Music streaming platforms must pay artists more, says EU

The EU has proposed sweeping changes within the music streaming industry to promote smaller artists and make sure underpaid performers are being fairly compensated.

A resolution to address concerns regarding inadequate streaming royalties for artists and biased recommendation algorithms was adopted by members of the European Parliament (MEPs) on Wednesday, highlighting that no existing EU rules currently apply to music streaming services, despite being the most popular way to consume audio.

The proposition was made to ensure European musical works are accessible and avoid being overshadowed by the "overwhelming amount" of content being continually added to streaming platforms like Spotify. MEPs also called for outdated "pre-digital" royalty rates to be revised, noting that some schemes force performers to accept little to no revenue in exchange for greater exposure. Imposing quotas for European musical works is being considered to help promote artists in the EU.

Streaming companies are also being urged to disclose if AI has been used to create tracks they host, tackle "deepfake" music that mimics human artists without their permission, and be transparent about their recommendation algorithms to prevent major record labels and popular artists from being disproportionately favored – and therefore better compensated – over smaller players in the industry.

"The Parliament is giving voice to the concerns of European

creators, who are at the heart of the music streaming market," said rapporteur Ibán García del Blanco in the EU press release. "Cultural diversity and ensuring that authors are credited and fairly paid has always been our priority; this is why we ask for rules that ensure algorithms and recommendation tools used by music streaming services are transparent as well as in their use of AI tools, placing European authors at the centre."

While MEPs have overwhelmingly accepted that these issues need to be addressed, the resolution itself is nonlegislative. Instead, this is a plea for the European Commission to acknowledge the concerns and initiate legislation to improve things — which could take several years to take effect, even if the appeal is successful.

https://www.theverge.com/2024/1/17/24041343/eu-music-streaming-platform-artist-pay-europe-regulation