work together with Ministries of Economy ▪ Develop an ecosystem approach to the music sector ▪ Use music to unlock the potential of the European regions ▪ Obtain spill-over effects of music sector recovery within other sectors like tourism, transport and education ▪ Encourage public-private collaborations regarding music ▪ Develop a legal framework for digitisation in compliance with EU law ▪ Promote the cross-border circulation of music and mobility of artists by aligning legal frameworks and removing administrative burdens ▪ Support a strong sectorial support on music in Creative Europe
---------------	--

B) Summaries of the sessions

Opening session

Moderated by the European Commission (Catherine Magnant, Head of Cultural Policy Unit and Deputy to the Director)

The Conference started with two high-level interventions to frame the subsequent discussion:

Themis Christophidou, Director-General for Education, Youth, Sport and Culture, introduced the Conference by highlighting the very significant impact of the music sector on European GDP, innovation and social cohesion, but also the devastating impact of the pandemic on the sector. She strongly encouraged the Member States to incorporate the cultural sector including the music sector in their national recovery plans, and to adhere to the 2% allocation of the recovery budget to the cultural and creative sectors. Furthermore, Ms. Christophidou emphasised the possibility to turn the shock of the crisis into an opportunity to create a greener, more equal and more competitive European music ecosystem. She also underlined the important role that Creative Europe and Music Moves Europe can play in this, especially with the new, targeted actions for music.

Graça Fonseca, Portuguese Minister for Culture, provided welcome remarks on behalf of the Portuguese Presidency of the Council of the EU. She emphasised that music is a unique, international language that enables communication between people of all nationalities and backgrounds, and that music plays a crucial role in helping people overcome the current pandemic. Portugal attaches great attention to a sustainable and diverse recovery of the music sector with an important role for digital opportunities, but also with a keen eye on protecting the creators of music. It is important to keep investing and promoting the work of the European music professionals in- and outside of Europe, and by doing so, to strengthen the European project.

The presentations and discussions in the subsequent sessions are summarised hereafter.

Session 1 – Impact of Covid-19 on the music sector and its recovery path

Moderated by the European Commission (Susanne Hollmann, Deputy Head, Cultural Policy Unit)

1.1. Study on the economic impact of music in Europe (Nov 2020)

Presentation by Andrew Logan, Associate Director, Oxford Economics; Anna Zardo, IFPI European Office

The positive impact of music on society is generally acknowledged, however, the economic value is less well-known. There is a big lack of data. The Oxford economics study, commissioned by IFPI, is a very comprehensive study that looks into the economic footprint of the European music sector and shows its economic importance.

The study presented is based on 2018 data from the EU27 and the UK covering data on the impact of the sector on GDP, employment, tax contribution, expert earnings, etc. It shows the economic weight of the music sector before the outbreak of the crisis and describes three types of impact on the economy:

- Direct impact - economic contribution of the sector to the economy
- Economic stimulus – the indirect impact of the sector to the economy
- Induced impact - money spend in the consumer economy through wages earned in the sector

The impact of the music sector across Europe becomes visible in the supply chains that reach across borders almost by default. This makes the sector highly international. The main findings:

- The music sector purchases a lot from within the sector
- 61% of procurement happens with other partners in the music industry
- Highly interconnected sector: what happens in one part of the sector has an impact on the other parts of the sector

In 2018, the European music sector had a €81.9bn gross annual turnover in total, with a €37bn direct contribution to the economy. The sector is larger than nine of the EU Member States (taken together), and the GDP multiplier for the music sector is 2,2, meaning that for every euro spent, it generates 2.2 EUR in other industries. The sector employs 2 million people, more than twice the amount of the IT sector and 16% larger than the automotive industry. It generates €31bn in taxes and the export value is €9.7bn.

1.2. Rebuilding Europe, The cultural and creative economy before and after the COVID-19 crisis, Ernst & Young (Jan 2021)

Presentation by Burak Ozgen, General Counsel, GESAC - The European Authors' Societies

This study covers more than 1 million creators in all artistic fields, including the music sector. The main numbers were generated in 2019, when the cultural and creative sector was in full expansion. The study shows a €643bn annual turnover, which makes up 4.4% of EU27+UK GDP. Furthermore, the sector shows a steady growth, with a 17% increase in size compared to 2013. The cultural and creative sector is one of the heavyweights in job creation, it supports 7.6 million jobs. These are immobile jobs that employ a lot of young people. The trade surplus is €8.6bn, which gives it the same surplus as the Food, Beverage and Tobacco industry. The sector consists of 90% SMEs, which makes it very specific.

The impact of Covid-19 on the cultural and creative economy due to the restrictions is gigantic. The average loss for the creative industry is 31%, the music sector is among

the heaviest hit with a 76% decrease of its annual turnover. This decrease is mainly caused by the music sector's reliance on live music and events.

To support the cultural and creative sector, including the music sector, the following recommendations are given in the study:

- Challenge one: Finance – Need of massive public funding for recovery and of incentives for private investment
- Challenge two: Empower – Create a strong legal framework for better remuneration of professionals in the sector
- Challenge three: Leverage – Use the power of and the actors in the sector as accelerator for change towards a greener, digital and sustainable economy

The main take-aways from the study, as presented by GESAC:

- Recovery: Ensure recovery funds reach the music sector. This is a once in a lifetime experience. The Music Moves Europe support instruments are also very important for the music sectors recovery.
- Relaunch: Recovery is not possible without a coordinated European relaunch strategy. It is important to create guidelines for recovery and generate a common understanding of the sector's needs. That way the sector can start businesses again.
- Rebalance: Make sure the recovery is followed by a coherent policy framework, including on digital music distribution and consumption. What is earned from digital is far from compensating what is lost from the lack of live events (and reduction of physical sales). This has to change. The implementation at Member State level of the new European Copyright Directive is therefore very important. It is equally important to end the legal vacuum of streaming services.

1.3. Insights and testimonies from the music sector

- *Audrey Guerre, Coordinator, Live DMA*

Live DMA is a European network supported by Creative Europe that represents more than 3000 live music venues and festivals urban and rural areas supporting among others emerging artists. As Live DMA members are heavily hit by the restrictions due the pandemic they are all struggling for economic survival, despite the emergency funds, because rescue plans scarcely reach the small, informally organised venues. Next to that, job losses amongst freelancers are disproportionately high and not always shown in employment figures. The whole ecosystem of small independent actors is under threat. The crisis creates a huge risk to trigger a shift from independent structures towards a chain of corporate retailers, which might threaten the cultural diversity of Europe. Another risk is the brain drain of music professionals that are forced to pivot into other careers. In addition, the mental health of staff is deteriorating.

Live DMA is calling for a coordinated reopening at EU level, and asks for a dialogue with Member States. Last but not least, Live DMA calls for targeted structural support for as long as the practice gets back to normal.

- *Jake Beaumont-Nesbitt, General Manager, International Music Manager Forum (IMMF)*

Before the crisis, the music sector was in constant state of change. These changes accelerated when the pandemic struck. For consumers, everything around the consumption of music has already changed. The immersion in digital is a fact. Therefore, business models have moved from a B2B to a B2C model. The artist now works amongst four sectors: brand, publishing, live, recording. These four sectors together form an SME; and the artist manager has meanwhile become the CEO of an 'artist SME'. The crisis

widened the gap between emerging and established sectors, markets and artists. The impact on mental health is big. IMMF asks for awareness that the professionalisation of the artist SME is essential. What is needed:

- Support in skills acquisition
 - Access to platforms
 - Innovation to reach customers.
- *Olivier Toth, CEO of Rockhal, Luxembourg, European Arenas Association (EEA) Board Member, Co-founder of the Arena Resilience Alliance (AAR)*

The big music & event arenas in Europe define their core target as wellbeing of communities. They are the hubs in the wheel of the music ecosystem. If the hub cannot function, the spokes cannot work either. During the crisis, the arenas have shown great flexibility by functioning as testing areas or vaccination lots. They can play a crucial role as sites for testing safe reopening strategies, like the Because Music Matters initiative, that just took place in Rockhal in Luxembourg. The arenas urge to think like an ecosystem in the search for solutions. If one member of the chain fails, everyone will fall. In conclusion the importance of the legal framework and base of the music sector in EU policy was emphasised.

- *Fruzsina Szép, Board Member Yourope, The European Festival Association*

Yourope represents 108 big festivals from 26 European countries. Members include Sziget (HU), Werchter (BE) and Pinkpop (NL) amongst others. Within their membership they work together with organisations in the sector but also with organisations and scientists outside of the sector. Yourope is already active on many EU themes of relevance for the cultural and creative sectors. It is involved in successful EU projects, for example the ETEP project, which is of major importance for the international exchange of artists and cultural ideas. Yourope calls for a cross-country EU wide task force for COVID-19, with major players together on one table. The following needs are expressed:

- Clear and transparent guidelines on EU music and events sector, incl. coherent planning
- Financial bailout
- Proportionate path to opening
- European solutions for European diversity

Finally, Ms Szép gives an emotional plea: Festivals are last in line to reopen; they were the first to close, i.e. two festival seasons being lost. This results in big losses of jobs, knowledge and economic development. She urges measures to be taken very fast and very thorough otherwise the festivals will disappear from the European landscape, which would be disastrous on many levels.

1.4. Measures taken at EU level

Horizontal measures have been taken as an immediate response in the course of 2020 – however, not tailor-made for the music sector. They include:

- Temporary State Aid measures: compensation to companies for damage suffered; for the MS to use more flexible measures – to be approved by the Commission;
- Coronavirus Response Investment Initiative and the Coronavirus Response Investment Initiative Plus (CRII and CRII+): This was an opportunity for MS last year to make changes in their operational planning under the Structural funds – unused funds could be reshuffled; a lot of this went into the health sector but also to SMEs;
- SURE: support to workers to keep their incomes and help businesses to stay afloat; scheme still ongoing; often referred to as « national measure » but it is EU funds;

- Other measures to protect SMEs;
- EU programmes/initiatives – focus on culture:
- Creative Europe: more flexibility across the board; targeted call for performing arts (2.5m EUR), CCS Guarantee Facility;
- Erasmus+: Extraordinary call for culture and creativity (100m EUR);
- Music Moves Europe: targeted call in July 2020 to support the sustainable recovery of the sector (2.5m EUR);
- Creatives Unite Platform (for & by the sector): <https://creativesunite.eu/>

Recovery Plan for Europe:

To help repair the economic and social damage caused by the coronavirus pandemic, the European Commission, the European Parliament and EU leaders have agreed on a recovery plan that will lead the way out of the crisis and lay the foundations for a modern and more sustainable Europe: The EU's long-term budget (new Multiannual Financial Framework 2021-2027) adopted on 17/12/2020, coupled with NextGenerationEU, the temporary instrument designed to boost the recovery. Biggest budget ever – with a total of €1.8 trillion to help rebuild a post-COVID-19 Euro. It will be a greener, more digital and more resilient Europe. NextGenerationEU is a €750 billion temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic.

- New generation of EU programmes: Creative Europe and specific hooks for culture in other programmes/funds;
- Recovery and Resilience Facility: the centrepiece of NextGenerationEU with €672.5 billion in loans and grants available to support reforms and investments undertaken by EU countries; the aim is to mitigate economic and social impacts, make economies sustainable, resilient and better prepared for the green and digital transition. Member States are working on their recovery and resilience plans to access the funds under the Recovery and Resilience Facility. Culture can be included in these plans;
- Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU): NextGenerationEU also includes €47.5 billion for REACT-EU. It is a recent initiative that continues and extends the CRII and CRII+ schemes. It will contribute to a green, digital and resilient recovery of the economy.

1.4. Best practices on “music sector recovery” from EU Member States

- *Germany: “Neustart Kultur”; Ina Keßler, CEO Initiative Musik GmbH*

Germany's Neustart Kultur initiative consists of a spectrum of programmes to support the cultural and creative sectors in Germany. Amongst these programmes are tax relief, work programmes, and specific support for SMEs and freelancers. In total, there are 60 programme lines and funds, and a budget of €1bn. A follow-up programme with another €1bn is currently in the making. The initial €1bn is broken down in a number of steps. It is focused on preserving cultural infrastructure, and focused on SMEs. These steps include:

- Re-opening of the sector
- Promoting alternatives for live, including online initiatives
- Support for federal funded organisations
- Support for private radio broadcasters

Initiative Music plays a key role within the implementation of Neustart Kultur. There is €123m in support specifically allocated to the music sector. These funds focus on:

- Preserving infrastructure
- Recovery of quality, diversity, artistic creativity

- Secure continuity
- Secure work

There is a high demand for this type of support. It is important to emphasise that this support programme is designed for and focused on the future of the sector. It is complementary to the generic support programmes by the German government, which also offer a number of direct opportunities for support to the music sector.

- *Croatia: Measures to assist the cultural sector; Assist. Prof. Iva Hraste Sočo, PhD, Special adviser to the Minister*

Croatia has created a number of consecutive crisis funds with a total size of €9.65 million. The measures cover all artists and cultural workers who have lost the opportunity to work and whose social and economic status was fundamentally endangered. The country's support measures co-evolved with the crisis. On European level this might be hard, but on national level it is possible. The measures encompass, amongst others, postponement of payments for cultural organisations, suspension of state related payments for freelancers, measures for job preservations and a public call to support artists. There is a call for independent operators and a loan guarantee programme. The latter support scheme also covers concert costs, digital adjustment for programmes and a specific call for non-registered independent sector professionals.

- *Poland: Fund for Supporting Culture, Magdalena Dobrowolska, Ministerial Programmes Department, Institute of Music and Dance*

Poland has created a fund equivalent of €89 million based on compensation of loss of net revenue. Its main focus is to maintain artistic activity and sectorial activity. The entities which successfully went through the application process have received the support by the end of 2020, to be spent in compliance with eligible costs such as rent, costs of personnel, organisation of artistic activities (lots of them were organised online last year), travel costs connected with them. Eventually the fund distributed approximately the equivalent €70 million among local government artistic institutions, NGOs and entrepreneurs (incl. scene and technics companies). A total of 2143 entities were supported, a substantial help to the cultural sector in Poland.

Session 2 – Role of music in society, for social cohesion and well-being

Moderated by the European Commission (Nicola Robinson, Cultural Policy Unit)

2.1. Introduction by Rui Torrinha, Artistic director of Centro Cultural Vila Flor (CCVF), Guimarães, Portugal

In 2012, the Portuguese city of Guimarães was the European Capital of Culture, the pinnacle of a 20 year investment. One of the most successful projects to come out of it is *Outra Voz*, a choir participation project with 100 singers that has no barriers for age, style, gender, etc. It is a sustainable project that still operates today. Another important project became *Westway Lab*, a music conference, festival and meeting place. It is built on the idea of Process, Thought and Product. It connected the local community with artists and visitors. It is still successfully operating today and internationally connected through European networks like ETEP and INES. It is also connected through social music sector initiatives like *Keychange* (Gender equality) and *Take a Stand* (Social cohesion). When the pandemic hit, the city of Guimarães was able to help people keep active in their cultural projects, for example through rehearsals. After 2012, and through culture, the city has become resilient. Solidarity is high, the social fabric is tight. The

acknowledgment of the role and place of culture by the local government has been crucial in this regard.

2.2. Panel discussion

The main interventions of the panel members, reflecting on the role of music in society from their respective perspective, are summarised hereafter:

- *Pier Luigi Sacco, Professor of Cultural Economics, IULM University Milan, Italy*

Music is universal human activity, there is no society on earth where music is not found. The human brain is processing music in a large number of sections. Clinical research shows music as a recovery tool after medical procedures. Music is related to healing in a fundamental way. During the pandemic, access to digital music has been beneficial to maintain mental health. Having a musical education is important predictor to returning to school after dropout. We need to take music more serious as a platform for social cohesion. There should be a better alliance between scientists and music practitioners. Unlike language, music is difficult to become proficient in. It forms your brain. It enhances the capacity to emphasise.

- *Simone Dudt, Secretary-General, European Music Council (EMC)*

Ms Dudt starts her presentation with a warning: "Besides a uniting force, music can also be a separating power. We have to not let music be hijacked by forces of evil." Music is a powerful driver of personal and societal growth. It shapes identity, contributes to inclusion and enhances democratic principles. The EMC is working on how and why culture can support the UNUN's Sustainable Development Goals (SDGs). The Covid-19 crisis has a big impact on the social role of music, not only on the economic side. Therefore, recovery for music practices should go beyond the economical aspect, beyond what you can measure. Support and recovery is not a one-size- fits-all solution. The EMC urges the Member States to recognise the social importance of music in aid and recovery, and request to include music and culture explicitly in the resilience facility, and to earmark 2% of the budget to creative and cultural sectors, including music.

- *Tanya Hristova, Mayor of Gabrovo, Bulgaria and Member of the Committee of the Regions*

Music as part of the cultural sector contributes to local and regional development and needs more coordinated European support. Art & Culture need to play a more prominent role in the debate on the Future of Europe. Music can be the key to unlock the creative potential that is hidden in the European regions through interregional cooperation. The EU should apply innovative and integrated approaches in order to achieve spill-over effects towards other crisis- hit areas such as tourism, transport, education areas. With the initiative 'Culture meets Regions' proposed by the Committee of the Region the EU could follow the example of another successful initiative 'Science meets Regions'. The Bulgarian government recognised the important role of culture in the recovery and resilience facility, and urges other Member States to do the same.

- *Shain Shapiro, PhD, Founder and Group CEO of Sound Diplomacy*

Music is important and a human right. Like for clean water, no one thinks of the complex system needed before it is drinkable. The same goes for music. There is a complex system in place, which most consumers are not aware of. Look at the cities as ecosystems, and the role that music plays in all the different parts of that system. Everybody is dealing with the same questions. Big societal issues like social cohesion,

climate change, and digitisation. Music is an answer to a lot of these questions. Music can play an important role in reaching the UN's SDGs. But the framework to turn music into policy around those values needs still to be created. It should become a priority, including for the EU.

Session 3 – Music streaming and cultural diversity

3.1. Scene setting

- *Introduction by the European Commission (Inna Garkova, Cultural Policy Unit)*

There is nearly an endless catalogue of music we can access through digital platforms. Music streaming platforms, including European champions like Spotify and Deezer, played a crucial role in growth and recovery of the music industry after the disruptive reshaping caused by digitalisation. Streaming has been the main source of revenues for the recorded music market since 2017. It is essential for the promotion of artists and their works. The question is if streaming creates opportunities for diversity, or if it could favour certain artists or genres to the detriment of others.

- *Presentation by Chris Cooke, Founder of Complete Music Update (CMU)*

Mr. Cooke gave a very insightful presentation on music rights, streaming and the role of the digital distributors in the dissemination of music online. A short version can be found here. He concluded his presentation with some points of advice for the sector, which can be summed up as follows:

- Artist, songwriters and their managers are often one step removed from deal making, e.g. label or distribution contracts. In general, they need to have a better understanding of what this entails. Contracts can have a severe and long lasting impact on artists' careers.
- A basic understanding of copyright is needed for music professionals in order to understand the complexity of the streaming world.
- With conventional music sales, it was all about the momentum around the launch, including a full price paid at the moment of the purchase. With streaming it is about the "continuous momentum" that through consumption/streams over time could eventually reach an equivalent retribution as in conventional sales.
- Getting music on the streaming services is easy. Getting noticed is the hard part.
- Streaming services are the media and the retailer. They have a powerful position. A position that we, the sector and those who govern it, need to keep an eye on.

- *Presentation by Corinne Sadki, Head of European Affairs and Gender Equality, Centre National de la Musique (CNM) "L'impact du passage à l'UCPS par les services de musique en ligne", Deloitte (Jan. 2021)*

Ms Sadki presented the study which compared the payment models Pro-Rata (the model in which rights holders are paid based on their share in the total streaming volume of a digital distributor – the current model which tends to favour big artists) and User Centric (the model in which rights holders are paid based on the actual consumption of their music per user of a digital distributor). It focused on royalties, diversity, fraud and cost-effectiveness. The main findings are:

- Algorithm is key. There is a big lack of transparency in the recommendation process (how songs are selected for playlists or recommended to users) for rights holders. This should be further analysed.

- If a decision is made to implement the User Centric payment model, costs will occur on both sides, for the platforms and the rights holders. Smaller platforms could not bear those costs, which can hold back developments in this direction.
- For the fight against streaming fraud, the User Centric payment model would have good impact on reducing fraud like click farms. But it would introduce new forms. Vigilance is needed.
- If the model shifts from Pro Rata to User Centric, the study's findings show the following consequences:
- Top 10 most popular artists would go down several hundred thousand euros in revenue
- The top 10 – 100 most popular artists would significantly go up in revenue
- The top 100 – 1000 most popular would go up slightly in revenue
- Beyond this, the impact remains very little. The User Centric payment model would balance what people listen to what right holders get paid. The switch would not result in massive shift in revenues but would boost diversity. Also a boost of the market will contribute to a more even growth.

3.2. Panel discussion

Moderated by Gergely Salamon, Tendencies21

(with: Alfons Karabuda, President, European Composer and Songwriter Alliance (ECSA), Matthieu Philibert, Public Affairs Director, Independent Music Label Association (IMPALA), Suzanne Combo, Singer songwriter, Co-founder and Managing Director of "International Artist Organisation, and of the French Guild of artists (la GAM), Daniel Findikian, Senior Consultant at Qobuz, Chris Cooke, Founder CMU)

Summary of introductory words by the panel members:

For the discussion on payment models, we need to take the individual creator or musician as the focus point. User Centric Payment Systems (UCPS) benefit them. Diversity and artistic freedom are key to a healthy music sector. Do the streaming services fit our music, or do we have to change our content in order to fit in the streaming services? Music streaming services without music are nothing. But music without the streaming service is still music.

The UCPS discussion is not a black-white conclusion. If we look at it from a more global angle: there are 60.000 tracks per day, 22 million tracks per year uploaded on Spotify. US+UK repertoire embodies 60% of all music streamed in Europe. The three major labels hold 90% of top-streamed hits. The independent labels are needed for a counter balance, and therefore play a crucial role in cultural diversity and the development of emerging artists.

Fair remuneration is key for sustainability and growth. UCPS will result in fairer models. It benefits artistic diversity, both for the artists and the consumers, and creates awareness with consumers as well. The latter are not aware that their money does not go to the artists they listen to. There is a big role for playlist curation and the role of algorithms should be reviewed. Human curated playlists can foster diversity better than algorithms programmed on maximum yield for big artists.

Summary of the panel discussion

Q: Is it possible to create cultural diversity with tech solutions?

The panel notes that algorithms have advantages and disadvantages. They are there out of necessity to keep up with the sheer quantity of new music that is uploaded every day. It is impossible to let humans alone process such a magnitude of music. The panel considers that the role of algorithms should be further studied, assessed and reviewed.

Especially their transparency. They are too secretive and powerful. Curation of playlists could be a joined effort between humans and algorithms. Discoverability of artists is a central question. Another issue that needs to be tackled is the payment for long songs versus short songs/compositions (f.ex. classical music), which is now the same, and favours only a part of the music industry. The panel calls for digital distributors to provide more clarity on the functioning of their business model. If we look at the Video On Demand sector, there is legislation in place to ensure cultural diversity. The panel suggests that this model could possibly be applied in the future in the field of music as well. Quotas for European repertoire could represent an option. The music sector needs to work closer with tech innovators, who have the capacity to significantly contribute to foster diversity in music.

Q: How do you see the first steps?

The sector and its representative bodies should talk more with the platforms. Streaming is still a recent approach to commercialise music; it is growing, so we need to change and fix things as early as possible to make it work for everybody. The weaker parties are the artists and the authors. The new EU Copyright Directive is very important in this respect. We should not forget that next to UCPS there are many other options, for example price differentiation of the subscription model and payment based on song length, etc. Subscription models should take inflation into account. At the moment, most of them are too cheap for what they offer, and mainly focused on growth of the user base of distributors than on fair remuneration of the artists. Within Europe, there is not a level playing field: depending on which market you are in, some labels do not have good access to those curating the playlists. The panel acknowledges the opportunities that Music Moves Europe and Creative Europe provide for the music sector. Larger scale funding and research could start to shift things. Support is needed for those who create diversity, as well as investment in new music and artists.

Q: What is the most important issue from your angle as a next step for MS or EU?

This was the final question of the panel. The panel members were only allowed to give one short answer, without elaboration.

This sums up their answers:

- We need a specific EU directive on music services like we have for audiovisual media services, in order to safeguard diversity, to provide rules for technological development and to create a level playing field for music companies.
- Diversity refers to the many, not to the few. Empower the creators, performance and the audience. Strong implementation of the Copyright Directive at Member States' level is key in this respect.
- Let us continue the discussion at national level as well. The EU should make the most of the initiatives like Music Moves Europe. Think about incentives to promote diversity. Promote competition; it is a concentrated market; big companies should not be allowed to become bigger.
- Promote independent digital service providers (DSP) and give them more financial space to grow.
- Transparency: from a regulatory perspective, create obligations on platforms when it comes to curation. Put pressure on DSPs to allow third party curators. This would bring more diversity.
- Create incentives for diversity. Data are very important; it is key to know where the streams come from.
- Payment of the duration of the track needs differentiation. Currently a one-minute hip-hop hook gets the same payment as a 25-minute classical composition.

Other take-aways, issues and ideas mentioned:

- For the classical music sector, the biggest challenge is royalties, but also how to finance the creation of content. Usually the record company did this, but the distributors often bypass them, and now it needs to be done by the artists themselves. This is a huge issue for everybody, especially for big structures like orchestras. These expenses should be calculated in royalty schemes. Call for European and national funding opportunities as well.
- If we compare the current streaming landscape with retail: you had the major retailers and the independent retailers. These independents were quintessential for cultural diversity. There is not a lot of independent record shop equivalent for streaming.
- The more the industry can do to simplify the licensing of services, the more diversity is ensured.
- The public wants to pay for diversity but it has to be easy and accessible.
- Streaming is considered a sale. But it could also be considered a broadcast. This could completely change the shareholder value. We could consider it 'half sale, half broadcast'.
- The main tool of discoverability is the playlist. We do not know who is creating it, which people and which algorithms.
- Language is also a very important factor for cultural diversity.

Session 4 – Music Moves Europe initiative (MME)

Moderated by the European Commission (Susanne Hollmann, Deputy Head, Cultural Policy Unit)

4.1. Introduction “Why support to music matters for Europe?”

- *Sabine Verheyen, Chair of the Committee on Culture and Education in the European Parliament*

Ms Verheyen delivered an inspiring speech to kick-off day two of the conference. The main points of her intervention can be summarised as follows.

Music is a supporting pillar for European culture, it is an essential component of cultural diversity, brings people together, increases Europe’s competitiveness, is a universal language of humankind and a cohesive power. The music sector is of great economic importance, it employs more people than the film industry. There are fundamental changes in production and distribution happening. The digital shift needs strong policy support to get more competitive. We should remove obstacles for further development of the sector. Also, the sector’s social and economic potential is not fully explored. The impact of the Covid-19 crisis on the sector is dramatic; once could witness an intense loss of income. The music sector was the first sector to shut down, and will be one of the last to return. In 2020, we had 17 million visits to venues instead of 70 million. In Germany alone, industry damages were €5.5bn in six months. The crisis gave birth to lots of new ideas, live streaming sessions, social media actions, etc. Music made lockdown more bearable and showed future consumption patterns. However, the current brain drain has devastating long-term consequences for the sector. The new Creative Europe programme has specific music support actions. It stimulates creativity and competitiveness. We call at the Member States to support this programme and the sectorial action on music, since the music sector needs it.

4.2. Update on Music Moves Europe (MME) by the European Commission

- *Presentation by the European Commission (Susanne Hollmann and Juliane Ott)*

Music Moves Europe (MME) is the overarching framework for the European Commission's actions in support of the European music sector. Developed from a series of meetings with representatives of the music sector starting in 2015, MME was launched as a strategic initiative by the Commission, it has since developed further and today it stands for the EU support for music.

The main objectives of the MME initiative are to safeguard and strengthen further the sector's strong assets: creativity, diversity and competitiveness through four main pillars:

- Funding, mainly by the Creative Europe programme;
- Policy development and cooperation with the Member States, including in the context of the Work Plan for Culture 2019-2022;
- Regulatory framework, i.e. the broader legislative environment like the Copyright Directive;
- Dialogue, i.e. regular and structured exchanges with music sector representatives.

Based on the outcome of the structured dialogue with the sector, the European Parliament secured an additional budget from 2018 to 2020 for a Preparatory Action "Music Moves Europe: Boosting European music diversity and talent" with a total amount of €7 million. To implement this Preparatory action, the Commission launched 7 calls for proposals (2018: distribution, training; 2019: small venues, co-creation, music education; 2020: sustainable music ecosystem) and 5 calls for tender (2018: export strategy, market gap analysis, European music observatory; 2019: pilot on music export, musician's health). The 2018 projects and studies have been implemented / published, the 2019 ones are ongoing, the evaluation of the 2020 call for proposals is close to final. Ideas developed and projects and themes tested will inform the new Creative Europe programme and the further development of MME as a European initiative.

4.3. Testimonials: Implementation of the Preparatory action on music + Creative Europe

- *Elise Phamgia of Liveurope (via video)*

The Creative Europe funding for platforms allows Liveurope and its members across 16 European countries to strengthen the circulation of European music and the mobility of European artists. Amplifying the funding volumes can increase this impact. Liveurope and their members call for an ambitious action tool to deliver urgent support to the music sector.

- *2018 Distribution call - Yvan Boudillet, Founder of TheLynk*

Through digitisation and the effect on creation and distribution, music has become more accessible. The bottleneck of cultural diversity is therefore not at the level of distribution anymore, but at the level of promotion and curation. The central question is "How to define diversity?" Answering this question could be a good next step for Music Moves Europe. Diversity can be looked at in several ways: local versus global, independent versus big labels, diversity in genres, etc. The market share of autonomous artists is currently growing; however, this does not mean diversity is rising. Local music, for example, is bigger than ever, but it is highly concentrated. Music Moves Europe, together

with relevant stakeholders, should look into the definition of diversity. We need to use conclusive data for that.

A number of projects have been funded through the Preparatory action on music (2018 distribution call), that tackle issues like how to use data in the live sector with the aim to make smarter decisions, building intercontinental bridges to African and Asian communities, classical music distribution and standardisation of data and metadata management.

Europe is about innovation and creativity, and Music Moves Europe can be a great platform for dialogue, collective innovation, corporation and open innovation. It is important to realise that the funded projects are not disrupting the music sector but enforcing and strengthening the music ecosystem.

- *2018 Training call - Nuno Saraiva, Coordinator of Europe in Synch*

Europe in Synch organises workshops for young music professionals with film and advertising professionals. Over 100 trainees benefited from the project. The project also educated the film professionals about the music sector. Testimonials of the trainees showed that they learned more in one day about synch than in all the different conferences combined. Regarding cultural diversity, it is important push to use European music through synchs. Support synch events and cross collaboration between film and advertising with Europe wide incentives for production and use of European music, for example through tax incentives. Support for small projects is crucial. Europe in Synch shows that budget differentiation is important in the Preparatory Action, in order to maintain diversity also on a project level.

- *2018 Training call - Céline Lepage, Coordinator of Mentoring Program for Women Entrepreneurs in Music Industry (MEWEM)*

The project was inspired by a German mentoring programme and sees mentoring as an important way to build capacity, especially for women. Forgetting about women is forgetting about opportunities and talent. MEWEM is a Franco-German project.

Within the project, 57 (initially 12) women have consolidated their business and management skills with 57 experienced mentors. This project was so successful, it has been scaled up to a Creative Europe funded European cooperation project. This demonstrates the success of the Preparatory actions and its importance for the sector.

- *2018/2019 Export calls - Virgo Sillamaa, Coordinator, European Music Exporters Exchange (EMEE)*

EMEE is a network of 29 music export offices from 25 European countries. This project looked into what the current situation in Europe is with regard to the export of music. The research was elaborate and showed many results that can be found in the final report¹. The two tables hereafter, extracted from the study, show the six steps of the proposed development path that form a rationale for further policy development, and six recommendations for Member States on how to support the music sector in this. Under the Preparatory action 2019, a consortium involving several export offices was selected to pilot test specific actions by implementing these steps.

¹ <https://op.europa.eu/en/publication-detail/-/publication/4be2f11d-216c-11ea-95ab-01aa75ed71a1/language-en/format-PDF/source-111483830>

STEP 1: LEARN	Creating the conditions for the European music sector to access relevant knowledge and understanding of domestic, European and international music markets.
STEP 2: GROW	Laying down the conditions for the European music sector to structure itself, reinforce its operational and professional capacity, and be better equipped to bolster its export potential.
STEP 3: CROSS	Providing the music sector with a relevant and tailor-made framework of support mechanisms to substantially increase its export potential within the EU.
STEP 4: RISE	Providing the music sector with a relevant and tailor-made framework of support mechanisms to substantially increase its export potential in key international markets beyond EU borders.
STEP 5: EXCHANGE	Creating opportunities for the development of a music export framework as a "two-way street", enabling more international music professionals to discover European music through activities organised in the EU.
STEP 6: MEASURE	Developing European indicators, data collection mechanisms and measurement frameworks which enable the accurate assessment of existing economic and cultural parameters, current and future challenges, opportunities and areas of progress in the field of music export.

Target Group 3	SUPPORT TO THE MUSIC SECTOR THROUGH POLICY COOPERATION					
EU Member States Relationship with the Strategy: ENABLER AND STRATEGIC PARTNER	Informed national policies and legal frameworks, access to relevant resources on music export, understanding of key challenges at national and European level, informed work in line with the objectives of the "New European Agenda for Culture" and the Council Work Plan 2019-2022.	Creating conditions for local MEOs to provide capacity building schemes via cooperation at national level, and to exchange good practices within the Council Work Plan 2019-2022.	Creating conditions for local MEOs to provide mobility and circulation schemes at national level via targeted funding, discussion on improved mobility and circulation frameworks within the Council Work Plan 2019-2022.	Facilitate work with the music sector outside of the EU through diplomatic and consular representations, cultural institutes and other networks. Member States Enhanced EU cooperation in the framework of the EU strategic approach to international cultural relations	Support for the identification of international music partners to invite to domestic and European events, through diplomatic and consular representations, cultural institutes and other networks.	Access to data and analysis to measure the results of national music export activities.

4.4. Music Moves Europe studies (Market gaps, European music observatory)

- *Analysis of market trends and gaps in funding needs for the music sector: gaps analysis, Arthur Le Gall, Director KEA European Affairs*

Key points made: We are shifting from a music support programme towards a more holistic music policy. This is a very important development. We need to look at the music sector as an ecosystem, but also as part of a wider ecosystem. The live sector is dealing with a crucial lack of data. There are a number of key challenges and trends that the music sector needs to anticipate. Music consumption is on the rise, but concentration of the music market is happening, both in the live and recorded parts of the sector. This is a threat for diversity. In the future, issues like gender equality, fair remuneration,

transparency and the green deal will become increasingly important. The ecosystem approach is important here. Funding for this approach is however missing.

The report entails a large number of (policy) recommendations for the national level. The most important ones being the integration of all levels of the value chain in the funding architecture; the increase and diversification of the funding volume; the encouragement of cross-disciplinary cooperation with societal spill-overs; the enhancement of cultural diversity and gender equality. On a regulatory level, it is important to develop legislation that enhances transparency online, to harmonise VAT, visa and social insurance legislation, and to adopt the Agents of Change approach for local music structures.

- *Feasibility study on the establishment of a European music observatory, Martin Clarke, Researcher, Panteia*

Key points made: The lack of data in the music sector has been discussed for several years. The fragmented, scarce and poorly harmonised nature of the data collection landscape in the field of music has led to calls from within the sector supporting the creation of a European Music Observatory that can act as a centralised music data and intelligence hub at European level. This study investigates how to address these shortcomings through the possible establishment of a data collection organisation, a European Music Observatory, as a core strategic resource to drive relevance and value for future policy actions in the music portfolio and across the sector. Specifically, the study analyses different options for the set-up and operation of an Observatory, taking into account the specific characteristics and requirements of the European music sector, on the one hand, and the political and budgetary realities, on the other.

The report describes different scenarios. An observatory would contribute to setting data standards, stimulate data gathering from Eurostat, and push national statistic agencies to work in sync with the EU. For policy makers it could provide a structure and help monitoring developments with the help of quantitative indicators. Several scenarios ranging from an independent agency, a scale up approach, and integrating certain tasks into an existing observatory were presented. The sector has high expectations of the establishment of an observatory, which could provide a possible solution for the lack of EU data, and the lack of a coherent methodology.

- *Discussion, moderated by Fabien Miclet, Independent Consultant – European Affairs*

A short discussion between Member States' representatives, the sector and the Commission followed. Some experts from Member States acknowledged the importance of collecting data, but raised questions on how they would be involved in the further process. Questions were also raised on how and what kind of data would be measured. These could be economic, social and even more philosophical. The Audiovisual Observatory, which was praised for efficiency and consensus, could serve as an example for a Music Observatory. The sector pointed out that different Member States collect different kinds of data, and that European standards and synchronisation of this data would be highly beneficial. The sector called for a minimal viable data strategy, so that data would provide the basis for further policy development in the future (evidence-based policy making).

4.5. Next steps on Music Moves Europe

- *Presentation by the European Commission (Susanne Hollmann and Barbara Gessler, Head of Creative Europe Unit)*

Music Moves Europe will develop more strategically and build on the achievements and findings of the past years. It will identify priorities by taking into account developments,

challenges and needs of the sector. In this regard, it will be important to strengthen the cooperation with EU Member States to incorporate music further in the future policy work at EU level. Work in the field of Music Moves Europe will continue to focus on reflecting the needs of the sector in other policy fields and programmes and how to link it better to general EU priorities as well as to horizontal policy approaches regarding the cultural and creative sectors. The MME dialogue will be strengthened further, including the involvement of Member States' experts, and work more closely with major European music entities. In 2021, an immediate focus will be the implementation of the 2020 call for proposals to support the sustainable recovery of the music sector (redistribution scheme for grants to third parties) and the continued preparation of the sectorial action on music under the new Creative Europe programme 2021-2027. Finally the MME team is following up on the different options identified by the Feasibility Study for the Establishment of a European Music observatory, including the possibility of integrating some of the tasks into the European Observatory on Infringements of Intellectual Property Rights.

Regarding Creative Europe, music has a special place in the legal base, and a special mention in the programme's Culture strand. There is not only a considerable budget increase to more than 2,4bn Euros for the next seven years but there also are many "hooks", i.e. actions for the music sector to be funded under this programme. Creative Europe is anchored to the broad policy agenda of the EU addressing cross-cutting priorities around the green deal, gender equality and digitalisation, priorities which are also important for the music sector. Under the Culture strand which represent a third of the budget, horizontal actions – important for the music sector – like the cooperation projects, but also the network and the platform schemes will be extended. The latter are valuable partners for policy development and the structuring of the sector. Furthermore, the Music Moves Europe Talent Awards, the EU prize for popular and contemporary music, will continue to celebrate upcoming and highly talented musicians. The lessons learnt from the Preparatory Action will feed into a sectorial action which is a new element under the Culture strand in support of specific sectors, e.g. the music sector. In 2021 (May/June), there will be the first dedicated call in this regard addressing among others capacity building and professionalisation. The cross-sectorial strand – more focused on the audiovisual, innovation and digitisation of the cultural and creative industries – will offer other funding opportunities for the music sector. The overall budget curve of Creative Europe will be front loaded, i.e. more budget will be available in 2021 and 2022 than for the other years in order to better help the creative sector heavily impacted by the pandemic crisis. The Commission heard the need of the sector to raise the opportunities for smaller cooperation projects. There will be in the future three categories of cooperation projects (small, medium and large scale projects) where in particular the small scale projects will benefit from a higher co-financing rate. Furthermore, the Commission will reduce the administrative burden.

Session 5 – Policy debate (Member States' experts only)

- *Moderated by the European Commission*

This discussion was structured around questions covering the main conference themes and supported by best practices examples for public support measures focusing on music. The participants were mainly coming from a Ministry of Culture or other public entity.

Key points made: The discussions in previous sessions clearly show that the music sector is a very complex and fragile ecosystem. Many of the weaknesses and gaps referred to in the different reports presented already existed before the pandemic, which only

exacerbated them. The sector calls for urgency. Clearly, the sector needs specific and targeted support, for example for venues to try and experiment with different kinds of programming, this is crucial; as well as support for musicians so they can write and produce music, or compensation for lack of income from live. There is a need to broaden the scope for support, for instance this could also include support to rehearsals and online projects like digital shows, webinars and online workshops. The EU recovery funds bear the risk of not connecting to the SMEs that make up the music sector. The SMEs are focusing on daily survival and might not know how to reach this money.

Regarding re-opening, the participants give examples of successful field lab experiments that can form a base for a safe re-opening. However, the landscape regarding the risks of Covid-19 is very complex. There are big differences between countries, and even between regions in one country. An EU coordinated re-opening of the borders and, related, guidance to the safe re-opening of the cultural sector, is high on the sector's wish-list. Testing should allow for mobility in the summer. Studies and policy should also be joined with sports, for example on how to safely re-open halls/arenas. On a European scale these kind of studies could help to open festivals.

The crisis gave way to new business models. For example the online conference model of Eurosonic in Groningen (NL), which was a big success. A dedicated TV channel for arts and culture in Flanders (BE) worked very well too. For the Belgian Music Week, collaboration between public broadcasting and commercial Internet service providers was set up and public and commercial radio channels joined forces for the first time. In Portugal, quota helped to raise the consumption of local music and new partnerships were created between TV broadcasters and the performing arts sector. These were very positive steps that have helped to 'democratise' the access of culture. The crisis shows that the people most crucial to the sector are now without jobs. New collective forms like Sweden's Music Alliance offer social security like retirement, parental leave, loan for housing, etc. to musicians. Normal unemployment measures do not work, therefore, we need cultural political innovation, and to make sure this innovation works for everyone in the sector. European music can only compete on international level if all levels in the sector meet international standards. More training, more networking, more creative industries are needed.

The participants acknowledged the opportunities to use the crisis to strengthen the sector's green, digital and equality ambitions. For example on green mobility, or less travelling and more online circulation of music. The awareness on cultural diversity and equality should begin in childhood. In policy terms, a sense for this should be developed in education. However, values like gender equality and green transition are not overall supported, and there is a danger within the rise of populism.

The stronger involvement of all relevant policy levels and fields will remain important to address the sector's challenges. It should start with listening; it is not possible to open a constructive dialogue without stakeholders. At the EU level, Music Moves Europe is a strong action. It acknowledges the diversity of the sector. The results of the work over the past years should allow for developing a more strategic policy for music. Focus should be also on growth, jobs, and innovation. The cultural sector, including music, should be more horizontally embedded in other policies, for example in tourism, urban development or innovation. Digitisation needs a better legal framework on a national and European level. The non-harmonisation of provisions and the complex administrative burdens for acts to cross borders within Europe limit the possibilities to gain revenue abroad. This in turn affects competitiveness. The discussion at the EU level should address such barriers.

