



# ***Streams & Dreams***

*PART 2 2024*

THE IMPACT OF THE DSM DIRECTIVE  
ON EU ARTISTS AND MUSICIANS

# ***Welcome!***

The Streams and Dreams Series: Commissioned by IAO to provide a thorough and academically neutral analysis of data, uncovering the challenges artists face in today's music landscape.

Speakers today:

**Tore Østby** – International touring artist, songwriter, producer, co-founder of Conception and ARK, Senior Advisor at GramArt, and Vice President at IAO.

**Ilona Vartiainen** – Lawyer at the Finnish Musicians' Union, Head of Operations at IAO.

**Daniel Johansson** – Researcher at the Inland Norway University of Applied Sciences and journalist at Musikindustrin.se.

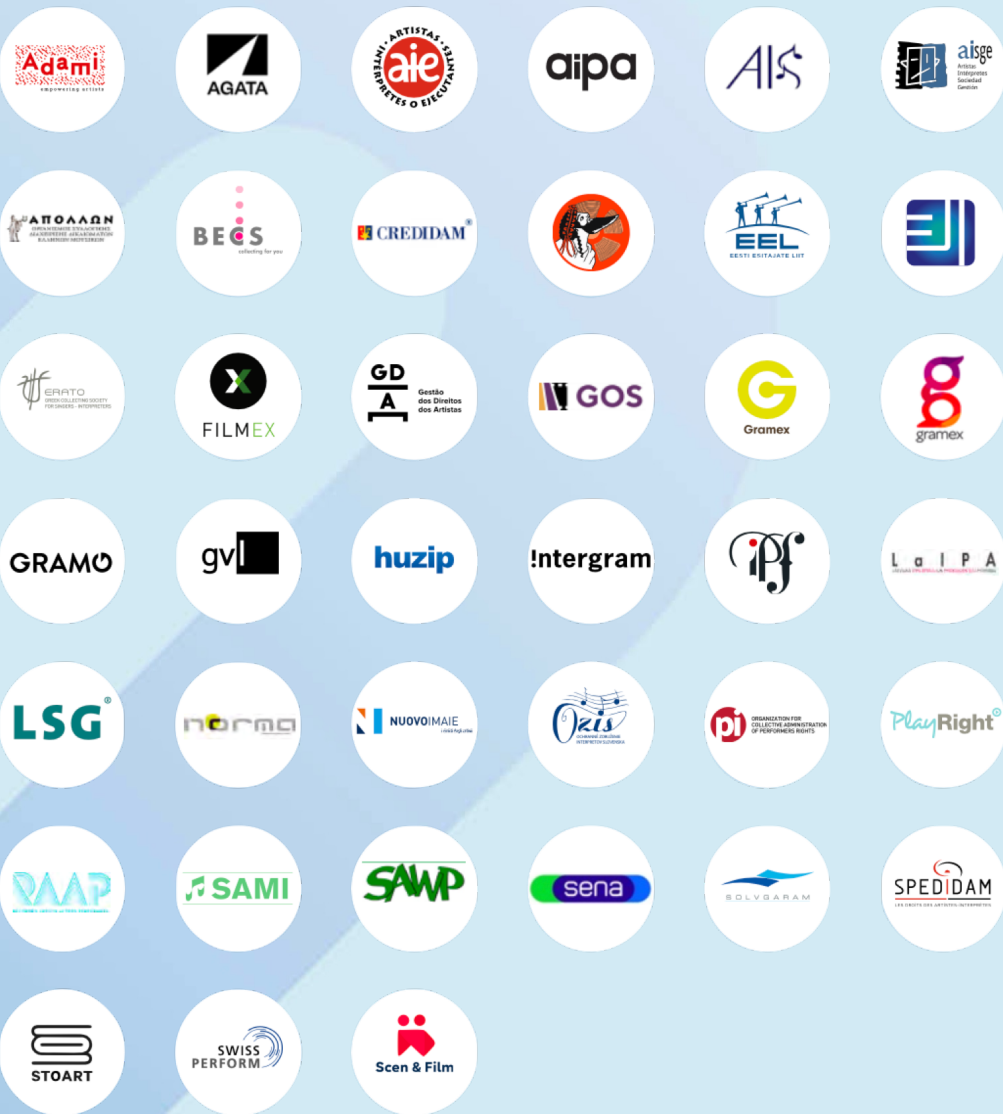
**Nick Yule** – Head of Legal at AEPO-ARTIS.



# ***International Artist Organisation (IAO)***

- IAO is the umbrella organisation for national organisations representing the rights and interests of featured artists in the music industry
- Founded in 2015
- The IAO unites national artist organizations to strengthen the voice of artists on issues like copyright, fair pay, and the digital economy.
- By fostering collaboration, it ensures artists are heard at both national and international levels.





# A E P O A R T I S

30 years of defending performer rights



# ***The survey***

- The survey was conducted during January–March 2024 in 19 EU Member States.
- Among the respondents, 4,215 were artists signed to a record label, while 5,327 were independent (DIY) artists and musicians.
- The primary objective of the study was to increase insight into the circumstances faced by artists and musicians within the contemporary music economy.
- Specifically, it aimed to investigate the potential impact of Articles 18–22 of the DSM directive on the conditions experienced by artists in the EU.

# ***The DSM Directive***

**Article 18:** A right to appropriate and proportionate remuneration.

**Article 19:** A right to receive transparent information on the use of recordings.

**Article 20:** A right to contract adjustment when the remuneration originally agreed is disproportionately low.

**Article 21:** The right to request alternative dispute resolution (ADR).

**Article 22:** The right to revoke the transfer of rights where there is a lack of exploitation of a recording.

# ***Participating countries and completion rate***

19 Member States with a total population of 410 million (EU have 450 million).

Estimation based on Eurostat data etc, that 480,000 artists and musicians are active on a professional or semi-professional level in these countries.

Slovenia	89.3%
Ireland	81.5%
Greece	80.5%
Croatia	79.8%
Portugal	79.6%
Spain	76.9%
Netherlands	76.2%
France	75.9%
Slovakia	73.6%
Sweden	73.4%
Latvia	73.3%
Poland	71.8%
Denmark	68.8%
Estonia	67.0%
Hungary	66.1%
Belgium	63.0%
Italy	60.5%
Romania	56.2%
Germany	53.7%

# ***Article 18: The right to appropriate and proportionate remuneration***

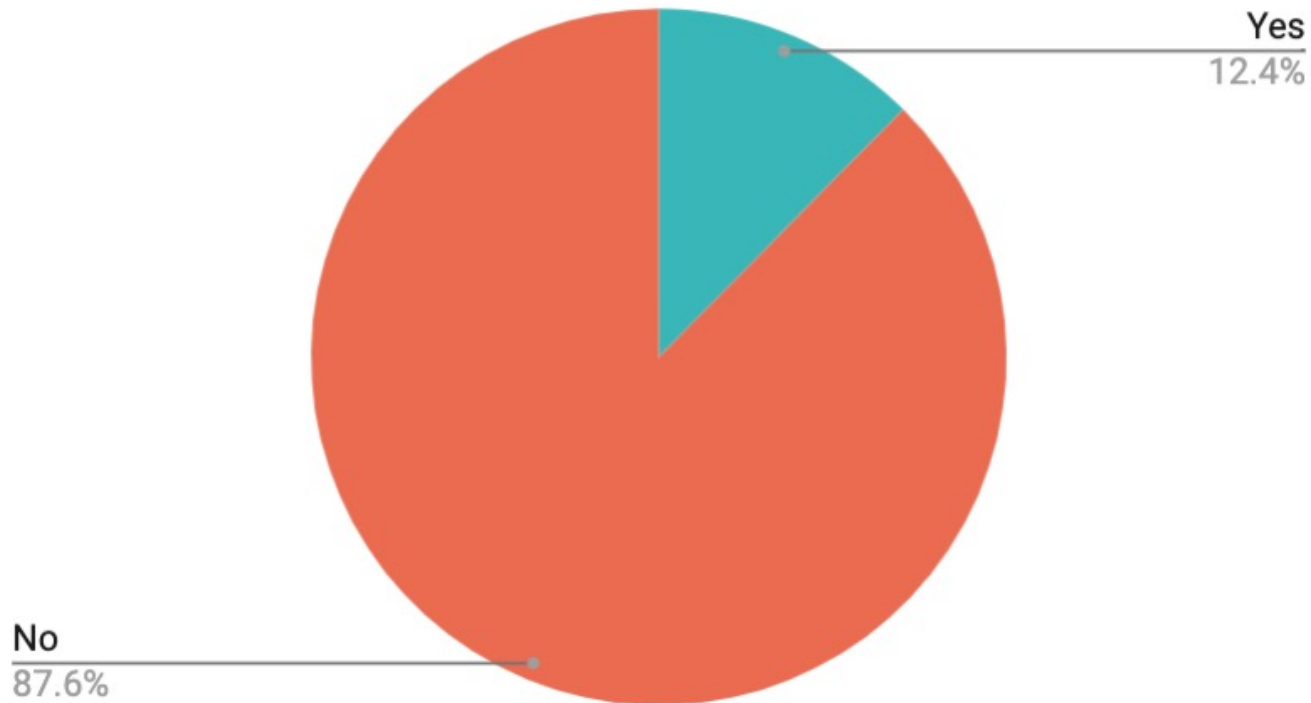
Q26: How satisfied are you with your current revenues derived from streaming platforms such as Apple Music, Spotify, Tidal, Deezer, Amazon Music etc?

2022 survey	
Very dissatisfied	69.5%
Somewhat dissatisfied	17.5%
Neutral	9.0%
Somewhat satisfied	2.0%
Very satisfied	2.0%

2024 survey	
Very dissatisfied	43.5%
Somewhat dissatisfied	25.6%
Neutral	25.8%
Somewhat satisfied	3.7%
Very satisfied	1.4%

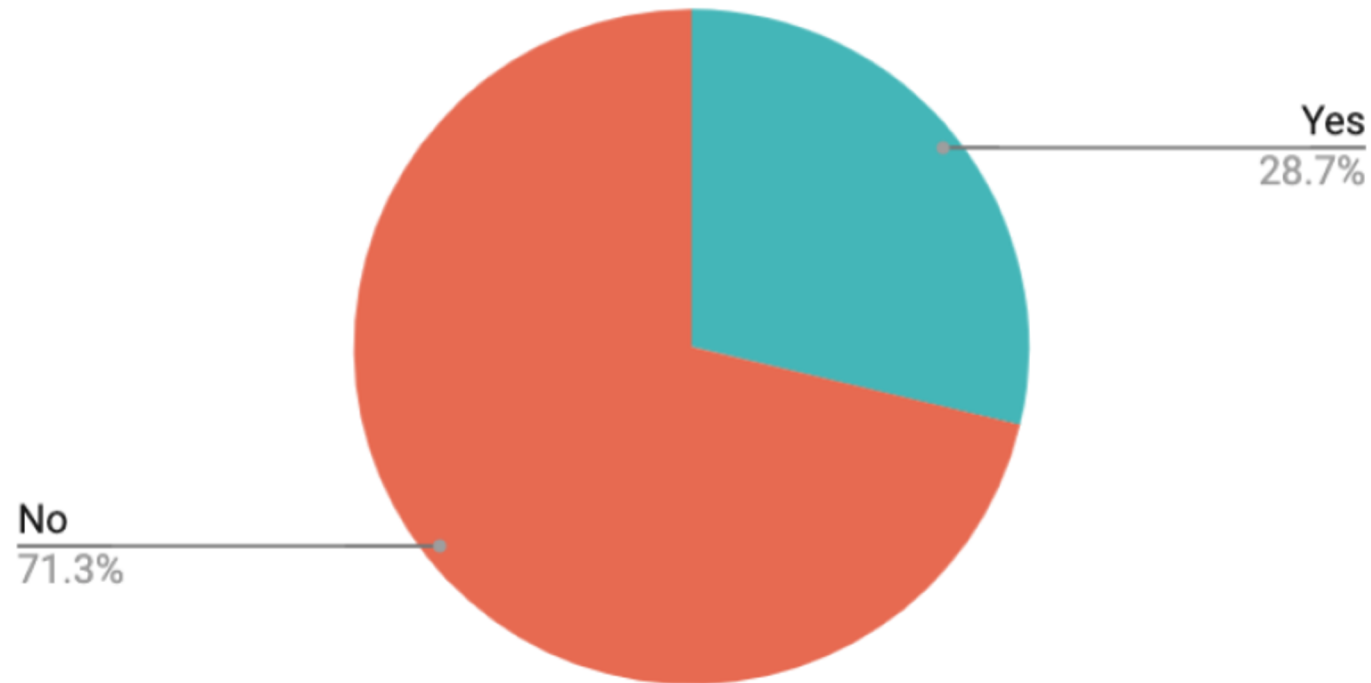
# ***Article 18: The right to appropriate and proportionate remuneration***

Q34: Do you think that the way streaming revenue is shared is fair?



# ***Article 18: The right to appropriate and proportionate remuneration***

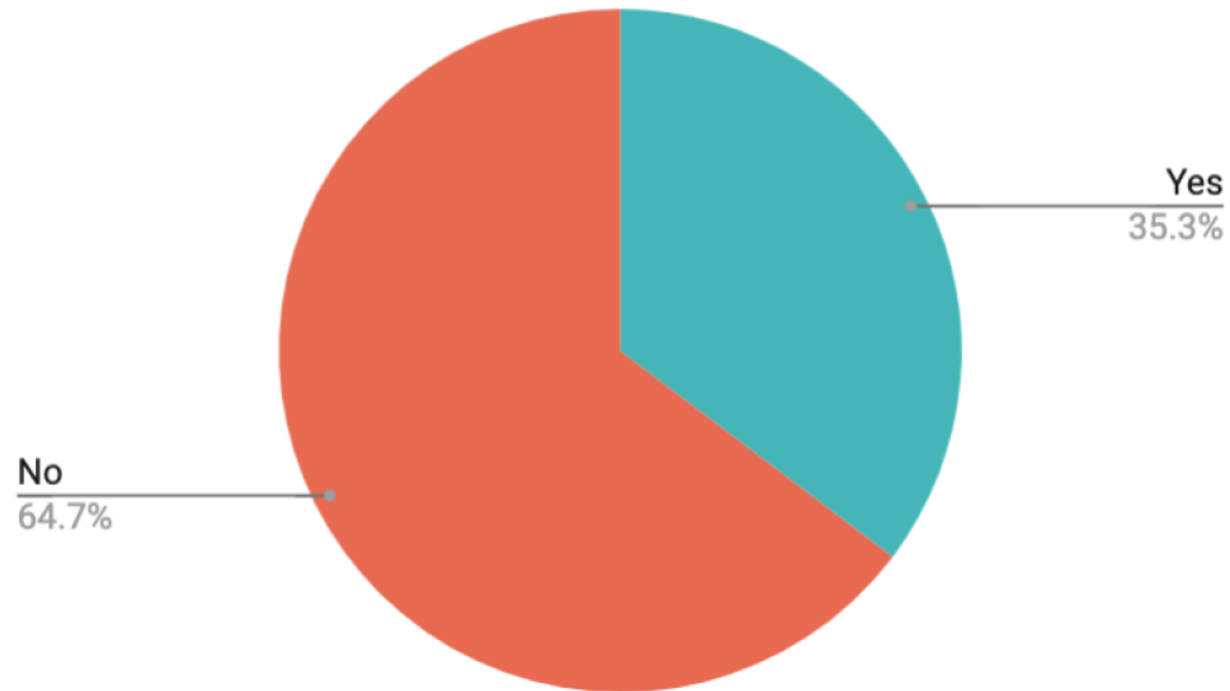
Q31: Do you consider that the session fees you receive fairly remunerate you for the contribution you make to a recording?





# ***Article 19: The right to transparency (signed artists)***

Q6: Have you received this level of detailed information presented in a comprehensive manner in the past 12 months?



# ***Article 19: The right to transparency***

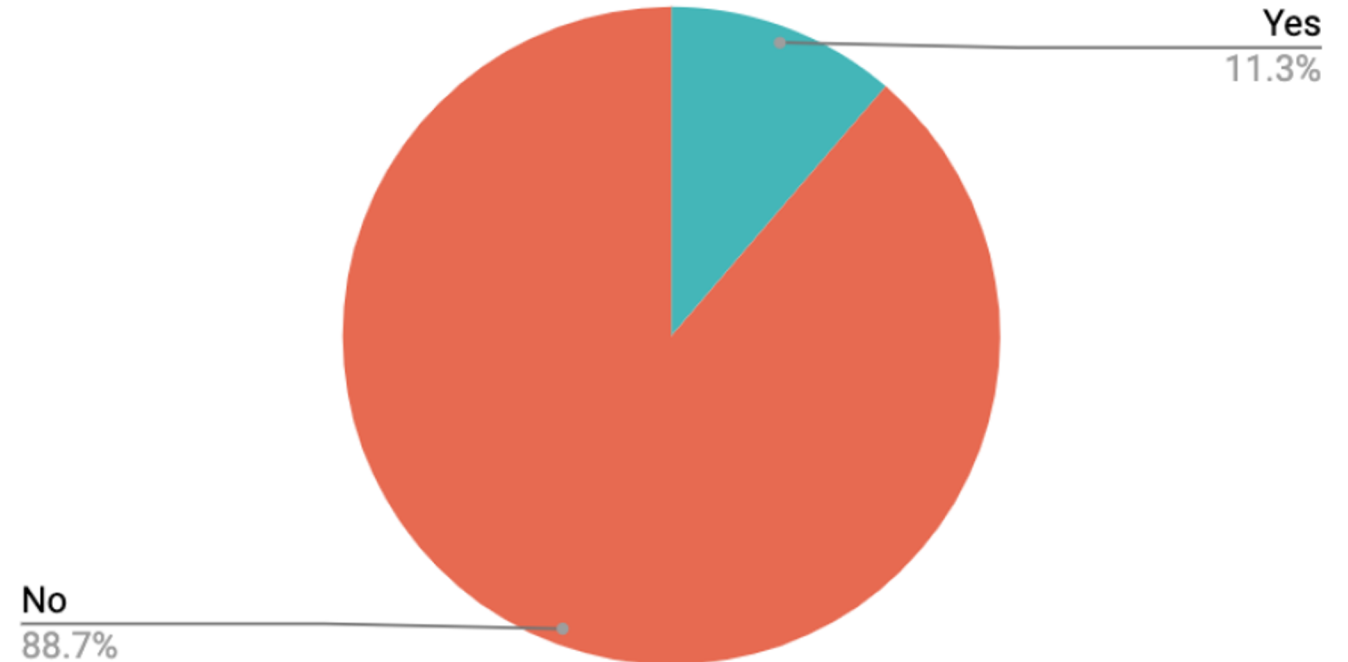
Large differences between different countries.

	Yes	No
Greece	76.3%	23.7%
Germany	63.6%	36.4%
Estonia	52.4%	47.6%
Netherlands	51.6%	48.4%
Italy	50.0%	50.0%
Slovakia	49.2%	50.8%
Sweden	48.2%	51.8%
Denmark	46.4%	53.6%
Hungary	45.2%	54.8%
Poland	40.2%	59.8%
Latvia	39.6%	60.4%
Portugal	39.3%	60.7%
Spain	35.7%	64.3%
Belgium	33.3%	66.7%
Slovenia	33.0%	67.0%
Romania	29.6%	70.4%
France	27.8%	72.2%
Ireland	22.2%	77.8%
Croatia	19.6%	80.4%

# ***Article 19: The right to transparency***

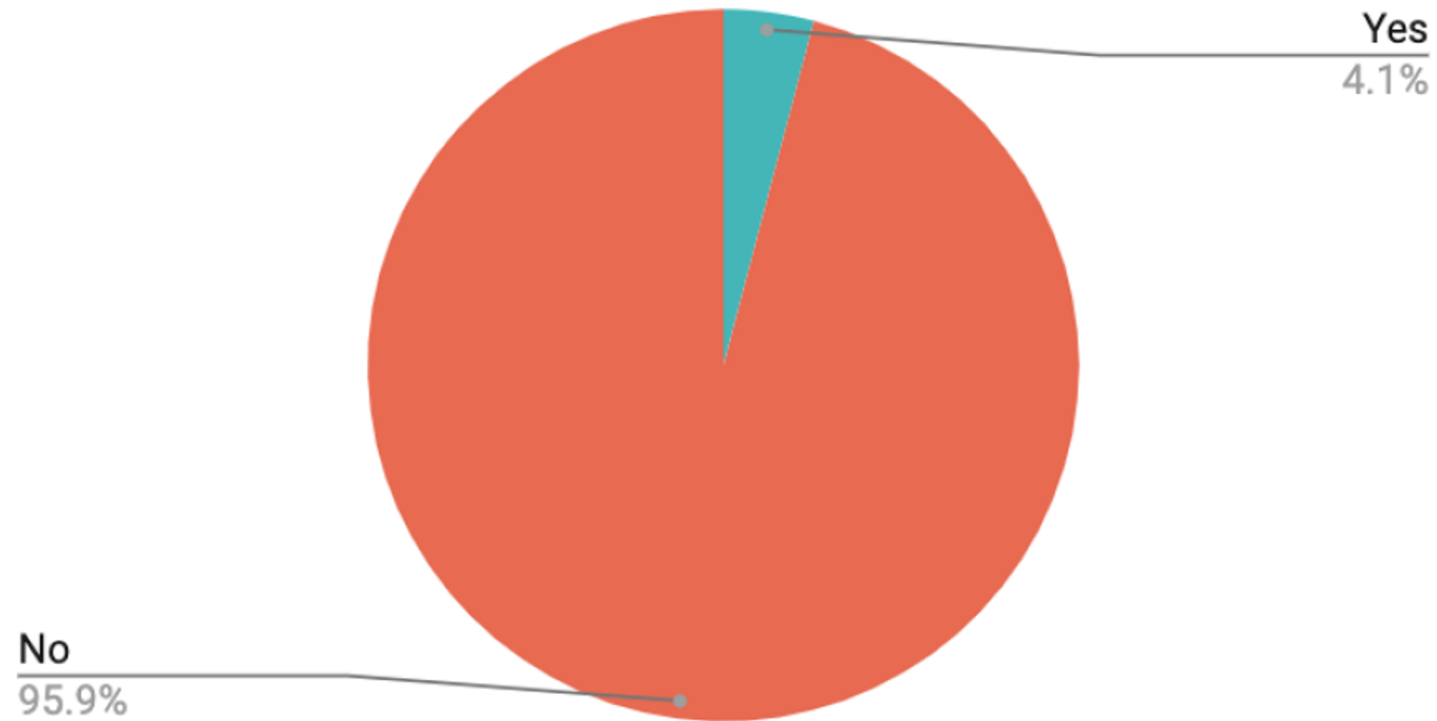
A question to those artists that answered No on Q6.

Q11: Have you received more information over the past 12 months than you have received in the past?



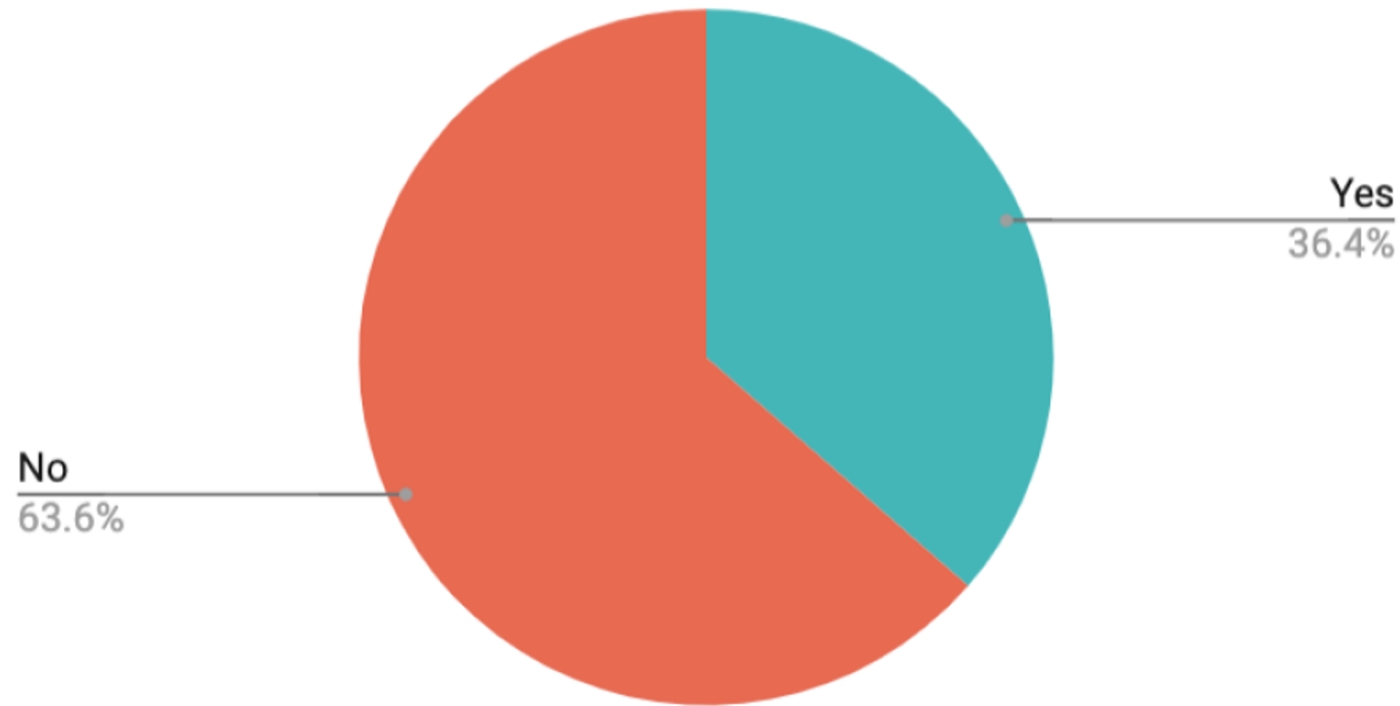
# ***Article 20: The right to contract adjustment***

Q17: Since 7 June 2021, have you ever asked your record label(s) for higher royalties or additional payment?



# ***Article 20: The right to contract adjustment***

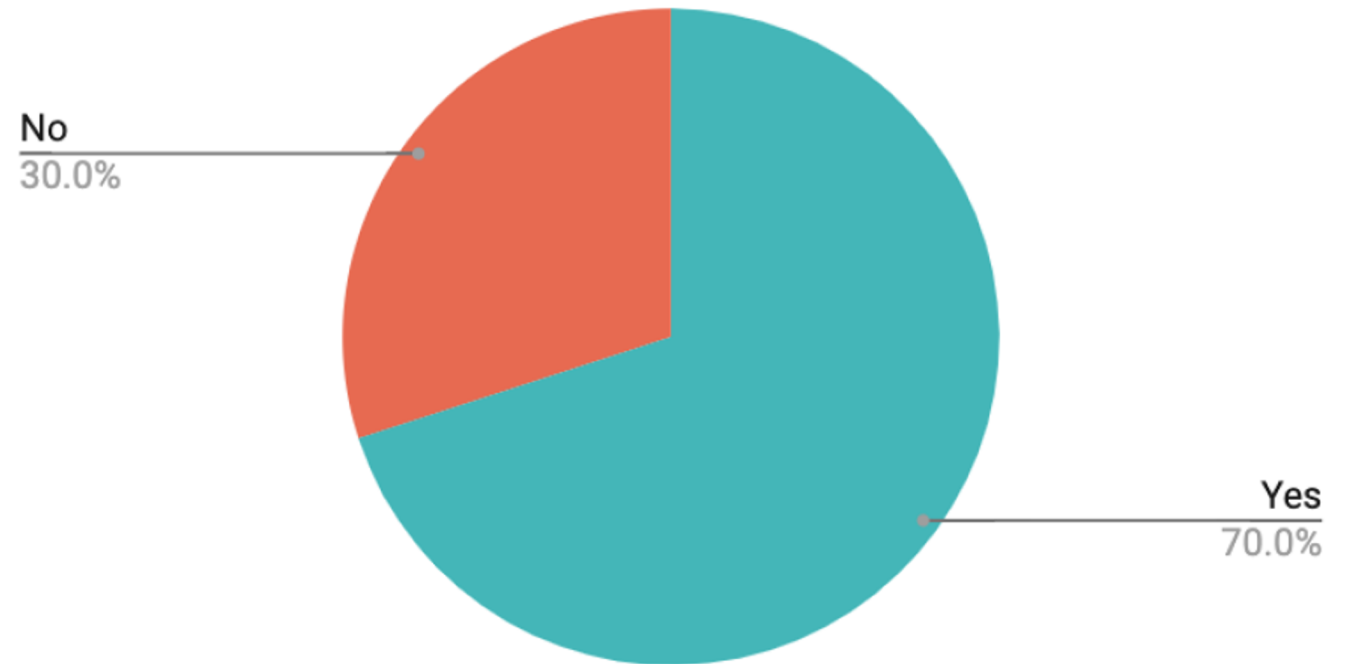
Q18: Did the record label increase your royalties/give you any extra payment?



# ***Article 20: The right to contract adjustment***

Only 35 EU artists, out of the 4,215 individual signed artists, managed to adjust their terms and were remunerated according to the new terms.

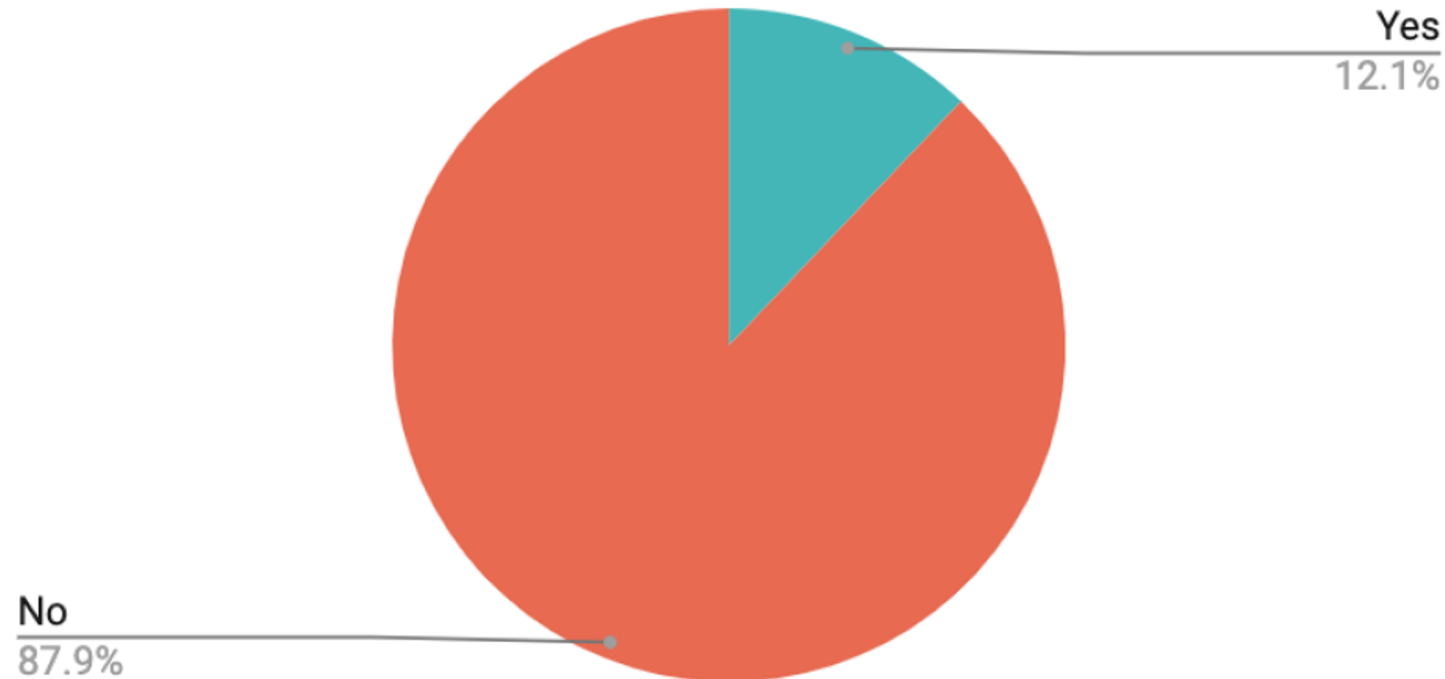
Q19: Did the increase of royalty rate result in you actually receiving any additional money?





# ***Article 21: The right to an alternative dispute resolution procedure***

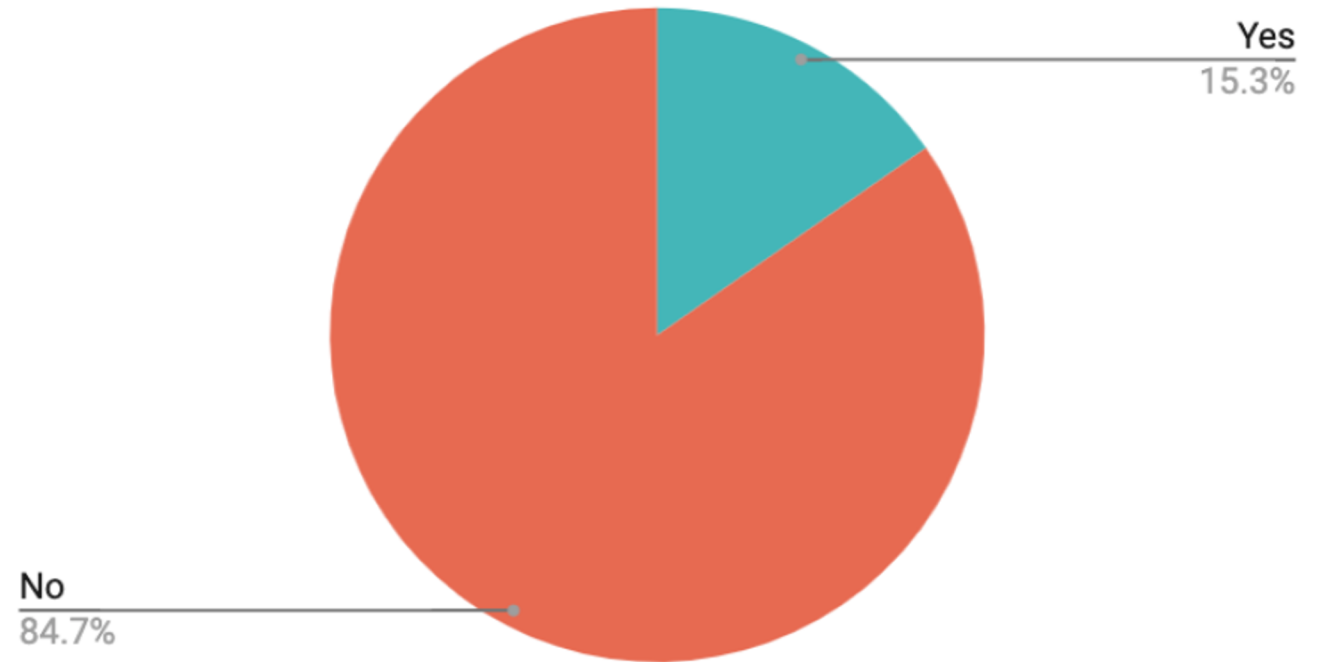
Q20: Since 7 June 2021, have you ever had a disagreement with your record label about the financial information, and/or any request you might have made for increased royalties?



# ***Article 21: The right to an alternative dispute resolution procedure***

66 out of 4 215 signed artists had used an ADR procedure.

Q22: Did you use an alternative dispute resolution procedure to resolve the disagreement?

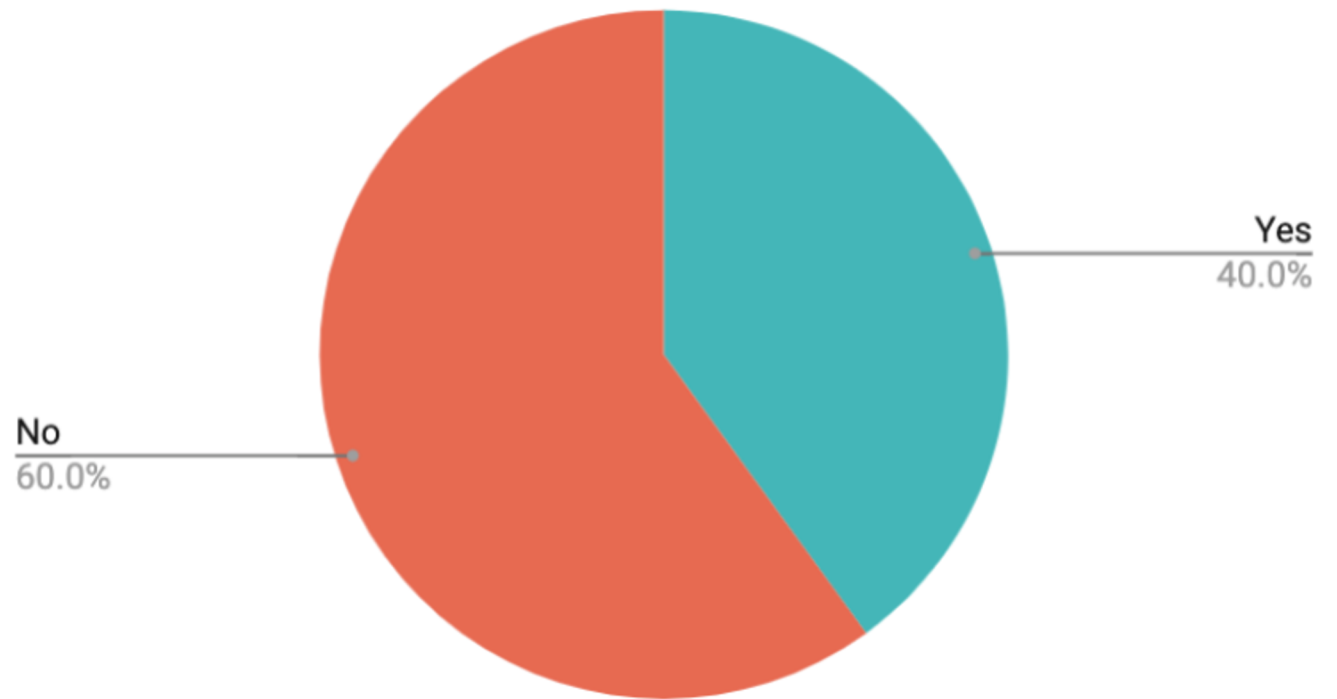


# ***Article 21: The right to an alternative dispute resolution procedure***

Only 26 artists answered that the ADR procedure was helpful.

The ADR procedure is voluntary, which means that the contractual counterpart can opt out anywhere in the process.

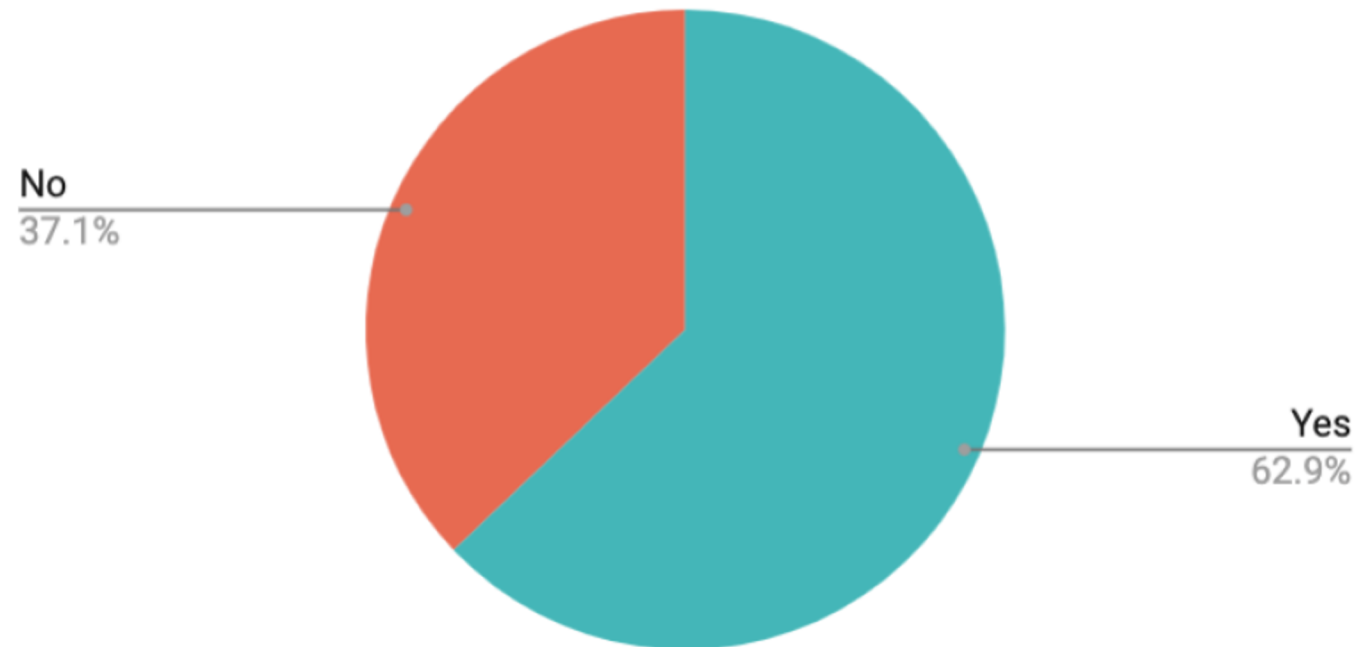
Q23: Was the alternative dispute resolution procedure helpful?



## ***Article 21: The right to an alternative dispute resolution procedure***

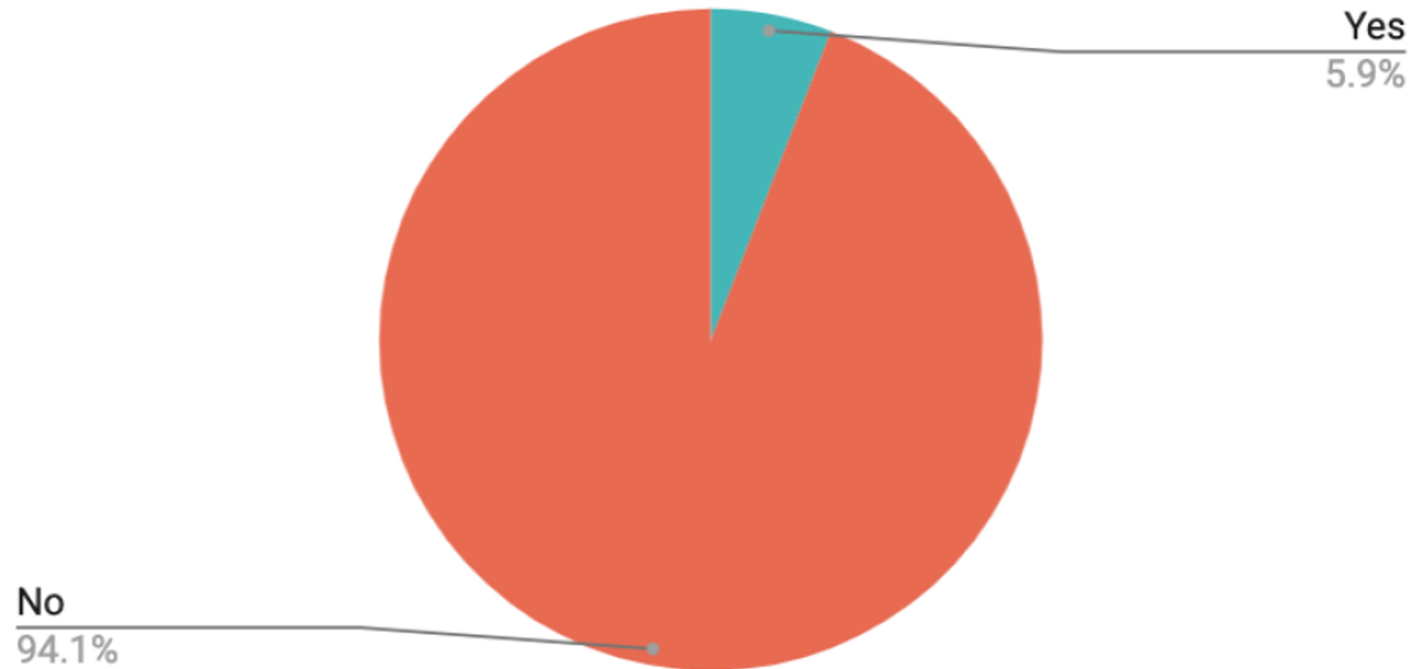
The difference between the number of artists that feel comfortable with an ADR procedure, and those that have actually used it and found it beneficial was significant.

Q21: If in the future you have a disagreement with your record label, would you feel comfortable asking your record label to use an alternative dispute resolution procedure?



# ***Article 22: The right to revocation if the recordings are not exploited***

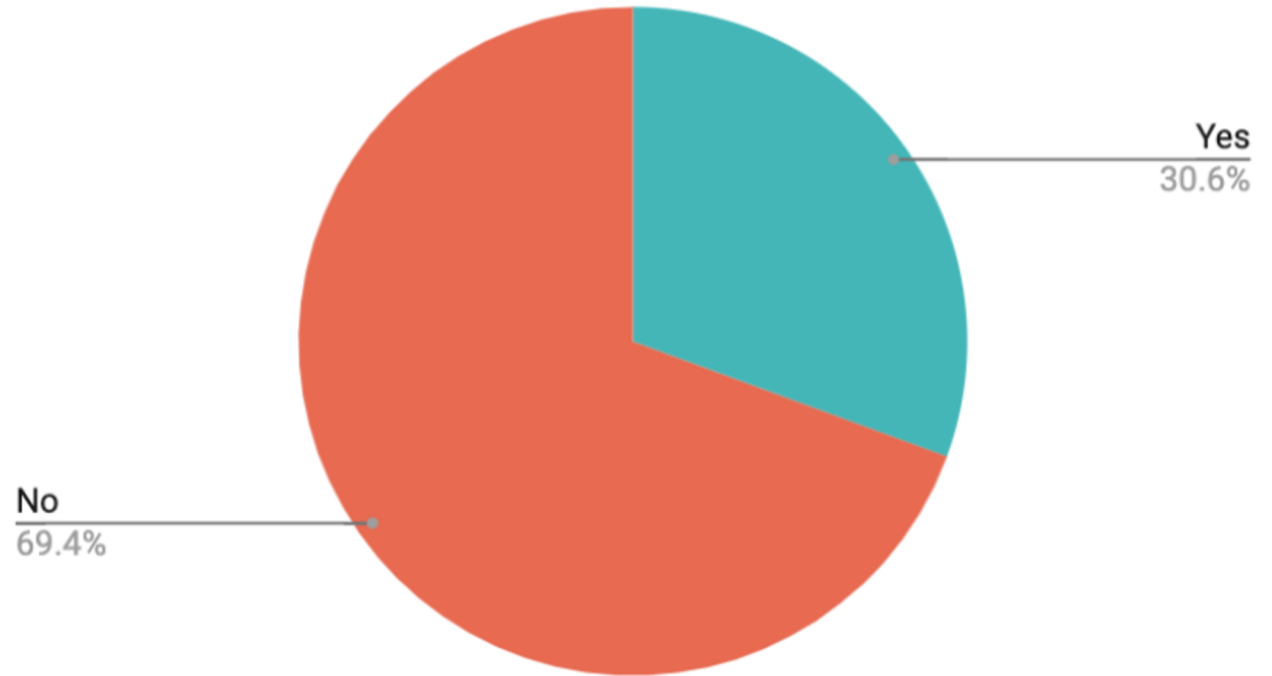
Q24: Since 7 June 2021, have you ever tried to get your rights back from the record label because they were not making use of your recordings?



# ***Article 22: The right to revocation if the recordings are not exploited***

63 signed artists had managed to get their rights back since June 2021.

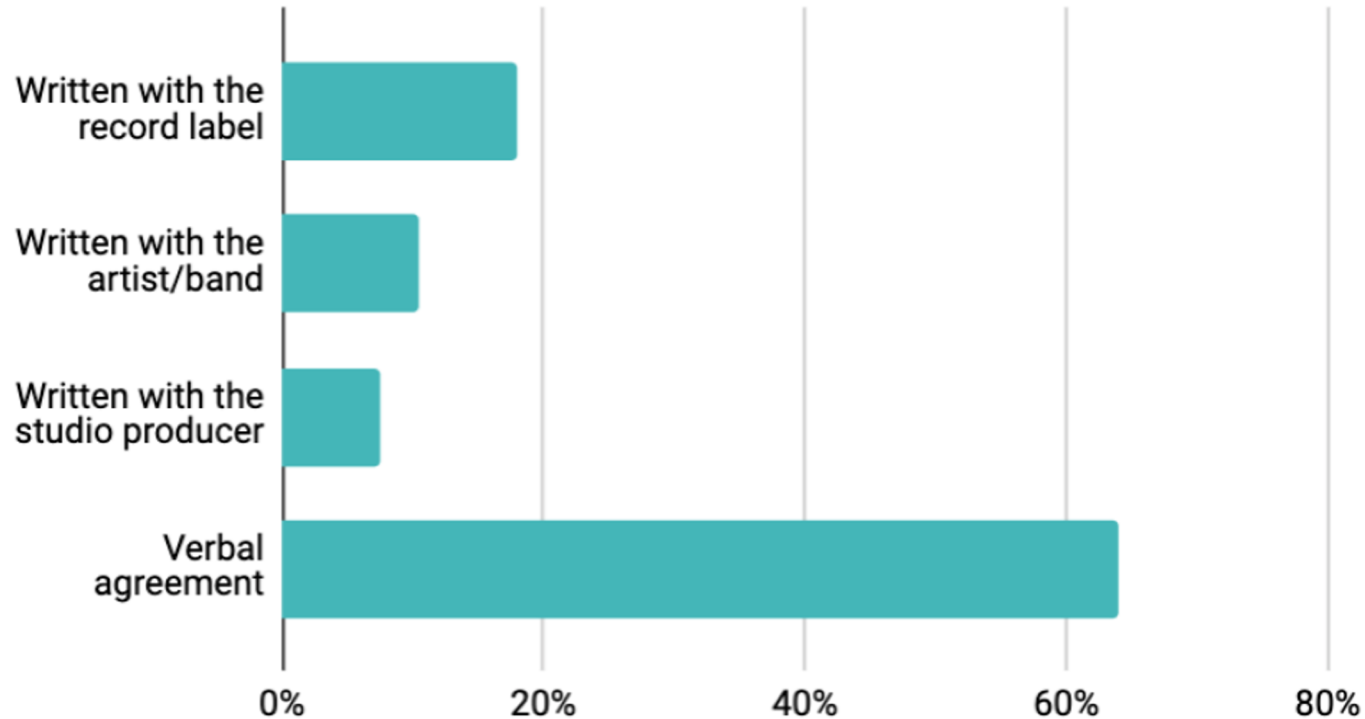
Q25: Did you succeed in getting your rights back?





# ***Musicians practices regarding contracts***

Q32: How is the session contract usually done?



# ***Conclusions from the study***

## ***Article 18***

The right to fair remuneration has not led to a situation where artists and musicians in general are satisfied with their remuneration. Different factors influences this, such as how the streaming economy works and what kind of contract an artist is signed under.

The question not answered yet: “What is an appropriate and proportionate remuneration”?

# ***Conclusions from the study***

## ***Article 19***

The right to transparency has not led to a situation where a majority of artists receive that kind of detailed information they are entitled to. It is plausible that many labels, distributors, or even streaming platforms, are not fully aware of the obligations they have to meet under the new regulation. This of course also extends to artists themselves.

The question not answered yet: “What level of transparency does this right involve? For which stakeholders?”

# ***Conclusions from the study***

## ***Article 20***

Very few artists have tried contract adjustment and succeeded in adjusting the terms, when the remuneration is disproportionately low. The right have not led to a situation that have empowered artists to renegotiate their deals.

The question not answered yet: “What is disproportionately low remuneration?”

Without such guidance it is still a matter of dealing, and up to the different parties to decide.

# ***Conclusions from the study***

## ***Article 21***

The ADR procedure do not seem to work, although the majority of artists feel comfortable using it. Very few have made use of it.

The question not answered yet: “Why is the ADR procedure not mandatory?”

A voluntary solution means that stakeholders can opt out and never use such a procedure.

# ***Conclusions from the study***

## ***Article 22***

Regarding the right to rights revocation in cases of a lack of exploitation, few artists have used this right. The ADR procedure does not apply to this article.

The question not answered yet: “What is a lack of exploitation”?

Is “exploitation” merely the action of uploading tracks to streaming platforms and then leave them there?



# ***Overall conclusions***

- The majority of participating artists express a negative sentiment in their text responses, both signed and unsigned artists.
- Many artists also express a lack of knowledge on their rights, as well as a lack of bargaining power.
- At the same time, there are artists witnessing on good relations with their labels, not all labels are "evil".
- The same goes for musicians that are not featured artists, not all musicians are in a bad situation.

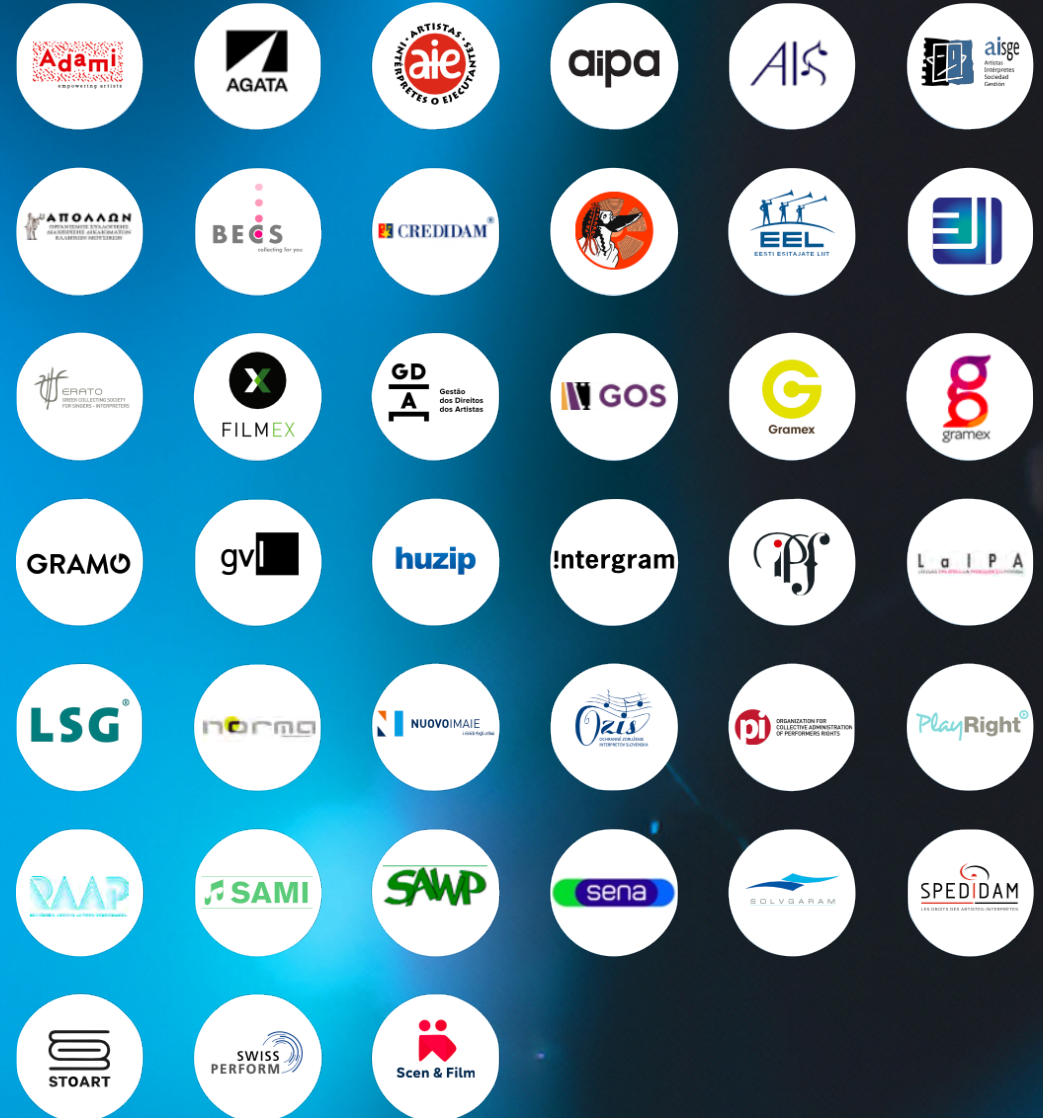
# Overall conclusions

- There are large discrepancies between member states, for example, in Spain and Portugal, only 5% thinks streaming remuneration is shared fairly, compared to 22% in Hungary and 20% in Sweden. Why so different?
- In Italy and Denmark, 56% are very dissatisfied with their streaming remuneration, but only 37% in Sweden, and 12% in Hungary. Why this discrepancy?
- For all Articles, EU guidance is needed, what is fair remuneration, transparency, exploitation etc?
- There is still much work to be done...

# A E P O ARTIS

## *Streams and Dreams Part 2*

*“Moving forward...”*

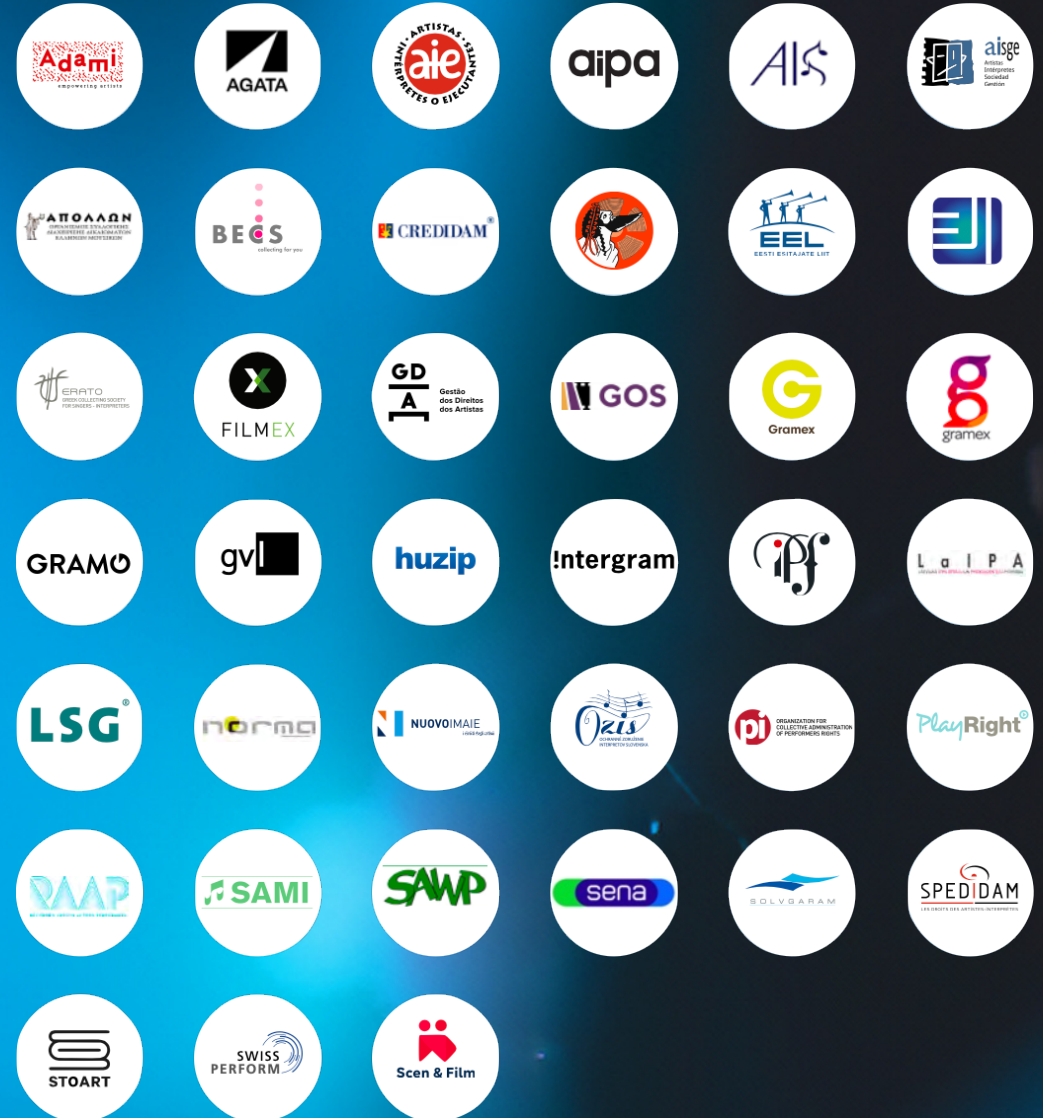




# Streams and Dreams

## Part 2

***(This presentation is available online)***



# 9542

MUSICIANS ANSWERED  
THIS SURVEY

Thank you



**“Moving forward...”**

**Remember why we are here.**



**The EU knew musicians were treated unfairly.  
That is WHY they introduced new laws.**

**“Moving forward...”**

**Remember why we are here.**



**(Unfortunately, most new laws  
targeted only “*featured performers*”/“*artists*”)**



**“Moving forward...”**

**Remember why we are here.**



**Streams and Dreams (part 2) shows the Copyright Directive (or “DSM Directive”) has not solved the problems identified.**



**“Moving forward...”**

**Remember why we are here.**



**AEPO-ARTIS will campaign  
on behalf of all musicians.  
But what can you do?**

**Insist your rights are respected**

**Transparency**

**Contract adjustment**

**Fair remuneration**

**Respect for contracts**

**Alternative dispute resolution**

**Rights revocation**



# MOVING FORWARD ON TRANSPARENCY



**Article 19 - It's all about the money**

# TRANSPARENCY ON THE MONEY

**\$2.9 MILLION**  
**every hour...**



SONY MUSIC



WARNER MUSIC



# TRANSPARENCY ON THE MONEY

**THE 3 MAJOR MUSIC COMPANIES ARE NOW JOINTLY GENERATING APPROXIMATELY \$2.9M PER HOUR**

🇺🇸 🇯🇵 🇩🇪 MAY 15, 2023



**Universal Music Group shares surge in £110m bonus for Lucian Grainge**

**Listing puts record label's British-born boss in line for one of biggest corporate payouts in history**

- 'Ruthless but good ears': key architect of music industry revival
- UMG chief predicts billions of dollars of growth from digital



**DANIEL EK CASHES OUT ANOTHER \$57.5M IN SPOTIFY STOCK, JUST THREE MONTHS AFTER HE BANKED \$64M, AND 6 MONTHS AFTER HE OFFLOADED \$100M IN SHARES**

🇸🇪 FEBRUARY 8, 2024

BY MANDY DALUGDUG



Spotify co-founder and CEO Daniel Ek.

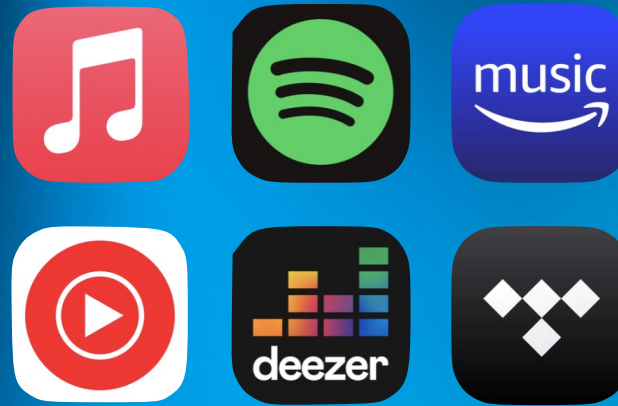


# TRANSPARENCY ON THE MONEY

## WHO IS PAYING?

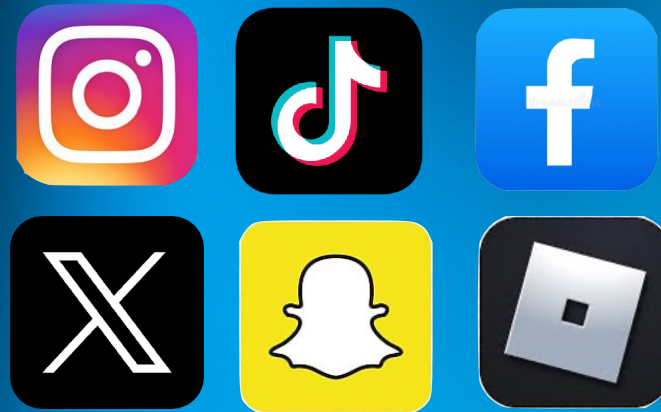


# TRANSPARENCY ON THE MONEY





# TRANSPARENCY ON THE MONEY



€€€?





# TRANSPARENCY ON THE MONEY



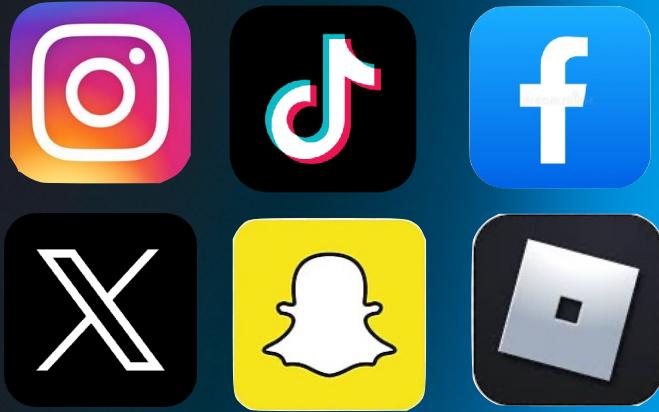
## UNIVERSAL MUSIC GROUP AND TIKTOK ANNOUNCE NEW LICENSING AGREEMENT

Los Angeles, May 01, 2024 – Universal Music Group, the world-leader in music-based entertainment and TikTok today announce a new multi-dimensional licensing agreement that will deliver significant industry-leading benefits for UMG's global family of artists, s music to TikTok's billion-plus global community.

**Warner and Meta strike multi-year licensing deal covering Instagram, Facebook and for the first time... WhatsApp**



# TRANSPARENCY ON THE MONEY



€€€?



- Are artists getting a fair share/any of this money? (Non-featured performers are not...)
- A fair share of what?
- Are you even told how many times your songs are played on Instagram/TikTok etc??



# TRANSPARENCY ON THE MONEY

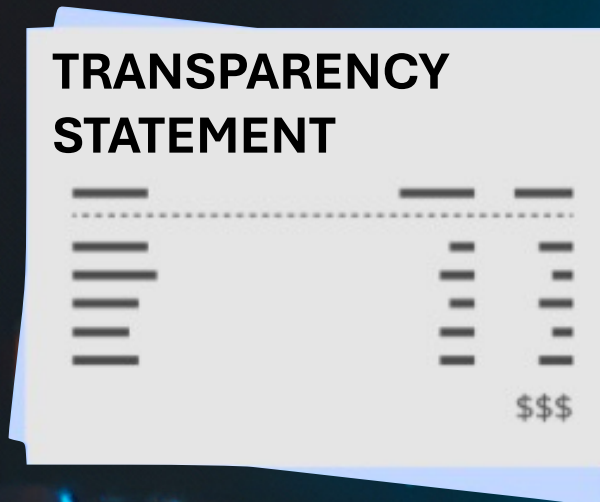
## *Article 19*

### **Transparency obligation**

1. Member States shall ensure that **authors and performers** receive...at least once a year...  
**comprehensive information** on ... **all** **revenues generated** and remuneration due.

# TRANSPARENCY ON THE MONEY

# A right to receive information on ALL revenues once a year



- From streaming platforms
- From social media platforms
- From traditional sources
- Deductions/reductions
- How royalties are calculated
- Licensing fees
- Advertising revenues
- Mechanism used to calculate shares attributable to specific works... etc



# **MOVING FORWARD ON CONTRACT ADJUSTMENT**

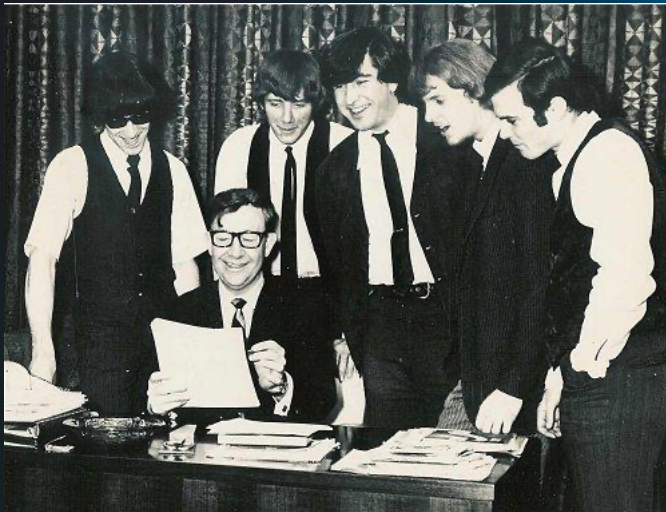


**Article 20 - When times change**



# TIMES CHANGE - CONTRACTS SHOULD TOO

## 1950s - 2008

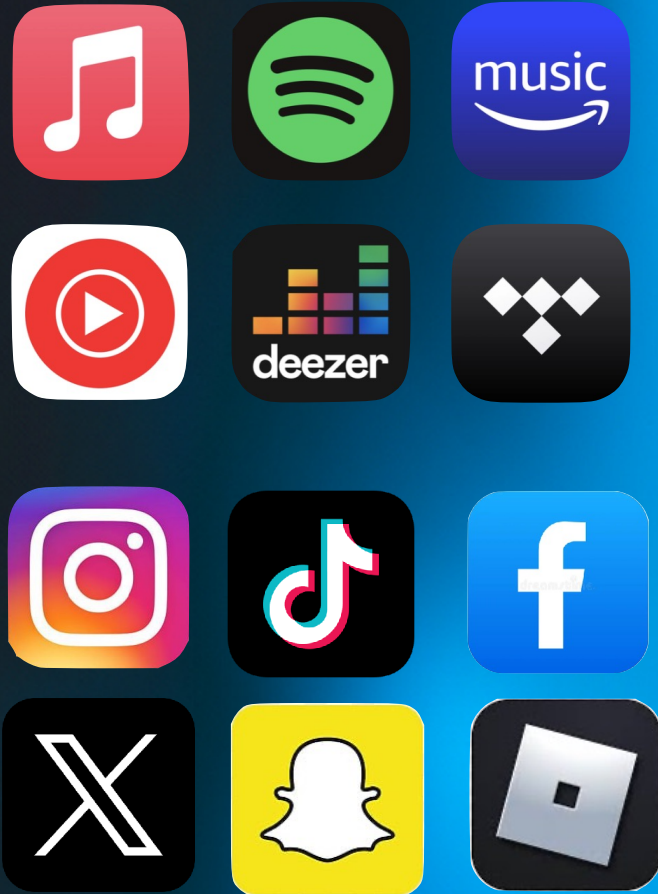


## From low physical royalties





# TIMES CHANGE - CONTRACTS SHOULD TOO



to a modern digital royalty.

# TIMES CHANGE - CONTRACTS SHOULD TOO

## *Article 20*

### **Contract adjustment mechanism**

1. .. authors and performers or their representatives are entitled to claim **additional, appropriate and fair remuneration** ... when the remuneration originally agreed turns out to be disproportionately low ...

**Demand that you receive at least a  
modern digital royalty**



# TIMES CHANGE - CONTRACTS SHOULD TOO

## *Article 20*

### **Contract adjustment mechanism**

1. .. authors and performers or their representatives are entitled to claim **additional, appropriate and fair remuneration** ... when the remuneration originally agreed turns out to be disproportionately low ...

**No distinction between non-featured performers and featured performers/artists**

# moving forward on remuneration



## Article 18 - Fair Remuneration



# fair remuneration is not too much to ask

How does it work today?



€



**Collective  
management  
organisations**

€



**Musicians**

When music is  
played on the radio  
**ALL** musicians get  
paid.  
That seems fair.

# fair remuneration is not too much to ask



€0.00



**Non-Featured  
performers**



When music is streamed non-featured performers  
("studio musicians") get ZERO €0.00  
That seems unfair.



**fair remuneration is not too much to ask**

**Some comments**

***“The profession ‘Studio Musician’ doesn't exist in Europe anymore. Think about it. I don't know about any musician that can make a living off recording only.”***

# fair remuneration is not too much to ask

## Some comments

*“I've got 33 BILLION streams on streaming platforms.*

*I've got ZERO (nada, ingenting, rien, nichts, ei mitään) in revenue from these streams.”*

That's “*fair*” remuneration????



# fair remuneration is not too much to ask



# fair remuneration is not too much to ask

## Article 18

### Principle of appropriate and proportionate remuneration

1. Member States shall ensure that authors and performers... receive **appropriate and proportionate remuneration**.
2. Member States shall be free to use **different mechanisms....**

**Insist your government introduces  
a “*mechanism*” for all musicians**



**fair remuneration is not too much to ask**

**One mechanism is**

***“Equitable Remuneration”* for streaming**

- **Distributes streaming revenue more fairly**
- **Helps make a sustainable career as a musician possible**
- **Does not harm the music ecosystem**

# fair remuneration is not too much to ask

## Equitable remuneration how does it work?

**DANIEL EK CASHES OUT ANOTHER \$57.5M IN SPOTIFY STOCK, JUST THREE MONTHS AFTER HE BANKED \$64M, AND 6 MONTHS AFTER HE OFFLOADED \$100M IN SHARES**

🇸🇪 FEBRUARY 8, 2024

BY MANDY DALUGDUG



Spotify co-founder and CEO Daniel Ek.



# fair remuneration is not too much to ask





# **MOVING FORWARD ON RESPECT FOR CONTRACTS**



**Don't cheat**

# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS



Ever get the feeling you've been  
cheated?

— *John Lydon* —

AZ QUOTES



# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS



**Did you ever  
sign a contract?**

**(Streams & Dreams shows  
many musicians did not)**



# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS



**Did you agree your  
music could go on Spotify?**

# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS



**It's not OK when your  
rights are used & you haven't agreed**



# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS

## New law in Croatia



Labels must have a WRITTEN contract with EVERY musician for EVERY song streamed.  
Old *and* new.



# RESPECT CONTRACTS - DON'T CHEAT MUSICIANS

## What you can do

1. Ask the label where your contract covers streaming
2. If there is no contract, say you want to make one
3. If they say “no” or you do not accept the terms inform your collective management organisation or musicians union
4. Support national and international lobbying

**Do not allow anyone to use  
your work without your permission.  
It is called PIRACY.**

# alternative dispute resolution

## *Article 21*

### **Alternative dispute resolution procedure**

... disputes concerning the **transparency** ... and **contract adjustment** may be submitted to a **voluntary**, alternative dispute resolution procedure. Member States shall ensure that representative organisations of authors and performers may initiate such procedures at the specific request of one or more authors or performers.

**Insist your government makes  
this mandatory**



# Rights Revocation

## *Article 22*

### **Right of revocation**

1. ... where an author or a performer has **licensed or transferred his or her rights** in a work... **the author or performer may revoke** in whole or in part the licence or the transfer of rights where there is **a lack of exploitation...**

**Speak to your label**



A E P O ARTIS

If you want change **GET INVOLVED**  
More info here



# ***Streams & Dreams***

TO BE CONTINUED...

