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Feasibility study for the establishment of a European Music Observatory

Final Report

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List of abbreviations

AER	Association of European Radios
AI	artificial intelligence
CCS	cultural and creative sectors
CEEMID	Central European Entertainment and Media Industry Databases
CEO	Chief Executive Officer
CFP	Common Fisheries Policy
CISAC	International Confederation of Societies of Authors and Composers
CMO	Collective Management Organisations
CMU	Complete Music Update
CNM	National Music Centre
CNV	Centre national de la chanson, des variétés et du jazz
CoE	Council of Europe
DCI	Development Cooperation Instrument
DCMS	Department of Digital, Cultural, Media and Sport
DDEX	Digital Data Exchange
DG	Directorate-General
DG AGRI	Directorate-General for Agriculture and Rural Development
DG EAC	Directorate-General for Education and Culture
DG MARE	Directorate-General Maritime Affairs and Fisheries
DSM	digital single market
DSP	digital service provider
EAO	European Audiovisual Observatory
EBU	European Broadcast Union
EC	European Commission
ECHO	European Commission Humanitarian Aid and Civil Protection
ECSA	The European Composer and Songwriter Alliance
EDCTP	European and Developing Countries Clinical Trials Partnership
EFARN	European Film Agency Research Network
EGMUS	European Group on Museum Statistics
EIT	European Institute of Technology
EMEE	European Music Exporters Exchange
EMO	European Music Observatory
ENI	European Neighbourhood Instrument
EP	European Parliament
ESML	Syndicate of Online Music Publishers
ESNS	Eurosonic Noorderslag
ETEP	European Talent Exchange Programme
EU	European Union
EU LFS	European Union Labour Force Survey
EU SILC	EU Statistics on Income and Living Conditions
EUIPO	European Union Intellectual Property Office Observatory
EUMOFA	European Market Observatory for Fisheries and Aquaculture Products
Eurostat	European Union' Statistical Office
EUYO	European Union Youth Orchestra
FCM	Fund for Musical Creation
FEDELIMA	Fédération des lieux de musiques actuelles
FRIBS	Framework Regulation Integrating Business Statistics
GDP	gross domestic product
GESAC	European Grouping of Societies of Authors and Composers
GfK	Growth from Knowledge
IAO	International Artist Organisation
ICMP	International Confederation of Music Publishers

ICT	information and communications technology
IESS	Integrated European Social Statistics
IFPI	International Federation of the Phonographic Industry
IMPALA	The Independent Music Companies Association
IRMA	Centre d'information et de ressources pour les musiques actuelles
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
ISNI	International Standard Name Identified
ISP	internet service provider
ISRC	International Standard Recording Codes
ISWC	International Standard Musical Work Code
IViR	Institute for Information Law
JU	joint undertaking
MFF	Multiannual Financial Framework
MIDEM	Marché International du Disque et de l'Édition Musicale
MME	Music Moves Europe
MMF	Music Managers Forum
MS	Member States
NACE	Statistical Classification of Economic Activities in the European Community
NGO	non-governmental organisation
OCCQ	Québec Commercial Certification Office
OECD	The Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PRODISS	Syndicat National du Spectacle Musical et de Variété
RIAA	Recording Industry Association of America
RIAM	The Royal Irish Academy of Music
SBS	Structural Business Statistics
SCAPR	The Societies' Council for the Collective Management of Performers' Rights
SMA	Syndicate for contemporary music
SME	small-medium enterprise
SPFF	French Society of Phonogram Producers
UIS	UNESCO Institute for Statistics
UNESCO	The United Nations Educational, Scientific and Cultural Organization
VOD	Video on-demand
VWL	Virtual Microdata Lab
WIN	Worldwide Independent Network
WIPO	World Intellectual Property Organisation

Abstract

The lack of data in the music sector has been discussed for several years. Robust and meaningful comparative data collected at a regular basis are essential when it comes to assessing the need for interventions at the EU level to address gaps in the market and enhance the efficiencies and global competitiveness of the sector. 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 an intelligence hub at European level. This study investigates the possible development of a future full-scale 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.

Executive Summary

Introduction

In late 2015, the European Commission started a dialogue with representatives from the music sector in Europe with the aim to identify key challenges and possible ways to tackle them, including EU support. "Music Moves Europe" has become the framework for these discussions and, more broadly, for EU initiatives and actions to promote the diversity and competitiveness of Europe's music sector in terms of policy and funding.

As part of the 2018 Preparatory Action "Music Moves Europe: Boosting European music diversity and talent", following a 1.5m EUR budget allocation from the European Parliament, the Commission's EAC Directorate for Culture and Creativity launched four calls in the spring of 2018, among which was "The feasibility study for the establishment of a European Music Observatory (EMO), and a gap analysis of funding needs for the music sector".

This final report addresses **the feasibility study for the establishment of a European Music Observatory**. The aim of this study is to investigate the options for a data collection organisation, called 'the Observatory' as a core strategic resource to drive relevance and value for future policy actions in the music portfolio and across the sector.

The specific objective of this study is to analyse different scenarios for the set-up and operation of the Observatory, including considering the models from other European (cultural) observatories, taking into account the specific characteristics and requirements of the European music sector. In order to meet this objective, several tasks are carried out:

- Determining the **scope of a future Observatory** (what data should and can be covered);
- Identifying **gaps in data availability**;
- Researching the potential **costs and possible organisational basis** for a credible Observatory function;
- Analysing the **different options**, taking into account the above elements, and identifying the most viable option.

The authors of this study set up an Advisory Board (listed in Annex 2) of 14 representatives from relevant areas of the European music sector and engaged in a broad consultation with sectoral stakeholders, potential data suppliers and policymakers throughout the course of the project. In total, interviews were carried out with over 40 sectoral stakeholders, 40 data providers and 12 national and regional policy makers. Additionally, around 100 stakeholders responded to an on-line survey that was conducted in the context of the project. The authors of this study also consulted with sectoral stakeholders at a number of music sector events over the course of 2019, including Eurosonic Noorderslag and the European Commission's Music Moves Europe dialogue meeting in May 2019. Throughout the consultation, the authors tried to be as representative as possible in regards to encapsulating the diversity of Europe and the music sector (from the point of view of the size, economic and cultural importance of the countries selected, from the perspective of the geographical coverage and covering different genres and sub sectors).

Key findings

One of the key findings of this research has been to confirm the **fragmented, scarce and poorly-harmonised nature of the data collection landscape in the field of music**. Data collection in Eastern and Southern Europe is lagging in comparison to other European Member States in Northern and Western Europe, with the respective music

sectors in most Eastern Europe countries and smaller EU Member States not fully developed, and lacking the tools and processes to gather economic, cultural and social data on the music sector. These data conditions and the problems they present for effective management and policy development are the fundamental reasons for supporting the creation of a European Music Observatory. In particular, **robust and meaningful comparative data collected at a regular basis are essential when it comes to assessing the need for interventions at the EU level** to address gaps in the market and enhance the efficiencies and global competitiveness of the sector. The sector is therefore calling for systematically-collected and centralised music data and an intelligence hub at European level.

A European Music Observatory would help fill data gaps, contribute to a better knowledge of the sector and help inform music sector policy within Europe. The authors of this study have found that the creation of a European Music Observatory would have an impact on the European music ecosystem by identifying gaps in the market and informing policies to address these challenges. At a general level the following benefits were identified:

- It would **contribute to setting better data standards** for the music sector on a pan-European level.
- It would stimulate European statistics agencies to **incorporate new and more granular standards** for data pertaining to the music sector.
- It would encourage national statistics agencies in EU Member States to work in sync with EU statistics agencies and provide country comparable economic data on a structural basis about the sector across the EU.
- It would **incentivise music industry organisations** representing the various sectors to improve the quality of their data collection and distribution, and, in some case, to generate schemes to collect and start providing data which was previously unavailable (e.g. on live music, music publishing and neighbouring rights, societal impact of music, among others).
- It would create a **set of best practices in terms of data collection** that will trickle down to all levels of the music sector.

For European and national policymakers, a European Music Observatory would provide additional specific benefits:

- Act as a structure providing data and intelligence about the music sector in order to identify issues specific to the sector and pave the way for **targeted evidence-based policies and solutions for the sector**.
- Being able to **monitor quantitative indicators on the sector**, in order to measure the impact of public policies, and assess improvements in the way the sector operates.
- **Greater in-sight and understanding of the importance of music for society** by looking at participation in music activities per Member State and across Europe, including educational, amateur and volunteering work, considering social and environmental impacts.
- **Information gathered by an independent specialised institution** rather than information provided by the sector on an ad-hoc basis to inform public policies related to the music sector.

For the music sector, the benefits would be as follows:

- There would be **a European structure the sole purpose of which would be to collect and produce data and intelligence about the sector**, covering all the aspects of the music eco-system, and providing this insight to the sector.

- The European music sector would be able to have a **pan-European overview of the economic and social value of the sector**, with the opportunity to monitor the evolution over time.
- The music sector would have the **tool to research gaps, barriers and challenges** in the way the sector operates in order to suggest remedies and policies.
- It would **foster a culture of transparency in the sector**, by setting up new tools to monitor the changes and progress made by stakeholders.
- The music sector would have the **proper tools to monitor the circulation of repertoire within the EU**, but also outside the Union and measure diversity within the sector.

Four pillar structure

One of the main tasks of this study was to **analyse the main data needs of the music sector**. In order to do this, a broad and extensive consultation was carried out in 2019 with music sector stakeholders, data suppliers (who are often stakeholders themselves) and policymakers. With this in mind, the main result of the scoping work conducted is reflected in the development of the '**Four Pillar Model**' which is proposed as a reflection of the various data needs identified with stakeholders and policymakers.

The proposed structure should encompass the most important topical issues on the policy agenda discussed between EU institutions and representative music sector organisations at EU level. The data collection model would be built within the margins of the subsidiarity principle, i.e. to exclusively provide information of European interest complementing national data collection. The backbone of the proposed data collection structure should be EU-added value. Taking these elements into consideration, the suggested four-pillar model would categorise data-collection and analysis as follows:

The economy of music in Europe	Music diversity and circulation	Music, society and citizenship	Innovation and future trends
<ul style="list-style-type: none"> • A) Macro-economic patterns and trends <ul style="list-style-type: none"> • employment, revenue, competition • B) Value chain mapping and analysis <ul style="list-style-type: none"> • characteristics of music companies, copyright collection, collective management, remuneration of artists, spill-over effects • C) Legal aspects <ul style="list-style-type: none"> • tax, labour laws, social security, contracts, case law • D) Business regulations <ul style="list-style-type: none"> • live music regulations, consumer protection, licensing, anti-piracy rules 	<ul style="list-style-type: none"> • A) Cross-border circulation of works/repertoire <ul style="list-style-type: none"> • building common definition and indicators, mapping of cross-border access, sales and consumption flows • B) Cross-border mobility of artists and professionals <ul style="list-style-type: none"> • cross-border live performances, mobility of professionals, international music events • C) Cultural diversity aspects <ul style="list-style-type: none"> • languages, genres, types of productions • D) Legal aspects <ul style="list-style-type: none"> • freedom of movement, state aid, etc. 	<ul style="list-style-type: none"> • A) Education, training, personal development • B) Audiences <ul style="list-style-type: none"> • music consumption, interaction, participation to music events • C) Music and society <ul style="list-style-type: none"> • not-for-profit sector, associations, social inclusion, amateur music, heritage • D) Normative and legal aspects <ul style="list-style-type: none"> • broadcasting quota rules, diversity promotion schemes, freedom of speech rules • E) Environmental aspects <ul style="list-style-type: none"> • Environmental impact of the sector 	<ul style="list-style-type: none"> • A) Technological evolutions <ul style="list-style-type: none"> • A. I, Blockchain • B) Future business models <ul style="list-style-type: none"> • distribution platforms, branding, monetisation, fair remuneration, authors rights collection mechanisms, legal innovations • C) New policies, support schemes and legislative responses <ul style="list-style-type: none"> • policy "think-tank" department

Potential options for a future European Music Observatory

Based on the research carried out in the context of this report, several feasible options were developed. There would be different options.

A light touch Observatory function that would be maintained by the **Commission centrally managing and contracting out several studies per year** through calls for tenders/proposals.

The most advanced possible form for a European Music Observatory that is proposed is a **fully fledged independent structure**. This would be an autonomous structure, which would require a large amount of political support to develop, both from within the EU institutions and Member States, as well as very significant financial resources.

Another option the authors explored was **integration of the tasks (or certain tasks) of a European Music Observatory within the structure of existing cultural or related observatories**. In particular, the European Observatory on Infringements of Intellectual Property Rights (EUIPO) and the European Audiovisual Observatory (EAO) were identified as possible options for integration of European music data collection activities. This option should be further explored by the European Commission.

The feasibility of the options for a future European Music Observatory

The authors of this study carried out a **feasibility analysis of the various options**, and carried out a SWOT analysis of each of the options proposed. It was determined that some options would be more effective than others in delivering the most beneficial results for a future European Music Observatory. However, certain options could not be considered realistic in the shorter term, given the resources' implications that would require important political support.

A European Music Observatory that is run on the basis of separate tenders for data driven research projects issued by the Commission would be the most simple to implement. It would however require additional human resources, of which the availability cannot be projected in light of the context at the time of writing. While this approach would otherwise be a flexible one, there are several additional drawbacks, such as the possibility of a lack of consistency and the ability to harmonise data collection methods, and monitor comparable information over time.

An example of a model for a tender based observatory that would allow for a degree of consistency in data collection is the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA), which is run through DG MARE. EUMOFA operates under a service contract (issued by DG MARE), and is run by a consortium between five partners where different fields of expertise are covered. There are two people in the consortium managing the activities of EUMOFA, while 10-15 people are employed full-time and another 5 part-time. This option allows for the same consortium or individual actor to carry out the actions of the Observatory.

Another possibility for more consistent data collection in the spirit of a European Music Observatory would be a **dedicated team working on music data projects within a competent service in the Commission**. However, this would have resources, especially human resources, implications that can realistically not be projected in the current context. Moreover, although this option would allow for increased consistency, there is the potential for this form of Observatory to be perceived as not being an independent source of data for policy making purposes. Although the European Commission operates many observatories throughout multiple DGs where relevant stakeholders are part of such observatories and provide a significant amount of the data needed (for example, DG AGRI operates several 'Market Observatories'), and whose work is perceived by the stakeholders as very satisfactory - many sectoral stakeholders consulted in this study have expressed their preference for an autonomous structure on the model of the European Audiovisual Observatory. The observatories operated by DG AGRI are mostly reliant on data that are regularly collected and provided by Member States, which they are obliged to provide on a regular basis, which is currently not the case for the music sector. Having regularly collected market data on information regarding prices and production of agricultural goods means that DG AGRI can provide useful tools and dashboards that allow monitoring of trends and developments. This is difficult to transfer to music however without this regular data.

The most advanced solution proposed by this study is an **autonomous fully-fledged European Music Observatory**, based on the model of the European Audiovisual Observatory, which would be considered the most ideal option in the view of many sectoral stakeholders consulted during this study. This option would demand a more comprehensive governance structure, in order to ensure that the needs of stakeholders and policymakers are met. Very importantly, it would also require more staff in order to carry out the larger scope of work, as well as a suitable location to work, implying very significant financial resources. However, it would allow for efficiency gains, in that there is a consistent and dedicated team working on the analysis and research activities. Additionally, the Observatory would have control of its own budget and, in addition to public data gathered from statistical institutes (such as Eurostat and NSIs), could enter into long-term negotiated agreements with private and sectoral providers of data to carry out annual or multi-year analysis of the sector in the various thematic areas. However, this option would require very strong political support at national and at EU level, which cannot be guaranteed in the circumstances at the time of writing, as well as consensus from stakeholders, as there would need to be agreement on the key priorities, which could potentially be a challenge given the diverse nature of the sector.

While feasible in principle, given the current circumstances and resources' implications, the implementation of an independent EMO is not realistic in the short- to mid-term. Budget projections suggest that generally, a European Music Observatory would require **a very significant allocation of funds**, beyond what could be currently extracted from the possible budget of the future Creative Europe programme. Therefore other EU and non-EU sources of funding should also be considered, such as the Horizon Europe funding, Member States' contributions and private funding. It would, however, matter to the music community if such project was deemed important enough by the Commission, but also by the Council and the Parliament, which are the budget authorities within the EU, to merit a substantial budget allocation in order to establish the fully fledged option proposed by this study.

The option of a "fully-fledged" European Music Observatory and its funding through the new sectorial action on music within the future Creative Europe Programme **also depends on the necessary political support from the EU institutional level, especially the Member States**. This option could only be implemented if it receives the Council and the Parliament's backing in terms of objectives and actions, as well as a funding commitment from Member States in the negotiations on the next Multi-Annual Financial Framework. Representatives of a selection of **National ministries of Culture interviewed** in February-May 2019 **within the framework of this study show a consistent interest for improved data collection and analysis at EU level**, in the context of a widespread gap in data availability and reliable European indicators. There was a general consensus of the representatives from Member States interviewed that the "Creative Europe" Programme is the most logical, reliable, impartial, sustainable and impactful funding level to support such a structure, in particular through the future sectorial action on music of the future Creative Europe Programme (2021-2027), though to date there has been no commitment so far made by any Member State or by the Council as a whole about the level of funding they would be ready to allocate to Creative Europe 2021-2027.

Additionally, some Member States indicated that **other sources of funding could also be considered, such as sector contributions, additional Member States' contributions, or EU research programmes**. This study cannot conclude whether the Member States interviewed would be willing to finance or co-finance a possible EMO. None of the interviewed ministries proposed or supported an EMO financed through Member States' contributions. While there is no full consensus on the nature of a future

European Music Observatory, its permanence or funding, six of the eight representatives of Member States that were interviewed stated that they were in favour of a consistent approach for a data collection and analysis effort at EU level, with five of the Member States interviewed specifically pointing to a more permanent, EU-funded structure. Member States were mostly positive about the Creative Europe Programme being the most appropriate and reliable source of funding for a European Music Observatory.

In order to function effectively and provide the potential added value (country comparable data collected in a structured way) **the Observatory would need to have a long-term perspective**. However, given the outlined constraints and barriers for the development of an Observatory, the most feasible option would involve **starting on a more modest scale** with the view of increasing the scope of the Observatory over a period of time, potentially reaching a fully-fledged independent structure in the future. There are several options for developing a scale up approach. The authors of the study see value in a **light touch Observatory based on the model of the fully-fledged option proposed**, that operates on a lower budget and with less staff. Still, many of the challenges in developing a fully-fledged option would remain for this approach as well, including ensuring a feasible legal basis, ensuring sufficient budget and sourcing a suitable location to operate.

Additional options for scaling up include **starting off by issuing tenders (or a service contract based on the model of EUMOFA) for data driven research projects**, in order to get more insights into the availability and potential of data in relation to the European music sector, as well as **hosting an EMO within the Commission and expanding it over time**. A hybrid of methods to collect data could also be tested, with the competent Commission service(s) testing a number of methods in parallel, working with relevant experts, stakeholders and Commission services. However, limits remain, as described above, on the human resources side.

The long-term perspective can also be extended to go beyond what is recommended in this report. Any European Music Observatory should be provided with the opportunity to prove its added value, and develop means to expand the scope of its data collection and research (and, perhaps, its income).

Regarding the integration of the tasks of a European Music Observatory (EMO) within the structure of existing cultural or related observatories in Europe, such as the **European Observatory on Infringements of Intellectual Property Rights** and the European Audiovisual Observatory, both organisations expressed willingness to develop good working relationships with a European Music Observatory. While for the latter, in light of its organisational structure and objectives, it appears difficult to expand its activities to the music sector, for the European Observatory on Infringements of Intellectual Property Rights this study cannot conclude at this stage whether it could potentially carry out the work, or some of the tasks, of a future EMO, which would be subject to future inter-institutional talks. This option remains to be further explored by the EU institutions.

Main conclusions of the study

Why is a European Music Observatory needed?

Discussions since 2015 have highlighted an ongoing problem for the European music sector when it comes to data. Currently there are very few sources of regular comparable and structurally collected micro- and macro-economic data on the sector, limited data on the circulation of repertoire, patchy data on the social and cultural impact of music on European citizens, and there is not a specific mechanism or organisation that could help policy makers in the EU and the European Commission make informed decisions about

the sector, based on authoritative data assessment. The sector has existed for decades with minimal availability of (and need for) data. This situation is problematic given the complex set up of the sector, which has been powered by the digital revolution. This report provides an overview and assessment of the available data and the main gaps that need to be addressed.

The main message of this study is that the **majority of stakeholders and policymakers consulted support the establishment of an independent European Music Observatory** which should be financed mostly (if not exclusively) with European Union funding. Stakeholders consulted in the course of this research expressed interest to cooperate with the European Commission in the development of a future European Music Observatory.

The creation of an **independent and trusted source of data and intelligence would help achieve greater transparency in the sector**. For example, policies would no longer be influenced by the needs of a particular sub-sector, but based on the analysis of empirical data. Transparency would also be achieved by ensuring that each sub-sector would indeed contribute – with help and incentive from the European Music Observatory – to the data mining processes, helping to create a larger set of data than the existing one. Potential sources of meaningful data have in their vast majority expressed interest in sharing data that they own or aggregate. One of the main caveats comes from Digital Service Providers (DSPs) which, for several reasons, may not be willing to provide data, even though they agree with the overall idea and function of an Observatory. DSPs have confidentiality agreements with their licensors, which means there is some reluctance to share data, and additionally, DSPs indicated a great deal of time and investment would be required should the EMO require certain sets of data, especially relating cross borders activity. Currently, their systems are not tailored for such activity, and the nationality of an artist is not currently recorded. Although DSPs indicated that they would be open to one-off specific requests if they are within their capacity, it is recommended that streaming data should be collected through third party data aggregators, to which they supply data.

The creation of a European Music Observatory has been part of discussions within many European stakeholder organisations, as well as within the broader European music community. This “appropriation” of the EMO idea by sectoral stakeholders also is a clear sign that the Observatory is seen as an important potential tool for the sector.

What is the best way to develop a future European Music Observatory?

Regarding the structure of any future European Music Observatory, the main conclusion that can be drawn from the research is that its **legal basis should be as autonomous as possible** and the **governance model should be as inclusive as possible**. Having an independent, fully-fledged European Music Observatory would allow for a more inclusive governance structure, in order to ensure that the needs of stakeholders and policymakers are met.

The most effective form of a European Music Observatory would have an independent structure in the form of the European Audiovisual Observatory. Under this structure, the Observatory would have its own identity as an organisation, while the support can be clearly understood in terms of the European Union’s Creative Europe or other Union funding programmes as well as direct contributions from participating countries, drawing on the example of the European Audiovisual Observatory. This would ensure that both the governance and financing are transparent and would not preclude the option of securing further investment from other sources at a later date.

In order to establish this form of a European Music Observatory, **a significant allocation of funds** would need to be provided from the inception in order to deliver the most effective results. However, as most probably this will not be available at the time of inception, it would be important that some degree of European funding is allocated from the outset. In addition, one should explore the possibility of additional funding streams, such as from private stakeholders, other EU programmes such as Horizon Europe, and additional Member States' contributions in order to achieve the overall goals and ideal scope of a future European Music Observatory.

As a short-term means to deliver on some form of a European Music Observatory, the most feasible option that is recommended by this study would be the **'scale up' approach**. This would involve creating a light initial support structure and increasing the scope of the Observatory over time, allowing it to expand and develop its activities over time.

Starting with a 'scale-up' approach would require a lower amount of budget at the beginning, and taking a hybrid approach that allows for testing several actions in parallel and for refining working methods will allow for development into an eventually more structured approach to an EMO, whilst showing added EU value. Still, human and financial resources implications at the initialisation would need to be carefully considered. Starting from a smaller basis, could potentially make it more likely to gather the necessary political support required in order to feasibly create a European Music Observatory, while still illustrating value of an EMO to both policy makers and the sector.

Why is it of interest for the European Union?

A European Music Observatory would be of **collective interest for commercial, not-for profit and public operators active in the field of music**. The data gathering would respond to the most important topical issues on the policy agenda discussed between EU institutions and representative music sector organisations at EU level, reflecting the Union's ambitions for the European music sector in the context of Music Moves Europe, i.e. building on and strengthening further the sector's strong assets: creativity, diversity, sustainability and competitiveness. The establishment of such a body would be consistent with the subsidiarity principle as the mission of a European Music Observatory would be to exclusively provide information of European interest that does not exist at Member States' level. Its scope and underlying need go beyond the remit and capacity of relevant public bodies in the Member States, reflecting instead the transnational and digital realities of music production and consumption for a European sector, which must also compete in a global marketplace.

The study therefore recommends establishing a European Music Observatory in some form, considering the current momentum that has been achieved, through the level of engagement and involvement of the sector and consultation of public bodies. The European music community has supported this research and the potential development of a future European Music Observatory and is interested in further dialogue with the EU on the subject. The data that is currently available or is possible to gather at European level would provide a great deal of added value to stakeholders and policymakers.

It is apparent, in light of the support of the European Parliament for the Preparatory Action "Music Moves Europe: Boosting European diversity and talent" and the levels of stakeholder and policy maker engagement, that there is a synergy between needs and the energy of stakeholders and policymakers to cooperate on issues surrounding the European music sector. The outlook of the new sectorial action on music in the Creative Europe Programme 2021-2027, which also builds upon the Preparatory Action, further confirms this momentum. The proposal for a European Music Observatory also has strong

synergies with the EU's digital agenda, and will help ensure that the European music sector can compete globally in the digital age. These points illustrate an excellent alignment between interest, potential funding opportunities and policy priorities.

The creation of a European Music Observatory would ultimately be **a sign that the music sector is receiving the full attention from European policymakers and Member States** as part of the efforts to support and promote Europe's cultural and creative sector. The music community was among the first to be hit by the digital revolution, which shook its established business models, and yet it has proven extremely resilient, thanks partly to the strength of the booming live environment, music streaming and the recorded music sector's ability to adapt quickly to a fast-changing environment. Now that there is a renewed optimism as a result of the rise of streaming, the music ecosystem is also more complex and interconnected than ever. Not only should the European Music Observatory reflect and monitor these systemic changes, but it should also **provide the tools to make the European music sector stronger and fitter for purpose** in the digital age while fully playing its role in the **building of a knowledge-driven, culture-centric and community-diverse Europe in the 21st Century**.

Introduction

In late 2015, the European Commission started a dialogue with representatives from the music sector¹ in Europe with the aim to identify key challenges and possible ways to tackle them, including EU support. “Music Moves Europe” has since become the framework for these discussions and more broadly for EU initiatives and actions to promote the diversity and competitiveness of Europe’s music sector, in terms of policy and funding.

In the context of the EU budgetary procedure for 2018, the European Parliament secured a budget of 1.5m EUR for a Preparatory Action “Music Moves Europe: Boosting European music diversity and talent” with the aim to test suitable actions for more targeted EU funding for music post-2020. The implementation of the Preparatory Action lies with the Commission and is an opportunity to explore and evaluate new ideas on how to complement the existing forms of EU support for music.

To implement the Preparatory Action, the Commission launched four calls (two calls for proposals and two calls for tender) in the spring of 2018:

- a) Online and offline distributions
- b) The feasibility study for the establishment of a European Music Observatory, and a gap analysis of funding needs for the music sector
- c) Training Scheme For Young Music Professionals
- d) Study on a European Music Export Strategy

This final report addresses **the feasibility study for the establishment of a European Music Observatory (EMO)**.

The aim of this feasibility study was to investigate a possible future full-scale establishment of a data collection organisation, called ‘the Observatory’, as a core strategic resource to drive relevance and value for future policy actions in the music portfolio and across the sector. Ultimately, this report will demonstrate whether the establishment of the Observatory is feasible or not.

The specific objective of this study is to analyse different options for the set-up and operation of the Observatory, including considering the models from other European (cultural) observatories, taking into account the specific characteristics and requirements of the European music sector. The majority of the research activities and data collection took place between October 2018 and August 2019.

In order to meet this objective, several tasks were required to be carried out:

- Determining the scope of a future Observatory (what data should and can be covered);
- Identifying gaps in data availability;
- Researching the potential costs and possible organisational basis for a credible Observatory function;
- Analyse the different options taking into account the above elements and identify the most viable option.

¹ The European music sector consists of the companies and individuals that earn money by creating new songs and pieces and selling live concerts and shows, audio and video recordings, compositions and sheet music, and the organisations and associations that aid and represent music creators, regardless the genres of music they produce. The industry also includes a range of professionals who assist singers and musicians with their music careers (talent managers, artists and repertoire managers, business managers, entertainment lawyers); those broadcast audio or video music content (satellite, Internet radio stations, broadcast radio and TV stations); music journalists and music critics; DJs; as well as music educators and teachers. Definition based on the Terms of Reference for this project.

In order to carry out these tasks, the authors of this study utilised several research methods. Additionally, the team was supported throughout the project by a representative Advisory Board that consisted of 14 organisations representing all areas of the EU music sector value chain.

Firstly, a substantial desk research process was carried out on the current state of play regarding music sector data in Europe. An inventory was developed and shared with the European Commission.

The authors of this study then engaged in a broad consultation with stakeholders and policymakers throughout the course of the project. In-depth interviews were held with those working within the music sector across the value chain, and considered both national and European wide industry, and civil society organisations. The authors of this study also held in-depth discussions with a wide range of potential data suppliers, some of which being also stakeholders. Parallel to this, a stakeholder survey was launched and distributed amongst EU-based music sector stakeholders between March and May 2019. This was distributed using the extensive networks of the Advisory Board that participated in the project. Around 100 stakeholders responded to this survey.

A policymaker consultation was also carried out at two levels. Firstly, interviews took place with representatives from Ministries of Culture in eight different EU Member States. Additionally, interviews with representatives from four regions and cities took place. The authors of this study selected cities that have implemented a distinct music policy as part of their cultural programmes.

The authors of this study also carried out detailed desk research into various types of observatories in both the cultural and non-cultural fields. In-depth interviews were carried out with many of these observatories and three extensive interviews took place with representatives from the European Audiovisual Observatory, including the Director and two department leaders. Interviews also took place with European Commission representatives from DG AGRI and DG MARE that are involved in Commission run Observatories. The authors of this study also consulted with stakeholders and policymakers on aspects relating to the organisational basis for a future European Music Observatory.

Throughout the project, the team entered into tentative negotiations with providers of music sector data. Although there was no mandate given to the research team to make firm commitments on the provision of data for a future European Music Observatory, this task was seen as an important scoping exercise, as it provided some important indication as to the accessibility and potential costs of acquiring data.

This final report is the culmination deep analysis into the data landscape of the music sector, and there is far too much information that has been gathered to be able to include all of it within the main report. Therefore, the report is presented in the following way, making use of multiple references to the various annexes where necessary:

- **Executive summary**
- **Chapter 1:** The need for a European Music Observatory
- **Chapter 2:** Data needs and gaps
- **Chapter 3:** Feasible options for the creation of a European Music Observatory
- **Chapter 4:** Conclusions and recommendations
- **Annexes** (including a glossary)

1 The need for a European Music Observatory: history and background

1.1 Introduction

In this section, information will be provided regarding the history and background to the discussions around the creation of a European Music Observatory, as well as the context for the development of this study. This chapter contains the following sections:

- Firstly, a summary of the discussion that have taken place between the European Commission and the music sector since 2015 will be provided (section 1.2);
- A description of the stakeholder consultation that has taken place in the context of this study will be elaborated (section 1.3);
- Some background will then be provided regarding the policy maker consultation that took place in the context of this study (section 1.4);
- The role that the European Audiovisual Observatory played as an example of good practice in the context of the study (section 1.5);
- Finally, the “cost of doing nothing” with regards to the subject of music data at EU level (section 1.6).

1.2 Stakeholder dialogue between the Commission and the sector since 2015

The lack of data in the music sector has been discussed for several years. The issue has been raised on several occasions since the Commission started its dialogue with the music sector - first through the AB Music Working Groups process, and then via the various features of the “Music Moves Europe” initiative.

A notable articulation of this data-related challenge can be traced back to the AB Music Working Groups. The 2015 gathering was the first time that dozens of organisations, representing a broad and diverse scope of sub-sectors of the European music ecosystem, were invited to discuss the key issues and challenges facing the sector with European policymakers and asked to propose viable solutions.

In this framework, participants in the specific AB working group on “Data and Metadata” notably reported that “with regard to music specifically, there are no consistent data capturing the music sector at EU level”.² This issue can be explained, according to the report published by the Commission, by the lack of common definitions and indicators in the EU, as well as a lack of data collection infrastructure in most EU Member States.

The report subsequently includes, as part of the set of ideas developed to improve the EU’s policy toward the music sector, “the launch of an observatory that would produce independent studies regarding the sector and provide regular and accurate measures of the imprint of European music, its circulation and vitality”; it also notes that “the function of this ‘European Music Observatory’ would be clear: clarifying and better assessing the strengths and weaknesses of the European music landscape.”

The report furthermore mentions the necessity of “centralizing the collection into the hands of a unique European body would ensure a decent level of consistency and could possibly muster the trust needed by the sector to share their data”.

² AB Music Working Group Report, European Commission, 25/10/2016.

In the wake of this report, which was welcomed by the European music community as a first step towards a consistent policy dialogue with the EU, the Commission participated in several music sector events in the context of the Music Moves Europe initiative, consistently insisting on this same idea of improving data collection and analysis for the music ecosystem, in fields such as cross-border circulation of music repertoire, the mobility of authors, performers and professionals, the economic social and human impacts of the music sector, and also the future market trends that will impact the sector.

For instance, in the course of a roundtable organised during the Reeperbahn festival (DE) on September 21 2017, bringing together around 30 European music sector stakeholders from a wide scope of professions, the subject of setting up a European Music Observatory was raised again by various participants³ as part of possible “implementation tools” that could help create common EU definitions and standards for the music ecosystem, and which could be deployed in the framework of a European music funding programme on the model of MEDIA.

More recently, the Commission and representatives of the sector further discussed the subject of data collection and analysis – in events such as the launch of the “European Agenda for Music” at the European Parliament in March 2018⁴, the Eurosonic Noorderslag festival in Groningen (NL) in January 2019⁵, or during the “Music Moves Europe Structured Dialogue”⁶ held in Brussels (BE) in May 2019, among many other public discussions in music sector conferences.

It appears that the need for comparable, systematically collected and centralised music data and intelligence at European level has been and remains a priority for music stakeholders, as it is frequently raised in the sector’s interaction with the European Commission. The regular occurrence of the topic in policy-discussion over the last few years gave rise to one of the key intuitions behind this study, which was subsequently confirmed by the detailed feedback of sectoral organisations and operators approached for this research.

1.3 Consultation with European music stakeholders in the context of the study

This study was supervised by an Advisory Board composed of some of the most significant representative music sector organisations, networks and platforms in Europe, who have all been part of the Music Moves Europe process to some degree.⁷ From authors’ rights organisations to concert venue associations, from publishers to composer and songwriter societies, from festivals to independent recording companies, managers and featured artists, the general feedback from the members of the Advisory Board points in one direction: the need to develop a sector-backed instrument to collect and analyse data for the whole music sector at European level.

Moreover, as part of the research, a series of specific in-depth interviews were carried out with a vast range of operators in the European music sector. The interviews frequently reflected the need for better mapping and understanding of the sector. One of the consistent conclusions amongst all stakeholders consulted through specific interviews

³Panteia interviewed several participants at this informal meeting, and one member of the research team attended the roundtable.

⁴ <https://www.emc-imc.org/cultural-policy/european-agenda-for-music/>

⁵ <https://esns.nl/conference/how-to-grasp-market-trends-in-europes-music-sector/2019-01-18/13:30>

⁶Panteia interviewed several participants to the “Music Moves Europe” Structured Dialogue, and several members of the team attended the meeting (https://ec.europa.eu/programmes/creative-europe/content/music-moves-europe-first-dialogue-meeting_en).

⁷ See Annex 2 for the composition of the Advisory Board.

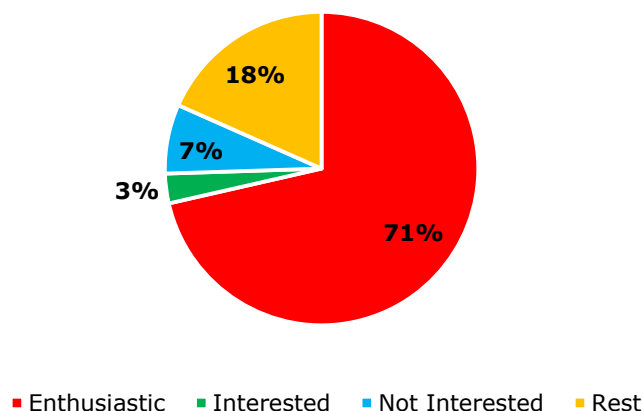
is the problematic fragmentation of reliable music sector data. The data currently collected on the music sector in Europe appears to be difficult to access, scarce, and although some national and EU-level bodies collect data, the quality and type of data varies too much to represent a viable source for all music sector stakeholders⁸.

Generally, interviewees observed a lack of coherent methodology for the collection of data at local, national and European levels, and a general consensus emerged on the fact that data should be collected to most effectively support the sector as a whole⁹. According to most interviewees, another key issue is the comparability of definitions and indicators used in the collection of data. The need to evaluate and solve this problem at the European level was regularly raised in interviews, not only to be able to paint a comprehensive and accurate picture of the of sector across Europe, but also to be able to inform good policy making at all levels.

Another important feature of this study is the online survey which was disseminated to a wide range of music stakeholders¹⁰. This short online questionnaire was distributed at the end of February 2019 amongst the members and extended networks of the Advisory Board, along with other stakeholders that have been identified so far throughout the consultation phase (including through the stakeholder interviews) and relevant beneficiaries of EU funds. The survey respondents were presented with questions regarding possible future data collection at EU level and were asked to indicate how useful this would be to them.

The interest in a European body collecting a wide range of data on several sub-topics was clear and obvious for a vast majority of respondents, as 86% of the respondents could imagine that they would use such a body as a provider of data, and more than 70% of the respondents were enthusiastic about the possible creation of a “European Music Observatory”¹¹ whose mandate would be to produce music-specific data and intelligence at a European level.

figure 1 Level of interest amongst stakeholders for a European Music Observatory



Source: Panteia survey, 2019

⁸ See Annex 2

⁹ See Annex 2

¹⁰ See Annex 2 for information on the survey process.

¹¹ See Annex 8

1.4 Interest in improved music data expressed by policymakers at local, national and European levels.

Local and national policymakers

A wide range of local and national policymakers (Annex 2) were approached for in-depth interviews in the context of the study, from municipal to governmental level, painting a very rich and complex picture of the data usage, data needs and data collection methods in Europe. Interviews with representatives from Ministries of Culture in eight different EU Member States, as well as representatives from four regions and cities took place between February and May 2019. It is important to note that although these interviews do not reflect an official position of the Member States due to the open nature of the questionnaire that did not probe for specific statements of behalf of governments, they nonetheless provide useful insights into the expectations of policy makers in relation to a possible European Music Observatory. In particular, the following open questions were addressed:

- The current availability of music sector data at policy-making level (local, regional, national, European);
- Key trends of the music sector in the territory and what kind of data should be collected;
- Thoughts on the opportunity of creating an ad-hoc structure with a mandate to collect data about the music sector at European level;
- The potential structure of a European music observatory (main research fields/themes, permanent body/Looser research platform, governance and funding).

The key finding of this part of the research confirmed the intuition developed through the interaction with music sector stakeholders, namely of a fragmented, scarce and poorly harmonised data collection landscape in the field of music. Most policymakers who agreed to be interviewed flagged the issue of lack of comparable and systematically produced data as an important impediment to a granular comprehension of the challenges faced by the music sector. Some interviewees pointed to the absence of comparable European music data as a substantial challenge when designing policies aimed at supporting or regulating the sector.

In the specific case of city-level policymakers, access to data is often limited to information on local operators which are supported by targeted programmes and policies. At national level, for most Member-States approached for the study, comprehensive mapping and statistics appear to be hampered by the diversity and fragmentation of actors involved in music activities as well as the lack of centralised sources of information, data, and intelligence.

In this context, it is important to note that a majority (five out of eight interviewed) of Member States representatives interviewed indicated support for the idea of establishing a permanent and EU-funded European Music Observatory, which would provide a resource for information regarding the music sector and help building coherent music policies at local, national and European levels.

While this interest for an EU-funded body among a substantial range of interviewees is notable, it was however difficult to establish a strict consensus among all interviewees on the possible format for an organisation to collect and analyse music sector data in Europe. Some interviewees had questions about how such a body would be funded, governed, and which data collection areas it would effectively cover. Nonetheless, the key takeaway of this segment of the research was that most national and local policymakers interviewed did express enthusiasm for more comparable data, common

European definitions, indicators and methods at European level, while indicating no position regarding a potential financial contribution from their authorities.¹²

It is important to point out that currently there are no similarly proposed observatories operating at Member State level. In France, there have been in-depth discussions in for the past few years as to how they could create a national music observatory. France now plans to set up a music observatory within the Centre National de la Musique (CNM) (to be run by the Centre national de la chanson, des variétés et du jazz (CNV) and the Centre d'information et de ressources pour les musiques actuelles (IRMA)), which will start operating on January 1, 2020 and will compile and analyse data at national level. The project will combine functions currently handled by the CNV-Centre National des Variétés, which is to be integrated into the CNM on January 1, 2020, and others by IRMA, a music information resource centre, which is also destined to join the CNM. CNV has a wealth of data on the French live music sector, sourced from the management of a tax of concert tickets. IRMA is more of a news platform, producing on-going news and specific reports and studies on various aspects of the music sector.

During interviews with French representatives, the idea of a European Music Observatory was welcomed as a data source and as an aggregator of information from all around Europe to improve quality of data and harmonise and benchmark data standards throughout Europe. It is envisaged that the European Music Observatory would act as a potential partner and that there would be limited overlaps between the two organisations, one taking a pan-European approach and the other being more French-centric. The data gaps this study has identified make a serious case for the need of an organisation tasked with the role of treating data as a central policy tool at European level.

European policymakers

The Commission first expressed its willingness to engage with the topic of data collection and analysis for the music sector when designing the Music Moves Europe initiative, the overarching framework for the European Commission's initiatives and actions in support of the European music sector, which was first presented at MIDEM (FR) in June 2016. One of the features of the initiative, as expressed by the Commission, is to "develop further knowledge on the challenges and opportunities for the European music sector"¹³.

This ambition is confirmed in the Commission's proposal for the new Creative Europe programme 2021-2027, which proposes a specific "sectoral action" on music - a feature which was not present in the previous Creative Europe programme (2014-2020). Importantly, this sectoral action for music aims to provide "support for data gathering and analysis"¹⁴, according to the Commission's text.

The European Parliament also considers the issue of music data collection and analysis as a priority. In June 2017, participants to the event "A music (funding) programme for Europe", sponsored by the "Creative Industries Intergroup" of the Parliament, shed light on the necessity for mapping and measuring the impact of the sector¹⁵. Moreover, the text of the Preparatory Action "Music Moves Europe: Boosting European Music Diversity and Talent", adopted in December 2017, specifically mentions "mapping and surveying" aspects of the sector in order to better understand its needs.

¹² See Annex 8

¹³ https://ec.europa.eu/programmes/creative-europe/actions/music-moves-europe_en

¹⁴ Proposal for a regulation establishing the Creative Europe Programme 2021-2027, European Commission, 30 May 2018.

¹⁵ <https://impalamusic.org/content/support-european-parliament-eu-music-programme>

Additionally, in its recent (March 2019) report on the proposal for a regulation of the European Parliament (EP) and of the Council establishing the Creative Europe programme (2021 to 2027), the EP expresses its willingness to support provision of “data, analyses and an adequate set of qualitative and quantitative indicators”¹⁶ for the cultural and creative sectors, including the music sector. More specifically, the EP has stressed the importance of developing EU-funded “data gathering and analysis”¹⁷, directly targeting sectors which will be supported through “sectoral actions” (as defined in the European Commission’s proposal), in the context of which music is considered to be “a particular focus”¹⁸ among other cultural and creative sectors.

Finally, it should be noted that the recently adopted “Work Plan for Culture 2019-2022” of the Council of the European Union includes a specific action on music. Although the document does not explicitly refer to the need for data collection and analysis, the Work Plan does refer to the activities carried out under the Music Moves Europe initiative. It points to developing a better understanding of the challenges linked to the diversity and competitiveness of the music sector and the need to identify “transferable best practices”¹⁹. It appears, in this context, that the issue of the collection of data and intelligence constitutes a key element of the recent discourse articulated by the European institutions when approaching the subject of EU-level support and policies toward the music sector.

1.5 The example of the European Audiovisual Observatory as good practice

One of the main takeaways of the interviews carried out with both the legal and economic departments of the European Audiovisual Observatory (EAO) in the context of this study is the impact that the Strasbourg-based body has had on creating a consensual mapping environment for the audiovisual sector.

One of the key missions of the EAO was indeed to establish a shared set of data collection methodologies, indicators, definitions and terminology standards for all branches of the audiovisual sector in all participating countries at European level²⁰, which currently do not exist for the European music sector. Interviews carried out throughout the study reflect the impact that this mandate has had both for policymakers and the audiovisual sector itself. This report highlights how stakeholders should be involved to achieve the task described above.

Several Member States interviewed throughout this study have indeed expressed their satisfaction towards the one-stop-shop approach developed by the EAO to define the standards and scope of collection, analysis and presentation of data at European level. In a similar fashion, the European Commission has also indicated a positive opinion on this aspect of the work of the EAO.

Another element of consensus with regard to the EAO is its transversal approach: through two distinct but complementary departments (concerned respectively with market information and legal information), the audio-visual sector is approached with a

¹⁶ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 56.

¹⁷ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 118.

¹⁸ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendments 11 and 69.

¹⁹ <http://data.consilium.europa.eu/doc/document/ST-13948-2018-INIT/en/pdf>

²⁰ See Annex 9

“bird’s eye view”, which appears to be the ideal in terms of carrying out its work according to stakeholders involved in the Observatory’s work.²¹

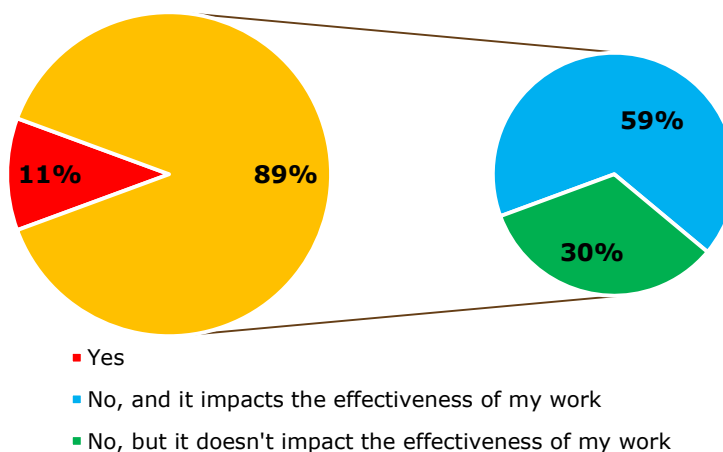
Although it should be noted that the music sector is a very different economic, social and cultural object than the audiovisual sector, organised around another value chain and benefiting from less well developed support programmes at national and European levels, one should note the success of building a common and collectively accepted “language” as well as a transversal thematic approach when targeting the issue of data collection for a diverse cultural sector.

While the EAO should be approached, as a European level good practice, with the necessary precautions (given its specificities, which include the nature and characteristics of the audiovisual sector, and the particular functioning of the Council of Europe in terms of governance, among others), it was commonly accepted by most stakeholders and six of the eight Member State representatives interviewed that the model of a centralised body (producing common standards, methods, definitions and indicators for sectoral data and intelligence collection) presents clear advantages.

1.6 The “cost of doing nothing” with regards to the subject of music data at EU level

The stakeholder survey indicated that there is a lack of availability of reliable data for stakeholders to conduct their activities. When asked if they were satisfied with the current level of availability of data relating to the music sector, the overwhelming majority of respondents (89%) indicated that this was not the case²². Moreover, 59% of the respondents indicated that this also has a negative impact on the effectiveness of their work.

figure 2 Are stakeholders satisfied with the current level of availability of data relating to the music sector



Source: Panteia, 2019

This finding most obviously demonstrates the extent to which the perception of the inadequacy of existing data is felt across the sector and throughout Europe, but also

²¹ See Annex 9

²² See Annex 8

points to a significant shared experience of this situation impacting negatively on day-to-day business. The research identifies an appetite within the sector for improving this situation but no capacity for achieving this at local and national levels. To do nothing would, therefore, not be a satisfactory outcome for many working within the sector. A degree of EU action in this field would appear to be a reasonable policy option. The articulation of this priority in the Commission's proposal for the next Creative Europe Programme, and in the European Parliament's report on the subject, adds to the music sector's and the Member-States' interest in such an option.

2 Data needs and gaps

2.1 Introduction

During the course of this study, a comprehensive analysis took place in relation to the data needs and data gaps for those working in the music sector and policy makers. This chapter contains the following sections in relation to these topics:

- Firstly, a summary of the data needs for the European music sector, based on an extensive consultation with stakeholders and policy makers, which have been categorised in the form of a 'four pillar' structure for data collection (section 2.2);
- Secondly, a description of the data gaps that currently exist, as well as some potential solutions for addressing these gaps (section 2.3);
- Finally, an overview of possible data providers that have been consulted in the context of this project (section 2.4).

2.2 Needs of the music sector

One of the main tasks that was required throughout this project was to analyse the main data needs of the music sector. In order to do this, a broad and extensive consultation was carried out with music sector stakeholders, data suppliers (who are often stakeholders themselves) and policymakers. The in-depth analysis of the consultation findings on the data needs can be found in Annex 4.

This consultation made it clear that the need for European data collection is consistent across the European music community and the lack of systematic and harmonised data is a consensually accepted challenge for all players in the European music value chain. A European Music Observatory should be embraced by a wide spectrum of sectoral stakeholders and policymakers and should therefore aim at covering a range of research and data-collection fields, which is as broad and representative as possible. It appears obvious that such a tool, especially if it is to be developed through public funds, should be of collective value for private, not-for profit and public operators alike. Its priorities also need to reflect the European Commission goals for the European music sector, building on and strengthening further the sector's strong assets: creativity, diversity, sustainability and competitiveness.

Four types of data-collection principles have been identified as essential both by various branches of the music sector and also by policymakers at European, national and local levels:

- The data-collection service provided by a European Music Observatory should help **mapping, understanding and analysing** the main characteristics, trends and idiosyncrasies of the music sector in Europe;
- The data itself should cover the activities of the music sector **across the entire European Union, be comparable between Member States, and rely on identified and stable indicators**;
- The data collected should be **neutral and available to decision-makers, music sector operators, and the public**;
- The data collection methods should be **transparent** and provide a strong degree of **scientific accuracy**.

With this in mind, the main result of the scoping work conducted is reflected in the development of the 'Four Pillar Model' (see figure 3), which is proposed as a reflection of the various data needs identified with stakeholders and policymakers.

In this context, the four pillar model proposal aims to fulfil three missions:

- Present a **relevant and useful data collection framework covering the entire European music landscape**, to help music sector operators and citizens better understand and benefit from this complex ecosystem;
- Provide a system delivering genuine **European added-value**, designed to generate the relevant level of new data to inform policymakers and built to avoid overlaps with existing public policy or funding tools;
- Provide **streamlined, reliable and impartial** intelligence in the interests of a dynamic, high quality and globally competitive European music sector.

The structure should encompass the **most important topical issues on the policy agenda discussed between EU institutions and representative music sector organisations at EU level**. Indeed, music has recently become a high-visibility subject for EU institutions in the wake of the “Music Moves Europe” Preparatory Action, various policy debates (e.g. the recent copyright framework reform), budget discussions (inclusion of “Sectorial Actions” in the 2021-2027 MFF proposal), or the new Council Work Plan for Culture (which includes a specific item for music). Moreover, sectorial initiatives such as the “European Agenda for Music”, “Yes2Copyright” or the “Keychange” campaign have shed light on new issues which can be tackled at EU level. The data collection structure presented proposes to consider most of the main topics which have been raised in the above.

The data collection model should be built within the margins of the **subsidiarity** principle: its mission should be to exclusively provide information of European interest, and its reach should begin where existing national data collection endeavours stop. It should avoid unsolicited interference, but build synergies when possible with existing EU-funded tools (e.g. music-related cooperation projects, networks and platforms co-funded by Creative Europe; Joint Research Centre activities, the European Audiovisual Observatory, Eurostat, other European observatories as appropriate etc.). In other words, the backbone of the proposed data collection structure should be EU-added value. Taking these elements into consideration, the suggested four-pillar model would categorise data-collection and analysis along the following lines:

- Measure the contribution of music to the EU’s **economic and legal environment**, from a systemic perspective (Pillar 1).
- Monitor the **cross-border flows of repertoire, the mobility of artists and diversity** (national, linguistic, genre-based) (Pillar 2).
- Assess **music’s impact on society and citizenship**: how audiences access and consume music; how citizens participate in professional and not-for-profit music activities; the scale, value and quality of music education and training (Pillar 3).
- Provide a framework to develop **prospective research on the future of the music sector**, supporting innovation and developing understanding of emerging practices from various perspectives (business, tech, policy) (Pillar 4).

The economy of music in Europe	Music diversity and circulation	Music, society and citizenship	Innovation and future trends
<ul style="list-style-type: none"> • A) Macro-economic patterns and trends <ul style="list-style-type: none"> • employment, revenue, competition • B) Value chain mapping and analysis <ul style="list-style-type: none"> • characteristics of music companies, copyright collection, collective management, remuneration of artists, spill-over effects • C) Legal aspects <ul style="list-style-type: none"> • tax, labour laws, social security, contracts, case law • D) Business regulations <ul style="list-style-type: none"> • live music regulations, consumer protection, licensing, anti-piracy rules 	<ul style="list-style-type: none"> • A) Cross-border circulation of works/repertoire <ul style="list-style-type: none"> • building common definition and indicators, mapping of cross-border access, sales and consumption flows • B) Cross-border mobility of artists and professionals <ul style="list-style-type: none"> • cross-border live performances, mobility of professionals, international music events • C) Cultural diversity aspects <ul style="list-style-type: none"> • languages, genres, types of productions • D) Legal aspects <ul style="list-style-type: none"> • freedom of movement, state aid, etc. 	<ul style="list-style-type: none"> • A) Education, training, personal development • B) Audiences <ul style="list-style-type: none"> • music consumption, interaction, participation to music events • C) Music and society <ul style="list-style-type: none"> • not-for-profit sector, associations, social inclusion, amateur music, heritage • D) Normative and legal aspects <ul style="list-style-type: none"> • broadcasting quota rules, diversity promotion schemes, freedom of speech rules • E) Environmental aspects <ul style="list-style-type: none"> • Environmental impact of the sector 	<ul style="list-style-type: none"> • A) Technological evolutions <ul style="list-style-type: none"> • A. I, Blockchain • B) Future business models <ul style="list-style-type: none"> • distribution platforms, branding, monetisation, fair remuneration, authors rights collection mechanisms, legal innovations • C) New policies, support schemes and legislative responses <ul style="list-style-type: none"> • policy “think-tank” department

Source: Panteia, 2019

A key consideration in the development of the pillar structure is that all stakeholder groups find value in the research and data collection carried out by a future European Music Observatory. The authors of this study has developed the following classification of potential stakeholders for the purposes of this project:

- **Industry** – those organisations and agents who are linked to the economy of the music sector, representing commercial, for profit interests only. Example: commercial organisations and companies which are involved in the business of music making including organisations which represent those involved in income-generation from the performance, recording, distribution and creation of music.
- **Civic** – those organisations and agents who are linked to the policies affecting the music sector. Civic should be organisations with a general interest mandate, professional associations receiving public funding, and/or including public entities in their membership. Example: political and non-political policymakers whose decisions impact on performance, recording, distribution and creation of music including NGOs and funding distributors.
- **Public** – those organisations and agents who are linked to the wider culture of music making and consumption. Example: organisations representing consumers, voluntary and third sector, education and training sector with an interest in the performance, recording, distribution and creation of music.

The authors of this report conclude that it should be for the stakeholders themselves to define their place within this grouping, therefore dialogue and consultation must take place. This can take place during the development stage of a European Music Observatory.

At the general level, it is recommended that this pillar structure be implemented throughout all aspects of an Observatory, including the structure and governance model (see section 3.3), particularly in relation to the involvement of certain stakeholders in discussions surrounding certain pillars where there is specific interest. The pillar structure, therefore, should be the basis around which the Observatory structures its research activities and governs itself.

In Annex 3, further elaboration on what would be covered by each of the pillars is provided. The justification for inclusion of these areas has been provided, and is based

upon the consultation carried out with representatives from the aforementioned stakeholder groups in the context of the various tasks. This section includes areas of potential data collection, analysis and reporting tasks that could be allocated to the Observatory under each of the pillars.

2.3 Data gaps

There is already an existing pool of data that would allow the European Music Observatory to start compiling information about the European music sector. Various potential sources and providers of data are provided in the following section (2.4). Many of these providers have already indicated support for a future European Music Observatory, and are willing to collaborate and provide data.

However, some data is not collected or is not aggregated in a way that it can be compared across Europe. Additionally, some data is currently not collected at all in the EU. During the consultation phase of the project, stakeholders were consulted on what the main data gaps are in relation to the European Music sector (more detailed information can be found in Annex 5). Based on the research that has been carried out in the context of this project, the following gaps have been identified in the sections below. It should be noted that a European Music Observatory should regularly update and monitor the gaps in data and look into different means to address these.

Pillar 1: The economy of music in Europe

An analysis of the music sector and the various sub-sectors and activities shows the following data situation:

- **Recorded music:** IFPI and their local trade organisation members provide a partial picture of the sector's activity in Europe and country by country. Accessing granular data on the activities of independent labels on a pan-European level and country by country could be a challenge and requires more research. Efforts should be made to track the flow of revenues between countries.
- **Music publishing:** Aggregated data on music publishing on a pan-European and country by country basis is not existent. This sub-sector requires more research, in partnership with the International Confederation of Music Publishers (ICMP).
- **Authors' rights:** Through local societies and GESAC and CISAC, it is possible to draw a picture of the sector on a national and pan-European level. However, the flow of rights that circulate between the various countries through authors' societies' reciprocal agreements is not available and could constitute a good indicator of the circulation of repertoire, in line with the Transparency report requested by the Directive 2014/26/EU on collective management of copyright and related rights, which requires to provide information on relationships with other collective management organisations, with a description of at least the following items: amounts received from other collective management organisations and amounts paid to other collective management organisations, with a breakdown per category of rights, per type of use and per organisation.
- **Neighbouring rights:** Some data exists via SCAPR and AEPO-ARTIS, but it is not made public. This sub-sector will require special attention in order to develop a consistent set of data on a national and pan-European level as well as measuring the flow of neighbouring rights between the various countries, in line with the Transparency report requested by the Directive 2014/26/EU on collective management of copyright and related rights (see above).

- **Live music:** As expected, this sub-sector suffers from a dearth of data, expect for some countries such as France, which has the most complete set of data on the live music sector in Europe, due to the existence of the CNV, which collects a tax on concert ticketing. A European Music Observatory and the live music sector will have to work together to design a tool to monitor the economic activity of the sector.
- **Export:** Some countries like the UK, France or Sweden have data about the export of their repertoire. To improve data gathering covering this activity, EMO should partner with Export Offices and EMEE in order to set standards and create monitoring tools.
- **Employment:** Some data is available through Eurostat, but there is not much granularity. National level data is currently not collected in a way that fully represents the music sector, although revision of the classification NACE can improve this coverage in the future.
- **Number and size of companies active in the sector:** This would technically be part of Eurostat's data, but is currently not available. National level data is currently not collected in a way that fully represents the music sector, although the ongoing revision of the classification NACE could improve in the future the coverage of the music sector.

The following figure provides an overview of the data that is currently available, along with more detailed information on the various gaps that have been identified.

figure 4 Pillar 1: Overview of data availability and data gaps

Pillar 1: The economy of music in Europe		
Macro-economic patterns and trends (e.g. employment, revenue, competition)		
Data available	Sources	Availability
Value of EU's music sector	EY study on the cultural and creative industries (2015)	Already published
Employment	Eurostat (lacks granularity) + EY 2015 study	Subject to partnership with Eurostat
Data gaps	Issues	Solutions
Employment	Absence of granularity on the employment of the various sub-sectors, in particular in defining the roles of the various sub-sectors and the importance of the not-for-profit sector in terms of employment	Improve statistics standards via Eurostat and national statistical institutes
Value of EU's music sector	No aggregated data since EY's study in 2015	Commission a report to assess the value of the music sector
Structure of the market	Absence of pan-European data detailing the number of companies, employees, revenues for the sector and the sub-sectors.	Commission a report to assess the structural fabric of the music sector
The impact of the not-for-profit sector on the overall economy of the music sector	No data available on the specific impact of the not-for-profit sector, especially in the live music sub-sector	Commission a study to define the not-for-profit sector and assess its contribution to the economy of the music sector and its overall impact
Value chain mapping and analysis (e.g. characteristics of music companies, copyright collection, collective management, remuneration of artists, spill-over effects)		
Data available	Sources	Availability
Recorded music	IFPI	Subject to partnership with IFPI
Authors' rights collections	CISAC, GESAC	Subject to partnership with

		CISAC and GESAC
Data gaps	Issues	Solutions
Neighbouring rights	No aggregated data on neighbouring rights collections	Partner with AEPO-ARTIS and SCAPR
Music publishing	No aggregated data on the music European music publishing business	Partner with ICMP
Synchronisation rights	IFPI data available on the recorded music side but not on the publishing side.	Partner with IFPI and ICMP to come up with a data model to evaluate sync rights in Europe and by country.
Independent music companies	No aggregated data on the independent music sector (value, number of companies, employees, etc.)	Partner with IFPI and IMPALA
Live music	Some data is compiled by Live DMA, ETEP or Yourope, but there is no aggregated data on the pan-European live music sector listing the value of the market, the number and size of venues and shows, number of festivals, share of European artists, among other data points.	Partner with sub-sector and commission a research on how to improve data standards in the live sector.
Export	No pan-European data on the export flows between EU countries and outside the EU.	Partner with export offices around Europe (EMEE) and commission a report on best standards to compile export data
Music retail	Granular data on some countries via retail associations (UK, France, Germany) but no pan-European aggregated data.	Partner with sub-sector to aggregate data at pan-European level.
Business regulations (e.g. live music regulations, consumer protection, licensing, anti-piracy rules)		
Data gaps	Issues	Solutions
Financing of the music sector	No aggregated data on how the sector is financed (from investment fund to bank loans and subsidies).	Commission regular surveys and reports to assess the various aspects of financing, and make recommendations on how to improve access to financing.
Live music regulation	No aggregated information available on the various legal and tax systems within the EU applied to the live music sector.	In partnership with live music organisations, export offices, coordinate a report on the various schemes in place, suggest best practices and make recommendations on how to reduce friction between systems.
Copyright regulations and evolution of copyright regimes	Although many copyright laws applicable in Europe originate from the Commission, there are few instruments available to monitor the state of copyright regulation across the EU.	Set up an ad hoc group with stakeholders to determine the scope of the EMO's research framework in the field and identify a series of themes to be researched by the EMO.

Source: Panteia, 2019

Pillar 2: Music diversity and circulation

There are already some potential sources to start tracking and monitoring the circulation of European repertoire, not only within the EU but abroad too. One of the caveats is that most data suppliers do not identify artists by nationality. Some data supplier's associate recordings with International Standard Recording Codes (ISRC), but it does not necessarily contain data on the country of origin of the artists.

Another important factor to rely on in order to determine the circulation of repertoire would be through the identification of the country of the repertoire owner (for example, Selah Sue is an artist from Belgium but the repertoire owner is a French label). Identifying songs by their language could also prove to be problematic, since this is not usually provided by data suppliers, and would require manual inputting. The task would be even more complex when it comes to the origins of songwriters and producers because they are rarely, if ever, listed in data logs. Unless data suppliers modify their databases to incorporate these criteria, which is a possibility, these data points would have to be entered manually by the European Music Observatory.

Creating reliable tools to monitor what kind of repertoire circulates on digital platforms or via radio will require access to vast amounts of data from Digital Service providers (DSPs) or third party aggregators. The notion of European repertoire has to be clarified and very well defined; notion of language, of origin, of nationality, country of production, genres, and it should not be limited to the language sung in a given song.

Therefore, we recommend that the European Music Observatory works with potential data suppliers to address this issue. An EMO task force could be put together to start mapping artists according to their nationality, the origin of the repertoire owner and the language of the songs. Such information could be then passed on to data suppliers.

A European Music Observatory should also look into the possibility to collect regular data on the circulation of European repertoire at song and/or artist level, considering live performance/radio/ digital use, which will be available at a weekly/monthly/yearly basis to the music sector. This will have an impact on improving the circulation of European repertoire.

From the outset, a European Music Observatory could have access to the following tools to monitor circulation of repertoire:

- **Radio activity:** Data supplier Radio Monitor a great deal of data available that can be used for analysing the presence of European repertoire on European airwaves, and elsewhere.
- **Streaming activity:** Due to the huge volumes of streaming data and the difficulties of accessing this data, monitoring streaming activity could be a challenge. However, the recent announcement by Nielsen that they are now providing a global streaming chart, but also national streaming charts, should provide EMO with a potential tool to monitor this activity.
- **Live activity:** At this stage there are no pan-European tools that allow for analysis of the cross-border activity of European artists. Listings from Liveurope, ETEP and other exchange programmes will be a good place to start, but these are far from geographically comprehensive and it will be necessary to build a tool to monitor the circulation of European artists.

The following table figure provides an overview of the data that is currently available, along with the various gaps that have been identified.

figure 5 Pillar 2: Overview of data availability and data gaps
Source: Panteia, 2019

Pillar 3: Music, society and citizenship

This pillar has a wide outlook in that it consists of measuring the interactions between individuals and music, from learning to play music to consumer behaviour with regards to music, such as listening habits, live event attendance etc. Many of these questions will find answers via surveys that can be commissioned by a European Music Observatory and through reports on specific topics.

It is advised that an EMO work with European stakeholders who have made attempts to map out their sector but sometimes lack the human or financial resources to develop reliable and recurrent data points.

Some of this data could also be sourced from Eurostat, as well as from national data collection agencies and statistical offices. Some gaps that currently exist include:

- **Music education:** National data collection agencies collect data on the education of music in schools and conservatoires, however, this is often not comparable. Pan-European comparable data on music education is therefore needed.
- **Diversity:** Currently, there is no real EU wide data on diversity in the music sector. This includes issues of equality (particularly in terms of employment and progression opportunities within different music sub-sectors and professions) and wider questions around access and inclusion. This theme should include consideration of gender, age, disability, and vulnerable groups (such as refugees and migrants).
- **Participation in music activities:** This is a broad topic, and includes information on EU citizens' participation in music related activities, such as learning an instrument, attending concerts or festivals and volunteering. Little pan-European data currently exists on this subject.

The following figure provides an overview of the data that is currently available, along with the various gaps that have been identified.

figure 6 Pillar 3: Overview of data availability and data gaps

Pillar 3: Music, society and Citizenship		
Education, training, personal development		
Data available	Sources	Availability
Music schools and conservatories	National statistical institutes, government data.	Data available but not aggregated at pan-European level.
Music education	National statistical institutes, government data, European Association for Music in Schools.	Data available but not aggregated at pan-European level.
Data Gaps	Issues	Solutions
Training schemes for music professionals	Lack of European data on the state of training for music professionals.	Commission a pan-European report on training schemes for music professionals, mapping the available resources and make recommendations if gaps.
Training schemes for artists	Lack of European data on the state of training for artists.	Commission a pan-European report on training schemes for professional songwriters, performers and musicians, mapping the available resources and make recommendations if gaps.
Music education	Lack of European data on the state of music education.	Coordinate efforts at an inter-governmental level with cultural agencies to collect more timely and accurate data on music education.
Audiences (music consumption, interaction, participation to music events, etc.)		
Data available	Sources	Availability
Consumer patterns regarding piracy and its impact on the music sector	Some countries like France with Hadopi have attempted to evaluate the way consumers access illegally music while setting up educational campaigns on piracy, similar to the UK initiative Get It Right. Materials/studies are also provided by EUIPO.	Data available but not relevant at pan-European level.
Data gaps	Issues	Solutions
EU consumers and music	No authoritative assessment of the relationship between consumers and music at pan-European level.	Commission a pan-European survey on consumers' music-related behaviour.
Social networks and music	No authoritative assessment of how European consumers interact with music on social networks.	Commission a pan-European survey on the interaction between social networks and music.
Consumer patterns regarding piracy and its impact on the music sector	Limited pan-European data on the impact of piracy but also on the motivations to consume music content via illegal sources. EUIPO does have some data on the economic cost of IPR infringement in the recorded music industry.	Insert specific questions regarding piracy in the pan-European survey on consumers' music-related behaviour and also commission research on the various educational initiatives in Europe and abroad about piracy. Also possibility to collaborate with EUIPO to produce a joint report on piracy patterns.
Music and society (not-for-profit sector, associations, social inclusion, amateur music, heritage)		
Data gaps	Issues	Solutions
Scope of the not-for-profit sector in Europe	No mapping of the not-for-profit music sector in Europe, in particular in exposing new talent and forging social cohesion.	Alongside the ministries of culture of EU member states, coordinate a survey to assess the scope and the involvement of the not-for-profit music sector.
Social impact of music in communities	Although there is some academic research available, there is no co-ordination of research on the social impact of music in Europe.	Commission a report assessing the evidence around the social impact of music and identify best practices and pro-active policies that can improve and support sectoral contributions to community development and well-being.

Source: Panteia, 2019

Pillar 4: Innovation & future trends

This pillar is less data-driven in that it will rely mostly on research conducted on topics relating to changes in the market place, new business models, disruptive technologies, etc. A European Music Observatory will have the latitude to pick certain topics based on priorities and input from sectoral stakeholders. An EMO should consider setting up an “innovation experts’ advisory committee,” constituted of respected professionals in their field who are known for their forward thinking views, to help identify key themes to be studied.

The following figure provides an overview of the data that is currently available, along with the various gaps that have been identified.

figure 7 Pillar 4: Overview of data availability and data gaps

Pillar 4: Innovation and future trends		
Technological evolutions		
Data available	Sources	Availability
Several reports cover the evolution of music and tech	Music Ally, Midia Research...	Fee or subscription.
Data gaps	Issues	Solutions
Blockchain and music	No authoritative assessment of the impact of Blockchain on the music sector and of the EU-powered initiatives linking Blockchain and music.	Commission a report to assess the impact of Blockchain on the music sector and map the EU-powered initiatives linking Blockchain and music.
Artificial intelligence, machine learning and music	No authoritative assessment of the impact of AI and machine learning on the music sector and of the EU-powered initiatives linking AI and music.	Commission a report to assess the impact of AI on the music sector and map the EU-powered initiatives linking AI and music.
Future of streaming	No authoritative assessment of the future development of streaming and its impact on the EU music sector.	Commission a report to assess the future development of streaming and its impact on EU's music sector.
Future business models (e.g. distribution platforms, branding, monetisation, fair remuneration, authors rights collection mechanisms, legal innovations)		
Data available	Sources	Availability
Digital revenues in the music sector and the relevant business models	In the UK the report 'Dissecting the digital dollar' commission by the MMF to CMU, but no similar European study.	Via the MMF (Music Managers Forum)/CMU (Complete Music Update).
Data gaps	Issues	Solutions
Mapping the flow of digital revenues in the music sector and the relevant business models in Europe	Digital distribution of music has introduced new complex business models that are not always transparent.	Commission a pan-European report akin to 'Dissecting the digital dollar'.
Music start-ups in the EU	No authoritative mapping of start-ups involved in music at EU level.	Commission a report to provide an overview of music start-ups in Europe, evaluate the gaps, identify key case studies and propose policy measure to boost EU's music start-ups.
The impact of artists' 'do it yourself' culture on the economy of the sector	Although more artists are going to market with their music without the traditional support of labels, there is no overview of how deep the trend is, how it affects the music eco-system or what policy frameworks can or should support such activity.	Commission a report on the impact of 'do it yourself' culture on the music sector and the relationship between public policy and grass roots entrepreneurship.

New policies and support schemes (policy “think-tank” department)

Data gaps	Issues	Solutions
Funding mechanisms for music	No regular overview of the funding schemes in Europe relevant to the music business.	Commission a regular report mapping/updating the various funding schemes, identifying gaps and making recommendations. Should build upon the study ‘Analysis of market trends and gaps in funding needs for the music sector’ carried out by KEA/Panteia for the Commission.

Source: Panteia, 2019

2.4 Data providers

It is recommended that a future European Music Observatory, based on the research carried out in the context of this study, assesses the immediate data needs based on the potential research projects to be carried out. To identify the necessary data providers to carry out the planned research projects, good market research should be conducted in order to better identify each service’s strengths and scope (or potential scope), along with the cost of acquiring the data. On this basis, an EMO can establish a wide range of partnerships with data suppliers and stakeholders who hold data about their own sector.

Priority should be given to potential public data suppliers who are willing to share data with the European Music Observatory and work in partnership with the European Music Observatory. Commercial data suppliers should be considered when all other avenues have been explored.

Additionally, an EMO should also take advantage of open data where possible. Open data is data that can be freely used, re-used and redistributed by anyone. In the EU, open data is governed by Directive (EU) 2019/1024 on open data and the re-use of public sector information,²³ which replaced the Public Sector Information Directive, also known as the ‘PSI Directive’ which dated from 2003 and was subsequently amended in 2013. Using some form of open source software where relevant would allow an EMO to access a continuous peer-review of data ingestion, processing, corrections and indicator creation by statisticians, data scientists and academics.

It is also recommended that a European Music Observatory identifies and sets up a range of partnerships with EU-funded structures or programmes (such as LiveDMA, ETEP, Keychange etc.), Member States’ statistics agencies, similar or like-minded organisations (such as European Audiovisual Observatory in Strasbourg, Hadopi or the future Centre National de la Musique in France, UK Music in the UK), stakeholders, or interested parties to develop joint research projects. The Observatory should also explore alternative or transversal opportunities such as cooperation with the public research sector or other programmes (for instance, looking at opportunities for collaboration under Horizon Europe, the successor to Horizon 2020). This will help to keep costs down, share knowledge and resources and leverage the position of the Observatory on the data market.

The authors of this report have reached out to some 40 potential suppliers of all sorts, from public to commercial companies, stakeholders involved in the music sector, third-party suppliers, digital service providers, and more. In the consultation, data suppliers

²³ <https://eur-lex.europa.eu/eli/dir/2019/1024/oj>

have responded with overall interest in the process set up by the European Commission regarding the European Music Observatory. Data suppliers see the Observatory as a new outlet for their data and there is, in general, goodwill to support the project as long as it does not become a competitor to their businesses.

One of the main caveats comes from Digital Service Providers (DSPs) which, for several reasons, are not prepared to provide data, even though they agree with the overall idea and function of an Observatory. One reason is contractual, in that DSPs have confidentiality agreements with rights holders that often limit their ability to provide public data. The second is about time and manpower, in particular if the data required cover fields related to the monitoring of cross border activity, that the service do not necessarily enter, such as nationality of the artist or language of the lyrics. Currently, their systems are not tailored for such activity, and the nationality of an artist is not recorded. Although DSPs indicated that they would be open to one-off specific requests if they are within their capacity, the answer to these restrictions, as described elsewhere in the report, would be simply to bypass DSPs and source information through third parties that have agreements to collect data directly from DSPs and analyse the data according to the needs of the European Music Observatory. This does not prevent the Observatory to negotiate with one or several DSPs ad hoc sets of data for specific studies.

The European Music Observatory's scope of activities, outlined in the "four pillars", is widely regarded as the right framework, covering the needs of the sector. The general understanding is that it will take some time for the Observatory to reach full capacity, but its overall *raison-d'être* is understood and accepted by the sector and potential data suppliers.

Managing expectations will be one of the key points for a European Music Observatory, as a lot of stakeholders would like the structure to cover a wide range of data-related fields, and not all needs will be fulfilled. For this reason a strong representative governance structure, able to demonstrate transparency in decision making and resource prioritisation, is considered essential to the organisation's long term success (see chapter 3).

As the music market is global, we would also suggest that the European Music Observatory monitors the situation outside of Europe too, in particular with regard to the circulation of European repertoire outside of the EU, and that it also compares the performance of the European music sector with equivalents in other regions.

Based on interviews with potential data suppliers, in particular those whose business model is to sell and license data, the scope of use of the data, and the ownership of data, will be framed by the contractual agreement between the European Music Observatory and the supplier. However, data that can be generated in-house or data "transformed" by the European Music Observatory will be owned by Observatory itself. The following figure provides an overview of the data providers that have been consulted in the context of this project. Discussions with potential data suppliers highlighted the notion that some suppliers were ready to collaborate with a European Music Observatory by supplying data at no cost, and these agreement have been described as "partnerships" in the report, and are non-financial agreements, while a "contractual agreement" involves a financial transaction. Full descriptions of these data providers and a more detailed description of the suggested strategy for acquiring data can be found in Annex 7.

figure 8 Overview of consulted data providers

Company	Business	Footprint	Type of data	Pillar	Relevance (on a scale (lowest)-5 (highest))	Access to data for EMO	Research value added
AEPO-ARTIS	Organisation representing European artists-performers. Regroups most of the European CMO representing performers.	Europe	Data from members about the NR collections in their country. Data is compiled by SCAPR.	1-2	5	Subject to non-financial partnership agreement. Would also require approval from SCAPR board.	Key partner to obtain relevant data on the European NR market.
ALPHA DATA	Tracks data related to online usage of music in North America and some European countries.	USA, Canada, France, UK, Germany, Italy, Spain. Plans to collect data globally.	Data about the online use of music (downloads and streaming). Available via a dashboard.	1-2	5	Subject to contractual agreement.	Potential partner on music consumption in some parts of the world.
BMAT	Video-content monitoring company	Global	Charts or listings about content on radio stations and TV channels.	1-2-3	4	Subject to contractual agreement.	Monitoring the presence of European content on radio stations and TV channels globally
CEEMID	Data collection and integration system based on open data, open-sources and online surveys.	Europe	Around 1000 indicators covering all four pillars using open data sources, industry data sources, surveys and various application programming interfaces	1-2-3-4	4	Interested in contributing and working in partnership with a future EMO.	Offers a means of utilising the most relevant open source data.
CISAC	Trade organisation regrouping rights societies in the world.	Global	Yearly collections of authors' rights by country, regionally and globally.	1-2-3	5	Subject to non-financial partnership agreement.	Mapping the business of rights in Europe
CNV	Public organisation managing a tax on concert tickets	France	Yearly report on the state of the live market in France	1-2-3	5	Subject to non-financial partnership agreement.	Europe's most detailed source of live music data, but restricted to France.
DDEX	Standards-setting organisation regrouping all stakeholders in the digital food chain.	Global	No data.	4	3	Interested stakeholder in particular contributing to the Innovation & New Models pillar.	EMO should consider joining DDEX as associate member to be involved in the discussion about music data standards.

DIGITAL MUSIC EUROPE	Trade body representing music streaming platforms.	Europe	Not a source of data but its members could be if access.	1-2-3-4	5	Interested stakeholder.	Important partner for the EMO.
EXACTUALS	Rights management company.	USA	Operates a database with 28 million links between ISRCs and ISWCs.	1-2-4	3	Subject contractual agreement.	Research on metadata and share of European content
GESAC	European Grouping of authors societies	Europe	Not a data supplier but ability to coordinate access to data	1-2-3-4	4	Interested stakeholder.	Research on music rights across Europe.
GFK	Market research institute with a music division	Europe	Compiles music sales data in over 10 European countries.	1-2-3	5	Subject contractual agreement.	Research on circulation of repertoire.
GOOGLE YOUTUBE /	The most visited music platform in the world.	Global	Has data on music consumption on the platform, national, regional and global.	2-3	4	YT is ready to share some datasets subject to agreement.	Research on circulation of repertoire and consumer behaviour.
ICMP	Trade organisation regrouping music publishers.	Global	No data at the moment but working on a collection system.	1-2	5	Interested stakeholder.	Working with EMO to source music publishing data.
IFPI	Trade organisation regrouping record companies.	Global	Compile global data on sales of sound recordings.	1-2	5	Subject partnership agreement.	Main source of data for recorded music.
IMPALA	Trade organisation regrouping independent record companies.	Europe	Does not compile data but supports EMO's brief.	1-2	4	Subject partnership agreement.	Potential partner to develop specific studies.
IPSOS	Market research institute.	Europe	No data but ad hoc reports and surveys.	3-4	5	Subject contractual agreement.	Potential partner to develop specific studies and surveys.
JAXSTRA	Platform providing music credits and liner notes for recordings.	Global	No data per se but could be used for ad hoc research.	1-2	3	Subject contractual agreement.	Potential partner to develop specific reports.
LIVEUROPE	Initiative to support up-and-coming European artists	Europe	Data on thousands of live shows in 14 venues in 14 European countries	1-2	4	Subject partnership agreement.	Potential partner to develop specific reports on live music.
LIVEDMA	Non-governmental network working to support and to promote the conditions of the live music sector	Europe	Carries out a survey collecting data on capacity of venues, employment, activities, visits, income and expenses.	1-3	4	Subject partnership agreement.	Potential partner to develop specific reports on live music.
LYRICFIND	Platform that licenses lyrics to DSPs.	Global	Listings of most searched lyrics by country or region.	1-2	4	Subject contractual agreement.	Potential partner to develop specific studies relating to lyrics.

MUSIC ALLY	Research and marketing company.	Global	Ad hoc reports.	1-4	5	Subject contractual agreement.	to	Potential partner to develop specific studies on music and tech.
MUSIC REPORTS	Rights management company.	USA	Operates a vast database on sound recordings and compositions.	1-2	3	Subject contractual agreement.	to	Potential partner for ad hoc reports.
MUSO	Research company specialising in piracy of creative content.	Global	Listing of pirated songs by country or region.	1-2-3	4	Subject contractual agreement.	to	Potential partner for ad hoc reports on piracy.
NIELSEN	Research and marketing company.	Global	Tracks music streaming activity globally + US music sales data.	1-2	5	Subject contractual agreement.	to	Potential key partner for data on circulation of repertoire.
PEX	Provides search tools to monitor content used on online platforms.	Global	Monitors audio and video files on 38 different platforms. Used to track illegal use of content.	1-2-3	4	Subject contractual agreement.	to	Potential innovative partner to track viral activity of songs and ad hoc research.
POLLSTAR	Magazine specialised in the live music business.	USA and some global	Compiles authoritative charts on the live sector.	1-2	4	Subject contractual agreement.	to	Potential key partner for data on live music.
PPL	CMO collecting neighbouring rights in the UK.	UK	No data but interested in having more data on the sector.	1-2-3-4	4	Interested stakeholder.		Potential key partner to develop data on NRs.
PRODISS	Trade body representing France's live music business.	France	No data but interested in having more data on the sector.	1-2	3	Interested stakeholder.		Potential partner to pool resources on live music data.
RADIOMONITOR	Radio monitoring company.	Europe	Data on any song played on European radio. Listings + charts.	1-2	5	Subject contractual agreement.	to	One of the key sources of music radio data in Europe.
RIAA	Trade body representing the USA's main record labels.	USA	Macro-economic data on the recorded music sector in the USA.	1-2-3	4	Subject partnership agreement.	to	Potential partner to access data on the US music market.
SCAPR	Trade body representing neighbouring rights societies.	Global	Data from its members but not interested in sharing.	1-2	4	Not interested in participating in the project.		With AEPO-ARTIS could become provider of data on EU neighbouring rights business.
SOUNDCHARTS	Music monitoring and data aggregating company.	Global	Monitoring 1,600 radio stations in 50 countries, social networks and 8,000 music streaming charts.	2-3	5	Interested in partnership with EMO. Subject to contractual agreement.	to	Potential provider of tools to monitor circulation of repertoire, and analysis of playlists.

SOUNDEXCHANGE	US society collecting neighbouring rights for labels and performers.	USA	Data on the neighbouring rights business in the USA.	1-2	4	Interested in the project as it will bring more transparency to the European NR sector.	Potential partner to develop better knowledge of the NR market in the US for European artists and labels.
SPOTIFY	Leading music streaming platform with over 120 users.	Global	Spotify publishes charts of most streamed songs by country and globally as well as playlists.	2-3	4	Providing data would require extensive use of staff. Suggest using aggregators.	Accessing data directly from DSPs will be a challenge for EMO.
UK MUSIC	Organisation representing the diversity of British music industry through all its sub-sectors.	UK	Data on the UK music market (recorded, publishing, live, export)	1-2	4	Interested in setting pan-European data standards.	UK Music's yearly report 'Measuring Music' should be the template for economic data on the sector.
YACAST	Radio and TV music monitoring company.	France, mainly, and Germany, UK, Belgium, Switzerland, Spain and Italy.	Data on music played on radio and TV. Consumer panel to capture behaviour.	2-3	4	Subject to contractual agreement. Interested in partnership with EMO to develop a pan-European panel of consumers.	Potential partner to develop a pan-European panel of consumers.

Source: Panteia, 2019

3 Feasible options for the creation of a European Music Observatory

3.1 Introduction

In this section, a number of options for the creation of a European Music Observatory will be presented that have been assessed on their feasibility, based on the research that has been carried out in the context of this study. The findings contained within this section are the culmination of a number of research activities that have been carried out over the course of the project.

The first part of this chapter will explain some of the variables that need to be considered regarding the various options. Within the presentation of the options in section 3.8, indication will be given as to the most suited option based upon its suitability with the option.

- Firstly, there are several options that have been identified for the potential legal basis of a future European Music Observatory, and these are explained in section 3.2.
- Secondly, some examples of the possible forms of governance that have been identified are presented in section 3.3. These models are flexible, and can be adapted to the various options.
- Thirdly, possible means of funding for a European Music Observatory have been provided. This is presented in section 3.4.
- Section 3.5 looks at the necessary political support that is required to realise a European Music Observatory.
- Section 3.6 focusses on the potential access to data under the options.
- An additional section (3.7) outlines the proposed role of Eurostat in a future European Music Observatory, as well as cooperation with other national, European and international bodies.

The chapter then presents a number of **potential options** that could be considered when developing a European Music Observatory (section 3.8). These options have been developed on the basis of consultation with the European Commission, other (cultural) observatories and relevant stakeholders. The authors of this study has analysed the following possible options for a future European Music Observatory:

- Do Nothing;
- Contracted research management;
- In-house Observatory within the Commission;
- Full scale independent European Music Observatory;
- Scale-up European Music Observatory;
- Integration into an existing observatory structure.

This chapter ends with an overview of the options proposed.

3.2 Legal basis

The legal basis of a future European Music Observatory will be crucial in determining its place within the European framework, and will have an impact on the activities it can carry out, its legal personality and the level of control it exercises in contractual relations and agreements. The following possibilities for the legal basis of a future European Music Observatory have been researched and explored in the context of this study:

- Creating a specific instrument within the legal basis of the new Creative Europe programme 2021-2027.
- Empowering a “body identified in a basic act” (with a corresponding budget) with the exclusivity of carrying out the tasks of the European Music Observatory.
- Establishing a specific body on the model of the European Institute of Technology.
- Establishing a Joint Undertaking between the EU and selected music sector organisations.
- Establishing an in-house research setup within the Commission.
- Establishing an Observatory on the basis of DG AGRIs Market Observatories
- Inter-institutional arrangements to add to an existing Observatory

Creating a specific instrument within the legal basis of the new Creative Europe 2021-2027 regulation

The proposal submitted by the European Commission to establish the new generation of the Creative Europe Programme “2021-2027” includes a sectorial action on music, which aims to provide “support for data gathering and analysis”²⁴. To carry out this task, it could be envisaged that an ad-hoc instrument, with a specific budget and clearly distinct of other instruments in the legal basis of the regulation, is created as part of the final regulation.

This argument is backed by the European Parliament’s report on the Commission’s proposal, which proposes that the music sector benefits from “tailor-made (...) instruments” within the sectorial action, in order to address “some of the specific challenges it faces”.²⁵ The Parliament’s report insists that the music sector, in particular, should benefit from such instruments. The EP amendment is however currently subject to the overall negotiations of the new programme and it is too early to say whether it will stay unchanged in the final version of the legal basis.

This option would require creating a new type of action within the Creative Europe Programme, which would anyway be subject to a call for proposals or a call for tenders. It would be coherent with regards to the objectives of the “Music Moves Europe” initiative. However, this option would be difficult to implement given that the legal basis of Creative Europe is, at the time of writing this report, being discussed for 2021-2027 and co-legislators are progressively approaching towards a common understanding.

Empowering a “body identified by a basic act” with the exclusivity of carrying out the tasks of the European Music Observatory

Inspiration may be gained from the precedent of the European Union Youth Orchestra, a private organisation receiving direct funding from the Creative Europe Programme²⁶. This was made possible by a modification of the current Creative Europe regulation (2014-2020) proposed by the Commission in 2017 and adopted by the European Parliament and the Council in 2018 to qualify EUYO as “body identified by a basic act” (i.e. revised creative Europe regulation)^{27 28}.

²⁴ Proposal for a regulation establishing the Creative Europe Programme 2021-2027, European Commission, 30 May 2018

²⁵ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 11

²⁶ <https://www.euyo.eu/>

²⁷ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, Article 190

It should be noted that the Commission's proposal mentions the European Union Youth Orchestra and the European Film Academy as bodies that may be awarded grants without a call for proposal, but this provision is currently subjected to negotiations between the two co-legislators. It is too early to say whether the provision will stay unchanged in the final version of the legal basis as it is heavily debated by the two co-legislators. From a political and technical point of view, it seems impossible to add at this stage of the negotiations a third body of the kind. Furthermore, the momentum is rather to reduce the number of such bodies in basic acts.

Establishing a specific body on the model of the European Institute of Technology

Another possibility to establish an ad-hoc structure for the European Music Observatory would be to follow the example of the European Institute of Technology (EIT). This body, established through a specific regulation²⁹, is considered an "Independent European Body" and although it is sometimes categorised as an Agency of the European Union, its status differs from a legal standpoint. Its mandate and missions are clearly defined in a specific regulation, empowering the EIT to support all of the EU's actions in the field of technological research and dialogue with stakeholders in this field. As laid out in the regulation, the EIT possesses "legal personality and, in order to guarantee its functional autonomy and independence, (administers) its own budget whose revenue should include a contribution from the Community"³⁰. This contribution "should finance the costs arising from the establishment, administrative and coordination activities of the EIT"³¹.

Although procedurally very challenging, in theory a similar model could be considered for the European Music Observatory: a separate legal basis, a clear mandate established through a specific regulation, and a budget contribution drawn from the EU budget to sustain its day-to-day activities and projects. This option presents the double advantage for the Union of establishing an independent EU legal personality that is not an EU Agency, and of being able to define its mandate, missions and funding level. In the current discussions of the multi-annual financial framework, the challenge would however be to find an appropriate budget as well as securing the necessary political support, which means that this would be a difficult option to implement.

Establishing a Joint Undertaking between the EU and selected music sector organisations

Article 187 of the EU Treaty specifies that the EU may set up joint undertakings (or "JUs") or any other structure "necessary for the execution" of EU research initiatives. A JU usually includes the European Union (represented by the European Commission) and sectorial associations or industry bodies. JUs adopt their own research agenda and manage their own funding.

This option presents the advantage of setting up a new body inside the treaty of the EU while setting up its research mandate and missions jointly with the music sector. It

²⁸ REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1295/2013 establishing the Creative Europe Programme (2014 to 2020)

²⁹ REGULATION (EC) No 294/2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2008 establishing the European Institute of Innovation and Technology

³⁰ REGULATION (EC) No 294/2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2008 establishing the European Institute of Innovation and Technology, Article 15

³¹ REGULATION (EC) No 294/2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2008 establishing the European Institute of Innovation and Technology, Article 17

would also provide the opportunity for the sector to co-fund and co-govern the structure, a hypothesis which has been raised by several interviewees in the context of this research³². However, a clarification would have to be made with regard to which sectorial organisations would participate, and which EU programme would fund the JU (all currently funded JUs benefit from Horizon 2020 funding and they are much larger in scale). Gathering sufficient support for such an option in the EU institutional setting would be a major challenge and this option can therefore not be considered feasible.

Establishing an in-house research setup within the Commission

One of the options discussed as part of this study is to integrate the European Music Observatory setup directly within the competent services of the Commission. In the context of this study, two possible approaches have been examined.

Firstly, in line with what has been developed in the context of the Preparatory Action on music (specific tenders published directly through the e-tendering service of the EU) the Commission could publish a certain number of targeted tenders every year, calling for proposals on research tasks linked to one of the four “pillars” proposed by this study, in order to cover the scope of the data needs expressed by the sector³³. The advantage would be that the Commission would keep full control on the study guidelines, objectives and expected deliverables of the research tasks. However, this would create an additional financial burden on the human resources side for the concerned service(s), at a time when financial resources for public institutions, including the Commission, are scarce. It would also have a huge impact on the budget of the new Creative Europe programme, where choices for funding have to be made.

An example of using tenders, albeit different to the approach described above, has been used by the Directorate-General for Maritime Affairs and Fisheries (DG MARE) and their European Market Observatory for fisheries and aquaculture (EUMOFA). EUMOFA operates under a service contract, and this was awarded through tender to a consortium of five partners where different fields of expertise are covered. There are two people within the Consortium managing the activities of EUMOFA, while in the background around 10-15 people are employed full-time and other 5 part-time. The Consortium has established contacts with all Member States, and they additionally obtain information from international organisations, private companies, amongst others, which they then process, analyse, publish, and make available to the parties interested. One of the advantages of EUMOFA is that it can request studies at any time and it takes less time for a study to be completed; contractually there is no limit on how many studies can be requested from the contractor. However, disadvantages include a lack of consistency, resulting from different sources of data and the lack of a legal basis to make the provision of national data obligatory. This is potentially problematic as most of the data collected is public (around 80%), and sometimes not all of the data needed can be collected, and in such cases estimates have to be used.

Secondly, there is also the possibility to centralise research activities of an EMO to be carried out directly within the competent Commission service(s), including the addition of dedicated researchers and analysts with sound expertise in the music sector. Data would be procured via relevant providers of data. However, this would create an additional financial burden for the concerned service(s), at a time when financial resources for public institutions, including the Commission, are scarce.

³² See Annex 8

³³ See Annex 3

Establishing an Observatory on the basis of the model of the DG AGRI Market Observatories

As a further example of Commission supported observatories in operation in Europe, the Directorate-General for Agriculture and Rural Development (DG AGRI) operates several market observatories for a number of different products, including sugar, fruit and vegetables and wine. The legal basis for these are in Article 223 of the CMO Regulation (1308/2013) that states that the European Commission may adopt the necessary measures for the communication of data by undertakings and Member States, including the aim of improving market transparency and managing the market in agricultural products. Delegated Regulation (EU) No 1183/2017 and Implementing Regulation (EU) No 1185/2017 determine these data communication requirements. The European Commission, through its Market Observatories, dashboards, the agri-food data portal and other publications, disseminates relevant information to promote informed decision-making.

DG AGRI publishes monthly updates of production, trade and price data based on data delivered by Member States. The observatories work with sectoral stakeholders as members of an Economic Board. The selection of the appropriate experts is prepared via an open Call for Applications. Each organisation shall nominate a maximum of two representatives and shall be responsible for ensuring that their representatives provide a high level of expertise. Only representatives with an in-depth knowledge of the markets and involved on a regular basis in the business activity of these markets will be able to provide the required market expertise to fulfil the various group's tasks. Representatives must have access and be able to supply "first hand" market information and data to the group. This requirement is essential to bring added value to the group's activities and to provide DG AGRI with valuable advice and expertise on economic market developments.

Although this approach provides an interesting method of including stakeholders within the organisation of a Commission run Observatory, it would be challenging to replicate this as a legal basis for a European Music Observatory. No similar transparency or data provision requirements exist for the music sector as they do for the market in agricultural goods. Although the EU Directive on Copyright in the Digital Single Market (DSM Directive) provides transparency obligations, these obligations regulate the relations between the originators of creative content, authors and performers, and the media industry businesses which exploit that content. Therefore, there is no obligation to provide this data to a dedicated European body, which would limit access to this type of data.

Integrating work of a European Music Observatory into established Observatories, such as the EUIPO Observatory.

Regarding the integration of the tasks of a European Music Observatory (EMO) within the structure of existing cultural or related observatories such as the European Observatory on Infringements of Intellectual Property Rights and the European Audiovisual Observatory, both organisations expressed willingness to develop good working relationships with a European Music Observatory. However, this study cannot conclude whether the EUIPO Observatory could potentially carry out the work, or some of the tasks, of a future EMO, which would be subject to future inter-institutional talks. Although this study cannot conclude this at this stage, it cannot disregard this option. In this instance, there would be theoretically the possibility to integrate the additional tasks required as a part of the existing legal basis of the suitable organisation. This option should be further explored by the EU institutions.

Overview of options for legal basis

The following table provides a brief overview of these options.

figure 9 Overview of potential options for a legal basis of a European Music Observatory

Type of structure	Legal basis	Benefits for the European Commission	Challenges
Specific instrument in Creative Europe post 2020	Expressed in the Creative Europe Programme 2021-2027 as an element of the "Sectoral Action" to provide "support for data gathering and analysis." Backed by the European Parliament within the sectoral action.	Would create a new type of action within the Creative Europe programme with the need to publish a call for proposals.	Possible caveats linked to the legal basis of the programme and that of financial regulation (need to launch calls of proposals/tenders). Would potentially not be possible to implement given that the legal basis for the new programme being discussed at the time of writing and it is extremely difficult to add new elements at this stage.
Body identified by a basic act such as Creative Europe	This possibility is restricted to bodies explicitly mentioned in a legal basis. For example, the current Creative Europe 2014-2020 programme and the new Creative Europe programme proposal mention specifically a very limited number of such bodies.	The Commission could identify a body with sufficient expertise, personnel and knowledge to carry out the mission of "support for data and analysis" that will report directly to the EU.	Negotiations are already ongoing with the two co-legislators (European Parliament and Council) on the new Creative Europe programme. At this stage, it would be politically extremely difficult, if not altogether impossible to add a third body, all the more because the overall momentum seems to be to reduce the number of such bodies.
Establishing a specific body	Establish through a specific regulation an "Independent European Body" could be the foundation for the EMO with a mandate and missions clearly defined. The body would have its own budget with a contribution for the EU.	The Commission would define the mandate and the missions of the body, allocate a budget from the MFF 2021-2027 and oversee the body, which will have an independent legal personality. The responsibilities for the day to day running would be managed by the body itself, with a strong role for an advisory committee of stakeholders.	A great deal of political support would be required. Resistance from within some parts of the Commission, Parliament and EU Member States to create new "bodies". This would be a lengthy process and would require very significant budget.
Establish a joint undertaking	Article 187 of the EU Treaty specifies that the EU may set up joint undertakings (or "JUs") or any other structure "necessary for the execution" of EU research initiatives. A JU usually includes the EU (represented by the Commission) and sectorial associations or industry bodies. JUs adopt their own research agenda and manage their own funding.	The Commission could set up a new body inside the EU treaty while setting up its research mandate and missions jointly with the music sector, which could also co-fund and co-govern the structure.	It would require a very strong political will and very significant budget. A clarification would have to be made with regards to which sectorial organisations would participate, and which EU programme would fund the JU.

<p>Establishing an in-house research unit within the Commission</p>	<p>1/ As part of Commission's overarching support for music, and in line with the Preparatory Action on music, the competent Commission service(s) could be reinforced to do the research internally.</p> <p>2/ Another option would be to subcontract data driven research tenders on a regular basis. Research projects would be allocated following a tender process. Option also to follow the structure of EUMOFA.</p>	<p>The Commission would keep full control on the research guidelines, objectives and expected deliverables of the research tasks.</p>	<p>This would create an additional financial burden on the human resources side for the concerned service(s) (although less than other possible options) with the necessary contracting on additional team members. This would have an impact on the budget of the new Creative Europe programme, while resources are scarce and other sectors are also included in the sectorial approach and deserve equal attention.</p>
<p>Establishing an Observatory on the basis of DG AGRI's Market Observatories</p>	<p>The legal basis for agriculture-related Market Observatories are in Article 223 of the CMO Regulation (1308/2013) that states that the European Commission may adopt the necessary measures for the communication of data by undertakings and Member States, including the aim of improving market transparency and managing the market in agricultural products. The European Commission, through its Market Observatories and its dashboards disseminates relevant information to promote informed decision-making.</p>	<p>Good use of cooperation between stakeholders and the Commission in the running of the Observatory through the Economic Board, which is selected on the basis of a call for applications.</p>	<p>No such legal obligation for data transparency in relation to the music sector.</p>
<p>Integration into existing Observatory (such as EUIPO or EAO)</p>	<p>A possibility would be to integrate the tasks of a European Music Observatory within the structure of existing cultural or related observatories. The legal basis would therefore be governed by the existing Observatory.</p>	<p>Integration would be a simple solution from the perspective of a legal basis, as tasks would be added to an already existing structure.</p>	<p>This study cannot conclude whether the work, or some of the tasks, of a future EMO, could be integrated into another Observatory, which would be subject to future inter-institutional talks. Therefore, this option should be further explored by the EU institutions.</p>

Source: Panteia, 2019

3.3 Governance

Regardless of the form of a European Music Observatory, processes will be required to ensure its overall direction, effectiveness, supervision and accountability. For the purposes of this study, some of the aspects relating to the potential governance of a European Music Observatory are presented.

Proposed Vision, Mission & Values

One of the key features to be considered in the development of a European Music Observatory (EMO) to be able to have the desired impact for stakeholder and policy makers are the vision, mission & values. The Observatory will be expected to cater for a number of needs, and it is essential that the vision, mission and values reflect this. The vision, mission and values will help the Observatory in setting the direction and what is trying to be achieved. For the purposes of this study, and based on the research activities that have been conducted in relation to stakeholder and policy maker expectations for a European Music Observatory, the authors have developed the following proposal for a vision, mission and values statement that reflect these varying interests.

- **Vision** – A European Music Observatory proceeds from an understanding that the European music sector represents complex and inter-connected areas of interest which often appear to operate in isolation, but which touch areas of every citizen's life through education, leisure, family, work, culture, celebration and memorial. Music is the universal language and has the power to unite people. A European Music Observatory will illuminate the mechanisms by which culture, society and economy are affected and influenced by music, revealing the true contribution of the sector to the EU's economy and social fabric, while highlighting trends, innovation, variation and adaptation that will enable policymakers, leaders, educators and commerce to engage with and develop the European music sector to unlock its fullest potential.
- **Mission** – A European Music Observatory will support effective networking of intelligence across the European music sector, developing data collection policies which will facilitate improved business opportunities, provide networking opportunities, share working practices, develop intelligence to support pan-national co-operation and enable a breadth of perspective across shared areas of interest and activity. Its aim is to ensure better informed decision making for industry, civic and public actors across the entire European music sector, improving the sector's coherence as an instrument of European cultural expression and maximising its competitiveness on the global stage.
- **Values** – A European Music Observatory will promote and foster understanding of the European music sector and will be independent, objective and impartial in its activity and reporting. The EMO will not lobby or make demands but may offer recommendations in respect of policy and highlight areas of opportunity or inequality that affect the ability of European citizens to access, participate in and engage with music in its broadest form and function, and of the European music sector to develop, thrive and communicate in all its diversity.

Strategy and work plans

In order to be able to implement the mission, it will be important that a European Music Observatory utilises a strategic approach. An Observatory will need both a mid-term strategy, which should cover a period of 4 to five years, which lays out the development perspectives of the Observatory, as well as annual action plans implementing the mid-term strategy goals. These actions plans should relate to concrete topics, areas of work and particular studies to be conducted, and should be

based on the four pillar structure. It is clear that a future European Music Observatory cannot address all stakeholder concerns immediately and so a clear mid-term strategy and annual work-plan must be set and managed. Concrete indicators should also be developed in order to be able to assess the output and impact of the European Music Observatory.

Depending on the type of Observatory, the authors of this study foresees two possible options regarding the actors involved in setting the development of both the mid-term strategy and annual work plans:

European Music Observatory hosted within the European Commission

- A dedicated Commission Taskforce should be created to develop the multi-annual strategy, as well as the annual action plans.
- Strategy and annual action plans developed by the Taskforce hosted within competent Commission service(s), but there should be input from sector stakeholders through an Advisory Committee as well as from Member States on priority areas/themes (using the four pillars as the basis).
- In the case of an Observatory that involves contracting out to tender, the competent Commission service(s) would still develop and manage the process by which areas of special interest, work planning and focus are identified and advertised for external consultancy support through contract tendering. The selected consultant would be expected to undertake appropriate levels of information gathering and consultation with relevant sector stakeholders, collect and analyse data, and report back to the Commission as per the terms of the tender agreement. Consideration should be given to the involvement of stakeholders regarding selection and development of the calls for tender.

European Music Observatory that is independent from the European Commission

- An independent European Music Observatory would require more comprehensive governance structure.
- For an independent European Music Observatory, the development of the strategy should be set by those that finance the Observatory. Therefore, there will need to be an external board that includes these representatives. Following the model of the EAO, this would be the Member States (as they are funding the Observatory). The Commission should also be represented in the board.
- This Board sets the mid-term strategy, as well as the annual work plan.
- Consultation with Advisory Committee (see below) will help to determine priorities and topics based on the four pillars.

The involvement of Member States in the governance structure will ensure that the output of the European Music Observatory is relevant for policy makers, yet also encourage engagement. For this, the authors point to the example of the European Audiovisual Observatory. 42 members of the EAO are involved in the governing structure. The main body is the Executive Council, and every member (no matter how big or small) whose contribution is up to date has a right to vote. The Executive Council meets twice a year. It adopts Mid-term strategies (MTS), which cover a term of five years and lay out the development perspectives of the EAO and every year, action plans implementing ongoing strategies. It should be noted that not all members of the Council of Europe are members of the Executive Council, and Member States involved do so on a voluntary basis. A similar set-up could be implemented in a European Music Observatory, whereby Member States that are interested in contributing and supporting the work of a European Music Observatory can become a Board Member on a voluntary basis.

Stakeholder involvement in governance of a European Music Observatory

One of the key lessons from consultation with the European Audiovisual Observatory is that utilising an Advisory Committee made of sectoral organisations at a European-wide level, whose members cover the entire value chain of the sector, is a useful tool for ensuring that the work of the Observatory has relevance for the sector. Currently, 38 organisations are represented in the Advisory Committee of the EAO.

As identified earlier in this report, the music sector as a whole is extremely complex. Its larger commercial interests are already highly organised and well represented in the public sphere. There is a significant risk that a European Music Observatory would be pressured into concentrating on areas of work which provide the most obviously lucrative or easily accumulated information and this would, ultimately, be a disservice to the European music sector. It would fail to inform an effective and comprehensive public policy framework which fully serves the characteristic of 'diversity'. In light of this, some interest areas could be perceived as "less of interest", such as minority language, art form specialisms or informal learning, and these could then be easily side-lined in terms of measurement and evaluation. However, a European Music Observatory should play a role to play in ensuring the sector as a whole is covered, including the interconnectedness of areas, so as to reflect the true value of all areas.

A European Music Observatory would therefore need to foster, encourage and develop high-quality working relationships and knowledge exchange between all stakeholders while maintaining independence and balance in order to achieve and maintain the respect of the sector as a whole. Good governance and management with clear lines of reporting, consultation and areas of responsibility are therefore essential for a European Music Observatory and this will also reduce the possibility of mission drift.

Regardless of the form of a European Music Observatory, it is recommended by the authors of this study that an Advisory Committee, along the lines of the model of the EAO, is created to provide input into the working program of the observatory. To easily facilitate a balanced stakeholder input into the governance and direction of a European Music Observatory, the authors of this study propose the following classification for grouping sectoral stakeholders and ensuring balance between the various interests:

- **Industry** – those organisations and agents who are linked to the economy of the music sector, representing commercial, for profit interests only. Example: commercial organisations and companies which are involved in the business of music making including organisations which represent those involved in income-generation from the performance, recording, distribution and creation of music.
- **Civic** – those organisations and agents who are linked to the policies affecting the music sector. Civic should be organisations with a general interest mandate, professional associations receiving public funding, and/or including public entities in their membership. Example: policymakers or influencers whose decisions impact on performance, recording, distribution and creation of music including Non-Governmental Organisations (NGOs) and funding distributors.
- **Public** – those organisations and agents who are linked to the wider culture of music making and consumption. Example: organisations representing consumers, voluntary and third sector, education and training sector with an interest in the performance, recording, distribution and creation of music.

The role of these groups should be to discuss and recommend areas of work using the four pillars as the basis. It is recommended that the groups are made up of

representative European organisations, who are selected on the basis of their representativeness and position within the value chain. If relevant, national level organisations could also be considered. Each organisation must represent the needs and concerns of its members or stakeholders and disseminate information back. It is envisaged that certain stakeholder groups will have more of an interest in some pillars (and sub categories within pillars) than other groups.

If feasible, it is recommended that an annual stakeholder meeting takes place to allow stakeholders to discuss the various priorities within the sector that could feed into the annual work plan. Consultation could be limited to email exchange or virtual forum, as well as through an annual survey of members. As a minimum, some form of mechanism should be developed that allows for input from stakeholders and that remains representative between the three different groupings to ensure balance.

Using this stakeholder advisory committee approach as a basis for consultation and dissemination has the potential to provide clear lines of intelligence gathering and consultation, a strategic approach to shared areas of interest and understanding, and facilitate the development of cross-border working practices with greater ease. There will be overlaps between categories, and therefore, there should be discussion between stakeholders as to where they position themselves within this framework. Each of these stakeholder groups will have representative opinion, intelligence, interest and influence in at least two of the four data pillars; hence none will dominate but each will provide a different but complementary viewpoint of their interactions with the sector. Regardless of the size and scope of the EMO, the stakeholder groups are the same, therefore allowing the EMO to limit or grow the extent of these groups dependent on the ultimate organisational size of the EMO and/or its desired reach. This, therefore, provides a contemporary scalable organisational structure which is fit-for-purpose on any extent.

This principle is vital for two reasons: firstly, because any imbalance between the representation of these main stakeholder categories would undermine the credibility and utility of the organisation; secondly, because it allows shifts in scale to be made over time according to changes in need/demand, resource availability and feasibility. For example, a small industry stakeholder group could limit membership to pan-national organisations which are representative of their specific specialist area and can both consult and report back to its members or network.

The 4 pillars (see Annex 3) provide a coherent structure to form the basis of the EMO thinking on data gathering, research and work planning. Stakeholder groups should provide input from the respective sectors on each of the pillars and this intelligence can then be assimilated into a coherent picture of the reach and impact of music in Europe. Work planning along the same lines will also provide a workable structure and methodology. A preliminary solution in the development of an advisory committee would be the expansion of the Advisory Board utilised in this project to cover key contacts from all stakeholder groups.

3.4 Possible funding sources for a European Music Observatory

During the course of the study, the authors examined possible funding sources that could be utilised by a European Music Observatory. Stakeholders and policy makers were consulted on possible methods of funding of a European Music Observatory and in this section, an overview is provided of the possible funding sources.

These are:

- Funding through the Creative Europe Programme 2021-2027;
- Financial involvement of Member States in funding a European Music Observatory;
- Funding through private stakeholders;
- A dedicated Horizon Europe call for proposals.

Funding a European Music Observatory through the Creative Europe Programme 2021-2027

This authors looked at the possibility of funding a European Music Observatory through Creative Europe as a priority. This would involve funding for a European Music Observatory under the sectorial action on music within the Creative Europe Programme 2021-2027. For the purposes of this study, the authors have provided an estimated projection of the budget available.

In the absence of a precise formulation of the Commission's proposal for the "CULTURE" Strand of the Creative Europe Programme 2021-2027, the main indication with regards to the amount likely to be allocated to "non-horizontal actions" ("Sectorial Actions" and "Special Actions") is the European Parliament's recommendation that 70% of the funding within the Strand should be dedicated to European Cooperation Projects³⁴. Moreover, it is estimated in the financial statement attached to the proposal of the Commission that the administrative costs to be paid from the envelope of the programme will amount to 7% of the overall budget.

Based on the innovative aspect of the Commission's proposal (introducing "Sectorial Actions" for the first time), the simultaneous necessity to consider a new generation of "Special Actions" (such as "direct support for European cultural institutions that aim at delivering direct cultural service to European citizens with a large geographical coverage"), and the projection that the Strand will grow in size altogether (following the Commission and the Parliament's suggestions for an increase of the Programme's global envelope), the authors of this study envisage that around 75% of the Strand will apply to all horizontal actions (Cooperation projects, European Platforms, European Networks, mobility of artists, support to international organisations, and "policy development, cooperation and implementation"). Based on this projection, the total budget allocated to non-horizontal actions would amount to EUR 140,875,000.

In line with this idea (and in the absence of concrete indication on this aspect in the Commission's proposal for the 2021-2027 programme), the authors of this study consider that a reasonable repartition of this budget would be the allocation of 60% of this amount to the Sectorial Actions. This innovative budget line, being a new feature covering a wide range of sectors and subjects (music, book and publishing, architecture, cultural heritage, fashion, cultural tourism), and projecting the implementation of very diverse activities (among which cross-border distribution, data collection, training, capacity-building, awareness-raising or promotion), will indeed require substantial funding in order to be embraced by the different ecosystems of

³⁴ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013

European cultural sector actors, and to deliver visible results by the end of the 2021-2027 funding period.

Should this be the case, the total budget for the Sectorial Actions chapter within the next "CULTURE" Strand of the Creative Europe Programme would be EUR 84,525,000. In order to build on the level of advancement of the activities currently carried out in the framework of the "Music Moves Europe" initiative and to reflect the EU's specific priorities for music, the Sectorial Action on music should be eligible to an appropriate share of this specific budget line. Therefore, the projection is that 25% of this envelope is likely to be allocated to the music sector, which would equate to roughly EUR 20,000,000.

There are four areas listed in the Annex of the EC Proposal for the Sectorial Action on music: Promotion of diversity and circulation; Training actions; Audience Development and "Data Gathering and Analysis"³⁵. At this stage, it is reasonable to allocate 25% of the envelope to each of the four areas, which would represent a total budget of EUR 5,000,000 for "Data gathering and analysis" over a period of 7 years. Considering the limits of such a budget to cover a wide scope of music activities in all Member States of the EU, the authors propose that the Programme's efforts are concentrated into a single format within the "Data gathering and Analysis" area. In this projection, the entire budget dedicated to "Data gathering and Analysis" should be dedicated to a "European Music Observatory" within the Sectorial Action on Music of the "CULTURE" Strand of the Creative Europe Programme, which amounts to **EUR 714,285 per year**.

Financial involvement of Member States in funding a European Music Observatory

Another possible source of financing is additional funding through Member States, as in for example the case, in the European Audiovisual Observatory (EAO). Representatives of Ministries of Culture in eight Member States were interviewed in the first half of 2019, and they were asked 'How do you think a European Music Observatory should be structured (e.g. a permanent body or a looser research platform?), governed (e.g. Board, Scientific Committee, Innovative governance methods) and funded (e.g. EU funding or through other sources)?'

As mentioned previously, in the context of the present study, interviews were carried out with representatives of eight Ministries of Culture in EU Member States. Four key criteria guided the selection of our policymakers that were consulted:

- The impossibility, within the timeframe and resources allocated in the context of this study, to interview in-depth 27 Ministries. It was therefore necessary to focus on a limited group.
- The importance, as highlighted in our contacts with the Commission on the subject, to include both EU Presidencies of 2019 (Finland and Romania)
- The necessity to provide an overview as representative as possible of the diversity of Europe (from the point of view of the size, economic and cultural importance of the countries, and from the perspective of the geographical coverage)
- The necessity to provide an overview as representative as possible of the different music policies carried out at national and local levels (from zero articulated policy action to a high degree of involvement by public authorities at national and local levels)

³⁵ Proposal for a regulation establishing the Creative Europe Programme 2021-2027, European Commission, 30 May 2018

At a general level, some interviewees identified the approach developed by the European Audiovisual Observatory as a case of good practice, however, various Member States also underlined the particular functioning of the EAO in the context of the Council of Europe, an inter-governmental organisation with a distinct decision-making procedure and a separate budget, stressing the difficulty to duplicate it for other sectors. While the model is considered as generally efficient, none of the representatives of the Member States interviewed for this report explicitly mentioned the possibility of reproducing the same approach for a European Music Observatory, with one interviewee noting that the specificities of the music sector are such that a mirroring of the EAO model would probably be impossible.

Specifically in relation to possible funding of a European Music Observatory, the majority of representatives of Ministries of Culture interviewed considered the Creative Europe Programme as being the most appropriate and reliable source of funding for a European Music Observatory, where five Member States indicated this. Whilst one interviewee specifically referred to the future “Music” sectorial action of the future Creative Europe Programme (2021-2027), it was also noted that it should not be seen as the only possible source to fund such an endeavour, and that the EU research programmes could provide a more ambitious solution. One Ministry was not in favour of the creation of a new structure if its financing should be at the expense of the support to cultural projects through programmes such as Creative Europe. One Ministry proposed that a European Music Observatory should in principle be funded by the EU, with additional funding from the music industry.

Some of the Member State representatives interviewed indicated that a European Music Observatory could be financed by EU funding alongside contributions from EU Member States. It should be noted that due to the open nature of the questioning, the willingness of Member States to co-finance a European Music Observatory through contributions was not something that was explicitly discussed during the interviews.

That being said, the authors can point to several initiatives that are currently functioning under the specific model of **Public-Public Partnership** between the EU and a group of EU Member States. One such example is the **European & Developing Countries Clinical Trials Partnership (EDCTP)**, which funds clinical research to accelerate the development of new or improved drugs, vaccines, microbicides and diagnostics against HIV/AIDS, tuberculosis and malaria as well as other poverty-related infectious diseases in sub-Saharan Africa.³⁶

This body takes the form of an association with statutory seat in The Hague (NL), composed of sovereign States from the European Union, as well as sovereign States benefiting the actions of the partnership, and “alliances of States and/or mandated institutions”³⁷, which, in the case of the EDCTP, includes the EU itself.

In this framework, the financial resources of the Association rely on funding from the European Union (683 million EUR for 2014-2024, through the European Framework Programme for Research and Innovation) and on contributions (“in cash and/or in kind”) by the Members. There are currently 14 EU Member States directly contributing to the budget of the association, and their contribution should match the one of the EU. Member States are furthermore bound “to keep up the legislative, regulatory, administrative and other measures, necessary for protecting the Associations’ financial

³⁶ <http://www.edctp.org/>

³⁷ http://www.edctp.org/web/app/uploads/2019/06/EDCTP2-Articles-of-Association_amended-22-05-2019_ENG.pdf

obligations and interest”³⁸. The funding allocation of the EDCTP programme is decided by the EU, the European and African Participating States, through the General Assembly of the association, and a Secretariat executes the activities of the programme.

Another example of Public-Public Partnership which funding is currently shared between the EU and a group of Member States is the **Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa**³⁹ established by a Commission decision in 2015.

In this case, the EU contributes directly to the Trust Fund under the general budget and the European Development Fund as well as other EU financial instruments including DCI, ENI, HOME and ECHO funding, whereas the EU Member States and other donors pledge separate contributions from their own budgets.

The Board of the Fund, which is chaired by the European Commission, ensures the representation of the donors in function of their contributions to decide on the overall strategy of the activities funded. The Fund’s Operational Committee, also chaired by the Commission and representing the donors with a minimum contribution, presides over the funding allocations to individual actions. Staff costs for the management of the Fund depend on the budgetary allocation available within the Trust Fund after funding for activities is allocated. Since the Commission’s decision, the EU has allocated 4.6 billion EUR⁴⁰ to the Trust Fund, while the 28 EU Member States, along with Switzerland and Norway, have contributed 536 million EUR⁴¹.

In conclusion, such Public-Public Partnerships present the advantage of involving Member States in the funding and the strategic planning of activities defined jointly with the EU, thereby reducing the burden on the Commission’s funding programmes and human resources.

However, given the current fragmentation and the overall limited size of governmental music sector funding efforts within EU Member States (especially compared to research or development funding programmes, as exemplified above), this approach should be considered with caution. A possible framework for the successful implementation of such solutions could be to rely on funding from a limited group of Member States already supporting the music sector with robust and stable instruments at national level, with the remaining of the budget coming from the “Sectorial Action” on music within the Creative Europe Programme of the EU. It should nevertheless be added that the interviews carried out with a sample of Member States have not specifically tested this idea, which would require further discussion in the context of the ongoing negotiations for the Multi-Annual Financial Framework 2021-2027 and the Council Work Plan for Culture 2019-2022.

Funding through private stakeholders

In addition to funding through public sources (Creative Europe and Member State contributions) this study has also considered the possibility of considering private funding as a means of supporting the activities of a European Music Observatory. Music sector stakeholders were consulted on this possibility and have divergent opinions in relation to this matter, ranging from including private actors in the funding of the European Music Observatory in order to ensure it is sufficiently funded, to being

³⁸http://www.edctp.org/web/app/uploads/2019/06/EDCTP2-Articles-of-Association_amended-22-05-2019_ENG.pdf

³⁹ https://ec.europa.eu/europeaid/sites/devco/files/commission-decision-2015-7293-20151020_en.pdf

⁴⁰ https://ec.europa.eu/trustfundforafrica/sites/euetfa/files/table_ii_1.pdf

⁴¹ https://ec.europa.eu/trustfundforafrica/sites/euetfa/files/table_1_1.pdf

100% European Union. It should be noted that here are pros and cons to both of these funding methods.

Interviews carried out with stakeholders in the context of this project noted that there is some need to put responsibility on the actors of the music scene, and therefore sharing the responsibility is desirable. Involving the sector would provide a sense of ownership and commitment towards the work of the observatory, however, it would be the case that specific rules are in place governing the financial contribution of stakeholders, so that no imbalance or favouritism is created. The EMO should not be a tool to promote the industry's interests, and should be and should act as a neutral body, accurately reflecting the current situation, serving the entire music sector ecosystem, and a conflict of interest could arise should there be too much reliance on private funding. However, although an Observatory fully financed by the European Union ensures neutrality and transparency, this places more burden and responsibility on public authorities.

A mix of private and public funding from the sector could be a possible option, with several stakeholders suggesting to start a European Music Observatory as a 100% EU/public funded body, with the opportunity for additional funding from the private sector once the value has been shown, which would put some of the responsibility on the actors of the music scene. In case of eventually involving some private funding for a future European Music Observatory, the key factor that should be considered is that funding must be sustainable, as well as adhering to the mission, values and particularly, the objective of a future European Music Observatory.

A dedicated Horizon Europe call for proposals

The future Horizon Europe programme includes for the first time a dedicated cluster related to the cultural and creative sectors ("Culture, Creativity and inclusive society") as part of the second pillar of the programme, focusing on Global Challenges and Industrial Competitiveness⁴².

While the exact budget envelope is still under discussion at the time of writing this report this second pillar was earmarked with a total budget of €52.7 billion in the Commission's proposal.⁴³ The cluster on Culture, Creativity and inclusive society aims to address the following challenges: 1) Enhancing democratic governance; 2) promoting Cultural Heritage; and 3) management of social and economic transformations.

The cluster aims to deliver a broad range of impacts, though they seem loosely connected to a potential European Music Observatory. These potential impacts include policy action for democracy, protection of cultural heritage, promotion of research and innovation across the culture and creative sectors, or contributing to a comprehensive European strategy for inclusive growth and upward convergence in employment and social affairs.⁴⁴

Whilst the thematic priorities of the cluster do not directly match with the development of a European Music Observatory, the architecture of the programme itself and the type of activities typically supported under Horizon calls are very much in line with the activities. According to the orientation paper detailing the preliminary

⁴² The two other pillars included in Horizon Europe are 1. Open Science and 3. Open Innovation.

⁴³ European Commission (2018) EU Budget for the Future. Factsheet on Horizon Europe. https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-research-innovation_en.pdf

⁴⁴ European Commission (2019) Orientations towards the first Strategic Plan for Horizon Europe. https://ec.europa.eu/info/sites/info/files/research_and_innovation/strategy_on_research_and_innovation/documents/ec_rtd_orientations-he-strategic-plan_122019.pdf

architecture of the second pillar of the Horizon Europe Programme, the research and innovation activities of the cluster on Culture, Creativity and inclusive society will help develop social, political and economic analysis, evidence-based policy recommendations, innovations and foresight in all priority themes identified. New statistical tools and methodologies will be also developed, more easily accessible and comparable at EU level and with a better granularity in terms of findings.⁴⁵

When it comes to funding, such research and innovation activities are allocated an average amount of around €2.5 million per project.⁴⁶

The development of a pilot phase of a European Music Observatory could therefore fit in the future cluster. A few important caveats ought to be mentioned:

- 1) Such an approach would only cover a first (large-scale) pilot phase. Horizon-funded projects typically last between 3 and 4 years, which is a short term perspective for an observatory structure. A strong approach to sustainability would be essential under this option;
- 2) The calls for proposals are very open and flexible in terms of type of activities and approaches to address a given topic – they are designed to favour a bottom-up approach to solving clearly identified challenges. This means that setting out specific requirements, tasks or key data to be collected for the observatory would not suit very well with the overall management of the programme's calls;
- 3) So far, only very few sector-specific calls within the CCS have been issued (under Horizon 2020 and predecessor programmes), and only cultural heritage and the audiovisual sector have been explicitly targeted through specific calls.

Overall, the possibility under Horizon Europe should not be directly dismissed, but it would entail a rather long pilot phase, with some uncertainties entailed by the bottom-up approach to research and innovation which is one of the core principles of the programme.

3.5 Political support for a European Music Observatory

Regardless of the structure proposed for a European Music Observatory, there will need to be a sufficient amount of political support to be able to be realised, which would particularly be the case for the creation of an autonomous structure (reflected in the “fully-fledged” European Music Observatory option in section 3.8.4). A European Music Observatory's objective, actions and funding through the sectorial action on music within the new Creative Europe Programme would depend on the necessary support and strong backing from the EU institutional level (European Commission, Member States in the Council and the European Parliament), especially considering the important budgetary implications identified by this study. Such a scenario would need to comply with the EU's general strategic objectives and priorities for EU policy making in the field of culture. It is therefore recommended that a discussion on the findings of this study is organised in an EU level setting.

The interviews showed a consistent interest for improved data collection and analysis at EU level, in the context of a widespread gap in data availability and reliable

⁴⁵ European Commission (2019) Orientations towards the first Strategic Plan for Horizon Europe. https://ec.europa.eu/info/sites/info/files/research_and_innovation/strategy_on_research_and_innovation/documents/ec_rtd_orientations-he-strategic-plan_122019.pdf

⁴⁶ Based on Horizon 2020 dashboard data, selecting only data related to the industrial leadership and societal challenges pillars, which were the two pillars under which most calls related to the CCS were published: <https://webgate.ec.europa.eu/dashboard/sense/app/93297a69-09fd-4ef5-889f-b83c4e21d33e/sheet/erUXRa/state/analysis>

European indicators. They also underline a consensus with regards to the “four-pillar structure”. As far as the structure and, very importantly, funding model of such an observatory is concerned, the positions expressed by the Ministries can be divided into two even categories:

a. Interest from Member States for a fully-fledged, centralised Observatory funded mainly through Creative Europe:

Five of the surveyed Ministries consider that collecting, comparing and analysing information and knowledge concerning the music industry at EU level would benefit EU and national policymaking as well as the whole music ecosystem. Respondents estimated that an EU-level system would better inform future actions and funding programmes at European and national level and more accurately target the needs and challenges identified in the sector. In this context, the Ministries consider that such a system should be set up on a permanent and centralised basis, as a space to survey, collect, select, guide, analyse, report and share information.

According to this group, the “Creative Europe” Programme is considered the most logical, reliable, impartial, sustainable and impactful funding level to support such a structure, in particular through the future Sectorial Action on music of the future Creative Europe Programme (2021-2027). Some respondents indicated that other sources of funding could also be considered, such as sector contributions, Member State contributions, or EU research programmes.

b. Interest from Member States for other European data collection and analysis formats or funding sources:

The other half of surveyed Ministries, while indicating support for a stronger European effort for data collection and analysis and a general interest for the scope proposed by the “four pillar structure”, have indicated interest for a variety of other structural approaches:

- The development, through inter-governmental cooperation, of meaningful and comparable national indicators for recorded music, live performance, education and amateur music in EU Member States as a pre-requisite to the creation of a structure dedicated to systematic data collection at EU level;
- A structure attached to the Cultural Affairs Committee, with a periodic reporting system, enabling the possibility to adapt the mandate according to relevant research areas identified by Member States and considering the role of the rotating EU Presidencies;
- A European Observatory on Culture, of which music would be a part, funded by the EU with additional funding from the music sector and EU Member States.

From the interviews that have been conducted, there is no complete consensus on the nature of a future European Music Observatory, in regards to its permanence or its funding. That being said, officials from five of the eight Member States interviewed indicated that they see a consistent approach to music sector data collection and analysis at EU level as a useful tool for policy making, with four Member States pointing to a permanent, EU-funded structure.

This appears consistent with the Council’s Conclusions on the Work Plan for Culture 2019-2022, in which an action on “diversity and competitiveness in the music

sector⁴⁷ will be carried out to discuss the implementation “suitable policy measures” for the sector. It is also in line with the Conclusions of the Romanian Presidency of the Council following the Conference “Music Moves Europe – Opportunities and Challenges of the Music Sector in the Digital Era”⁴⁸, which underscored that “the gap between the needs of industry professionals in terms of data and the data they receive or have access to could be addressed through appropriate tools designed by policy-makers, including in an EU context” and that “a database at EU level could provide for the reliability and sustainability of the data collected”.

Furthermore, the proposal for a regulation of the European Parliament and of the Council establishing the “Creative Europe” programme 2021-2027 expresses the need for “data, analyses and an adequate set of qualitative and quantitative indicators”⁴⁹ for cultural and creative sectors, including the music sector, at EU level. In its report, the EP proposes to strengthen “data gathering and analysis”⁵⁰ via “sectorial actions” (as defined in the European Commission’s proposal) – for which music is clearly designated as subject of “a particular focus”⁵¹ among the other cultural and creative sectors.

In light of these elements, and while it is not possible, at this stage, to consider whether or not the Commission, the Council and the European Parliament could potentially support a future a European Music Observatory, policymakers expressed interest for the idea of a more ambitious data collection effort for music at EU level. Considering the consistent share of Member States which showed interest on the idea of a permanent, EU-funded body, and given the content of the European Parliament’s report on the next “Creative Europe” Programme 2021-2027, the study team therefore considered that the possibility of developing some form of European Music Observatory should be appropriately emphasised in the present report.

3.6 Access to data

In this section, a brief overview of the considerations around access to data for a European Music Observatory is presented. At the end of this section, an overview of possible projects, carried out on the basis of possibly available data, is presented.

In general terms, three main situations have arisen in the analysis of availability of data covering the music sector:

- **Data is available through stakeholders** and would be supplied to the EMO at no cost or, if needed, at the cost of processing the data. The real cost would then be that of the human resources necessary to analyse and present the data.
- **Data is available through vendors** whose business model is to sell or license data, research and analysis. The data would be made available to the EMO following a commercial and contractual negotiation, the terms of which were not available for this report.
- **Data is not available or not tailored for the needs of the EMO** and therefore, access to such data would require EMO to establish the conditions

⁴⁷ <http://data.consilium.europa.eu/doc/document/ST-13948-2018-INIT/en/pdf>

⁴⁸ <https://www.umpcultura.ro/Files/uploads/2305->

[Conclusions%20MME%20conference_RO%20PRES%202019_final.pdf](https://www.umpcultura.ro/Files/uploads/2305-Conclusions%20MME%20conference_RO%20PRES%202019_final.pdf)

⁴⁹ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 56

⁵⁰ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 118

⁵¹ Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendments 11 and 69

for this data to exist, in partnership with stakeholders and data suppliers, at a cost that is difficult to determine without evaluating exactly the task at hand and the cost-benefits of developing such data.

The issue of cost of data has been an issue for the authors in the process of carrying out this study. Cost is subject to a number variables, negotiations and trade-offs. Since this is a report on the feasibility of an Observatory, and not a market research by an existing Observatory, the authors were not in a position to actually negotiate terms with data providers whose business model is to charge for data. Therefore, there were many instances where it was not possible to extract information on the cost of data or even make estimates about the true cost of a data-related initiatives.

This is why, regardless of the option chosen for a European Music Observatory, it is likely that there will often be a cost attached to data that will only be evaluated during the decision-making and negotiating process of the Observatory.

However, it can be concluded that a significant number of studies could be developed at a limited cost by using existing data (including taking advantage of existing open data), by partnering with other organisations, and by leveraging available resources. In other cases, seed funding from the EMO could end up producing a fully operational data gathering system, in particular with regards to data related to the economic value of a specific sub-sector on the music sector, and co-financed with organisations from the sub-sector. Some potential third-party data suppliers contacted in the context of this study have expressed interest in working with the EMO (see Annex 7). It is likely that they will come with favourable terms in order to forge a long-term relationship with the EMO rather than one-off sales.

The type of data that is likely to be the most expensive is the one related to the circulation of repertoire, since it requires data gathering capacities on large volumes of data. Discussions with digital service providers (DSPs) has led to the conclusion that they will not willingly provide large amounts of data about music streaming consumption, for example.

Access to data from DSPs would occasionally work for specific ad hoc research, but likely be restricted by the confidentiality agreements DSPs have with rights holders. It is therefore recommended to use a third-party aggregator of data from all the DSPs. But it comes at a cost to be negotiated with the potential supplier, which could be in the five to six-figure range, depending on the volume of data.

Another type of research that could be useful for gathering important information about the European Music sector that comes with high costs is one that requires a consumer survey. The costs of such surveys are related to the size of the sample and the type of survey carried out (on-line or telephonic) and a pan-European survey could end up in the six-figure range. However, such cost could be split between multiple interested parties. Several stakeholders (including European funded networks and platforms) are currently carrying out surveys, and the EMO could partner with these organisations to expand the scope and obtain improved data.

Regardless of the option chosen to develop the European Music Observatory, it is recommended that a significant allocation of budget is provided to access data. This would include sufficient funds to develop several projects, the scope of which will be determined by the management of the European Music Observatory.

It would not be feasible for a future European Music Observatory to cover all and everything, and cater for the expectations of every stakeholder from day one. However, the European Music Observatory should be able from the early stages to

start the process of gathering data. The authors of this study suggest that the European Music Observatory takes a selective approach to data, and starts with:

- Data that is already available (either publically available data, open data, or available on the market;
- Projects that can be commissioned to third parties.

The table below provides some examples of potential '**quick win**' projects that could be launched by the European Music Observatory from the outset. These quick win projects could be launched regardless of the form chosen for a future European Music Observatory. More detailed descriptions of these projects can be found in Annex 6.

These have been linked to the pillar structure, in order to ensure that all areas have been covered to some extent and that there will be a broad array of stakeholders and policy makers that can use the input from the European Music Observatory from the beginning. The remit and use of data will expand progressively as the European Music Observatory will grow its structure and the scope of its interventions. It will also benefit from input from stakeholders that will be able to help identify and select sectors or projects that need to be monitored. This can take place through the governance structure of the Observatory, which should involve key sectoral stakeholders in an advisory capacity.

Several of these studies would potentially rely on third party research companies and data providers, so are particularly relevant for several of the proposed options for a future EMO (indicated in section 3.8). This is essentially valid during launch period of a contracted research management Observatory (see section 3.8.2) or 'scale-up' European Music Observatory (see 3.8.5). Tenders could be launched for specific projects by the Commission (as is currently the case under the studies conducted under the Music Moves Europe programme) or the model of EUMOFA could be followed, whereby the Observatory operates under a service contract awarded to a consortium of several partners where different fields of expertise are covered. Partnerships should also be formed for the provision of data by other important data providers and organisations, As the Observatory enters into a full operational mode, it will also have the opportunity to build internal expertise and assign projects to be developed in-house.

figure 10 Overview of possible 'quick win' projects

Project	Pillar	Description	Source of data	Benefits	Periodicity	Costs
The economy of the music industry in Europe – Key figures	1	Focus on four or five key indicators related to the economy of music in Europe (recorded music, music publishing, music rights market, live business, and employment) on a national and pan-European level.	IFPI, CISAC, AEPO-ARTIS, ICMP, IMPALA, Eurostat, national stats agencies, live music sector.	Highlight the real contribution of the music sector to EU's economy.	Yearly	Limited to aggregating team but labour intensive.
Analysis of the most streamed songs in the Europe and outside Europe	2	Analyse the share of European content among the world's most streamed songs (top 5,000 or top 10,000), key genres, top languages, by label, nationality of the artists and songwriters by region (Europe, North America, Latin America, Asia, Africa) and globally.	Data supplied by a streaming data aggregator such as Nielsen, Soundcharts or Alpha Data.	Assess the strength of European repertoire in the streaming field on a global basis and monitor trends on a yearly basis. Evaluate the main music trends in Europe and outside.	Yearly	License fee to data supplier and analysts' fee.
Analysis of radio airplay in Europe (possibility to combine with the streaming study)	2	Analyse the share of European content among the world's most played songs on European radio stations (top 5,000 or top 10,000), key genres, top languages, by label, nationality of the artists and songwriters by region (Europe, North America, Latin America, Asia, Africa) and globally.	Airplay monitoring companies such as Radio Monitor, Yacast, Soundcharts, BMAT.	Assess the strength of European repertoire on European radio, and monitor trends on a yearly basis.	Yearly	License fee to data supplier and analysts' fee.
Pan-European survey on participation and access to music	3	A pan-European survey (with national breakdowns) on the behaviour of people in relation to music, from music practice and learning, to the consumption of music on various platform, access to illegal content, visits to concert venues, etc.	Market research companies such as Nielsen, IPSOS or Yacast.	Better understanding the way Europeans access and consume music.	Yearly	Varies according to the size of the sample and the number of countries considered.
Study on the impact of Artificial Intelligence on the European music market	4	This study will look into all the various aspects that AI is going to impact the industry from an economic, structural, legal, and economic perspective. The study will assess the state of AI-driven projects in the EU and will list the benefits for the EU to invest in music-related AI projects, and will draw a series of policy recommendations.	Research company chosen after tender process.	Identifying the key challenges facing the industry and propose solutions.	One-time	To be determined by the scope of the tender.
Study on the impact of streaming services' playlists on the exposure of European music	1-2	The playlist has become an integral part of not just music but our culture at large. While radio play still has the power to bring attention to an artist, playlists are becoming	Research company chosen after tender process. Data supplied by SoundCharts or similar	Identifying the key impact of playlist, the state of European acts on playlists and propose solutions as to how to maximise	One-time	Cost of data (unless provided for free by DSPs) and fee for contractor.

		an important means for listeners to discover and consume music. This study will analyse the origin of the music featured on DSPs' playlists by origin, genre, language, and also the trajectory of a selected number of tracks after they were featured on playlists. The report will also make recommendations.	company.	the presence of European artists on playlists.		
Study to evaluate the best method to assess the economic value of the European live music industry	1-2	This study will look at the various possible ways to improve data on the European live music sector and make recommendations on the way to create reporting tools to monitor box-office results.	Research company chosen after tender.	Provide the sector with better tools to monitor the live music sector's activity and analyse the performances of European acts. Better knowledge of the sector and ability to design policies to improve the situation of the sector.	One-time	Fee for contractor.
Study to evaluate the impact of live music at a local, national and pan-European level	1-2-3	This study will look at the live music ecosystem at a local, national, and pan-European level, assessing the value added of live events and venues to local communities, in particular the spill-over effects.	Research company chosen after tender process.	Provide local, national and pan-European policymakers and stakeholders a picture of the value added of live music events to local, national and European economies. The study will also look at the circulation of EU citizens attending live music events.	One-time	Fee for contractor. The study could be coordinated by EMO with the financial support and resources of EU's ministries of tourism.
Study to evaluate the economic value of the European music publishing industry	1-2	This study will look at the various possible ways to improve data on the European music publishing sector and make recommendations on the way to create reporting tools.	EMO in partnership with ICMP.	Provide better tools to monitor the music publishing sector.	One-time	Fee for contractor.
Study to evaluate the economic contribution of European music SMEs to the sector and the economy	1	This study will look at the various possible ways to improve data on the European music sector SMEs and make recommendations on the way to create reporting tools on the state of the independent sector.	EMO in partnership with IMPALA, Merlin and IFPI.	Provide better tools to monitor the independent sector.	One-time	Fee for contractor.
Study on musical learning and practices	2-3	This pan-European study will map the musical practices of Europeans, country by country, identifying the type of instruments played, the age groups playing music. The study will also look at the infrastructure available for Europeans to learn to play an	Eurostat, national cultural agencies, associations of conservatories and musicians.	Better understand the way Europeans relate music learning and practice, and suggest policy measures if required.	Every two years	Fee for contractor.

		instrument, listing conservatories and other locations dedicated to the art of music.				
Study on online piracy in the EU, and piracy of European content outside the EU	1-2-3	This study will look at the way European citizens consume music through illegal or unlicensed platforms, give a breakdown of the most popular platforms, most pirated songs, most popular music genres on a pan-European level and country by country. The study will also look at the way European music content is pirated outside of the EU.	Piracy data specialist MUSO, among others. Could be done in partnership with EUIPO Observatory.	Assess the impact of online music piracy, in a granular way, on Europe's music business and suggest policy measures if required.	Yearly	Cost of data and fee for contractor.
Study on the social, legal and economic environment for semi- and professional musicians throughout the EU	1-2-3	This study will look at the various rules and regulations applied to musicians and the commonalities and differences between the different systems. It will make recommendations leading to a better harmonisation of the status of musician throughout the EU. The study will include a survey on musicians.	National governments, unions, musician's organisations. Research company for survey.	Mapping of EU's social scene for musicians, especially the differences by countries and highlighting best practices. Better understand the system applied to musicians and suggest policy measures.	One-time	Fee for contractor. Cost of survey.

Source: Panteia, 2019

3.7 Role of Eurostat and cooperation between the Commission and national and international bodies in a future European Music Observatory

A noteworthy feature of the European Parliament's report on the Commission Proposal for a Creative Europe Programme 2021-2027 is the mention to "data gathering on culture and creative sectors" as part of Article 9 of the proposal. In the Parliament's amendment, in order to improve data collection and analysis in the field of culture, the Commission "shall reinforce the cooperation within its services such as the Joint Research Centre and Eurostat with the purpose of gathering appropriate statistical data to measure and analyse the impact of cultural policies. For that task, the Commission shall act in cooperation with centres of excellence in Europe and national statistical institutes and shall act in collaboration with the Council of Europe, the OECD and UNESCO"⁵².

In this section, the potential role of Eurostat will be specifically analysed, as well as cooperation between other European and international bodies that could be involved in the collection of data in the European music sector.

⁵² Report on the proposal for a regulation of the European Parliament and of the Council establishing the Creative Europe programme (2021 to 2027) and repealing Regulation (EU) No 1295/2013, Amendment 88

Eurostat

In the course of this project, the authors of this study consulted with Eurostat regarding potential ways of achieving better data collection on the European music sector. Consultation with Eurostat was important in determining possible solutions for better European data collection in the music sector using the European Union's dedicated body that provides statistical information and promotes the harmonisation of statistical methods across Member States. The following information was discussed with Eurostat:

- How realistic/feasible it is to collect better data in relation to the music sector;
- The conditions for collecting these types of data;
- The timeframe for actually being able to collect the data.

As concerns data on employment, in the majority of the EU Member States, national statistical offices collect data on economic activities at NACE 3-digit and ISCO 4-digit levels, although some countries do not necessarily transmit such details to Eurostat for reasons such as the lack of obligation or reliability issues.

Important in this matter is the fact that Eurostat are currently working on better distinction of culture-related (including music) codes in the NACE classification, in view of its next revision.⁵³ The process of the revision of NACE has begun, but will take some years (being related to the revision of ISIC). Many stakeholders have been consulted in relation to this, with the aim of improving NACE coverage of evolving economic sectors.

Apart from the proposal to distinguish music in the NACE code 90 (Creative, arts and entertainment activities), it is also suggested to isolate music education and professional training from current code 85.52 - Cultural education.

Concerning occupations, two ISCO-08 codes: 2652 - 'Musicians, singers and composers' and 7312 'Musical instruments makers and tuners', are entirely relevant for music.

With the implementation of the Framework Regulation Integrating Business Statistics (FRIBS) and Framework Regulation on Integrated European Social Statistics (IESS), from 2021 there will be more details in codes NACE and ISCO in European surveys. The first data based on these regulations will be provided to Eurostat in 2022 for the European Union Labour Force Survey (EU-LFS) and in 2023 for the Structural Business Statistics (SBS). This will improve the coverage of cultural sectors (and occupations).

Eurostat also provided information on certain aspects of music related data that could or could not be collected. There is a potential in making additions to the survey on ICT usage in households and by individuals, but the support of the policymakers is needed to include more detailed questions about the music sector. The content of ICT survey is negotiated every year according to Digital Agenda (2016-2021). The discussions on 2019 and 2020 questionnaires are closed. The 2020 survey will include the module on cultural participation (already run in 2016 and 2018), with questions on web radio, music downloading and streaming. As of 2019 when consultations with Eurostat took place, the module on cultural participation is not foreseen in 2021 questionnaire. There will be future discussions concerning post-2021 Digital Agenda which will take into account the place of ICT in adopted IESS regulation. The re-design of the questionnaire will be possible with collaboration of all stakeholders.

⁵³ NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities. Statistics produced on the basis of NACE are comparable at European level and, in general, at world level in line with the United Nations' International Standard Industrial Classification (ISIC).

In mid-2019, the authors also approached Eurostat with questions on obtaining better data surrounding questions of participation in music activities. These questions referred to the need of stakeholders to measure the accessibility and participation of audiences (how many people engage in music and live performances) and audience practices (playing music and listening to music are not limited to a consumer behaviour). This would therefore consider participation in music to be extended beyond merely attendance at live performances. Suggested indicators included the number of persons attending live musical performance (by frequency, genre, paid for/free), persons travelling across borders to watch/engage with music (music tourism) and additionally, participation in music related activities (such as playing an instrument or some form of music). At EU level, data on music audience and amateur practices could be possibly collected via the EU Statistics on Income and Living Conditions (EU-SILC) ad hoc modules (every 6 years) if such detailed questions are approved to be included in the questionnaires. However, Eurostat has stated that the best source of such detailed information remains national surveys and national administrative data.

Regarding dissemination of music via media (mainly streaming), such statistics are not available to Eurostat. These data are owned by digital service providers (DSPs) and if and how they choose to share this data is not known. A potential problem could be that DSPs do not want to share data as this could be considered sensitive market information, and want to keep it out of competitors' hands. The possibility of collaboration between DSPs and Eurostat (along with the EMO) could be an interesting means to facilitate this (as in a neutral and trusted party collecting and aggregating the data). Regarding this data, this is not currently something that is used by Eurostat, but the possibility of pilot studies in relation to this could be suggested.

Regarding data pertaining to music education, it has been suggested to collect information on indicators such as the number of persons studying music (as a field of study), studying at conservatoires/music schools, studying other music professions (music production, music management etc.) as well as studying music in free time (the number of persons learning a music instrument). Eurostat does not collect information on this and have stated that only national administrative data on education can provide detailed information on music education, and this data should be available in each country.

A key element of the potential mandate of a future European Music Observatory will be in relation to monitoring cross-border activity in the music sector. This will range from the circulation of the European repertoire, cross border activity of artists and music professionals, cross border movement of music students, amongst other things. What is key to note here is that in terms of measuring cross-border activity is that there are currently no standards, no benchmarks and no methodology. The authors of this study believe that there is feasibility to monitor this for musicians or artists crossing borders, but it is even more complicated in a dematerialised world to monitor the flows of works and royalties. This would be a whole new area to be explored by the future European Music Observatory, in which – the authors believe – Eurostat can be involved in, e.g. for the methodological aspects.

Overall, the consultation with Eurostat shows that there are efforts being made to improve data collection relating to the music sector in Europe, and that a European Music Observatory will benefit from these amendments. It is clear that a European Music Observatory should work together with Eurostat in order to help close some of the data gaps that currently exist, and can assist with setting data standards and definitions at the European level. The potential to utilise the ad hoc modules of

European surveys should also be considered, as this provides an opportunity to collect new data that is currently unavailable. Regardless of what option for a future European Music Observatory is developed, Eurostat will play a significant role.

Cooperation between a European Music Observatory and other national, European and international bodies

In this section, the possibility of potential collaboration between a European Music Observatory and other national, European and international bodies is briefly explored.

At the national level, it is important that a European Music Observatory works in close cooperation with national statistical offices in the collection of music sector related data. In particular, in order to achieve better and more comparable data across Europe, a European Music Observatory should engage in discussions with national statistical offices regarding data standards and indicators with national statistical collection bodies, as well as relevant stakeholders.

In addition to Eurostat, at the EU level it should be noted that cooperation between the Joint Research Centre and a European Music Observatory is also something that should be explored as a means of gathering improved statistical data in relation to the Music Sector. The Joint Research Centre is the Commission's science and knowledge service. The JRC employs scientists to carry out research in order to provide independent scientific advice and support to EU policy. In this context, there should be discussions regarding the possibility for synergies between the work of a European Music Observatory and the Joint Research Centre. This could also act as a cost-efficient means of launching some initial data collection and research for a European Music Observatory.

As described previously, the study team entered into an extensive consultation with the European Audiovisual Observatory. In the context of these discussions, it was proposed that a European Music Observatory and the European Audiovisual Observatory could work together if there were areas of mutual interest and it was feasible in regards to goals of both organisations. This would be subject to discussions between the two institutions.

Additionally, the European Observatory on Infringements of Intellectual Property Rights could be potentially relevant as a source of collaboration for a European Music Observatory. More information in relation to this potential collaboration is provided in section 3.8.6.

3.8 Analysis of possible options

In this section, several feasible options have been developed on the basis of consultation with various stakeholders and policymakers, and exchanges with representatives from the European Commission. It is important to point out that under each of the options, there are several variables that exist which should be taken into consideration. Some of these variables have been explained in detail in the sections above, and references will be made to potential solutions under each of the options that are presented.

The authors of this study have analysed the following possible options for a future European Music Observatory:

- Do Nothing;
- Contracted research management;
- In-house Observatory within the Commission;

- Full scale independent European Music Observatory;
- Scale up European Music Observatory
- Integration into an existing observatory structure.

3.8.1 Do Nothing

To do nothing in response to the consultations undertaken thus far and the problematic data situation facing the sector would mean that the intelligence gaps identified throughout this report would remain unaddressed at European level, an option which has been consistently identified by the sector's senior professional representatives as unsatisfactory and even damaging to the industry. The same lack of data limits the potential effectiveness of public policy interventions and to do nothing in relation to this would be undesirable in light of the various arguments for dedicated music sector support proposed through a range of recent EU reports.⁵⁴ Moreover, given the level of publicity and engagement that the discussion on a potential European Music Observatory has generated, stakeholders would consider it a step backwards if it is recommended to do nothing.

As noted in Chapter 1, there is enough evidence that has been gathered during this research to suggest that some form of Observatory function is required and justified in order to improve the situation of data collection in the European music sector.

3.8.2 Contracted research management

In this option, a light touch Observatory function would be maintained by the Commission centrally managing and contracting out targeted studies through tender procedures. Both long-term contracts and short-term contracts could be offered subject to EU procurement rules. Framework contracts could also be offered if relevant.

This model would be based on a flexible approach and would allow the Commission to adjust the topics dependent on its interpretation of developments in the sector and needs of stakeholders. A more flexible governance structure would also potentially apply to this option. All relevant research work would be carried out by the contractor(s). It would be important to ensure that there is close collaboration and communication between the Commission and the contractor(s). The pillar structure should act as the overall framework to guide the choice of subjects and to ensure that a spread of stakeholder interest is served. However, this option would require additional human resources for Commission services and budget to write and manage the tenders.

Moreover, there is the risk under this option that a European Music Observatory would lack some degree of consistency, as opening up all the activities to tender could impact the ability of a European Music Observatory to harmonise data collection methods and monitor comparable information in the longer term, due to the fact that different parties would likely be carrying out individual studies. The lack of structure and clear identity of the Observatory could also be an issue in this option, with the risk of not fulfilling the needs and expectations of the sector, resulting in an Observatory that is less effective and not as dynamic as other options. This option could also limit the potential to access private funding opportunities in the future (should this be required for a European Music Observatory to fully realise its potential and remain relevant for the sector).

⁵⁴ For example: https://www.europarl.europa.eu/doceo/document/A-8-2019-0156_EN.html;
<http://data.consilium.europa.eu/doc/document/ST-13948-2018-INIT/en/pdf>

A potential solution to the consistency problem can be found by looking at the Observatory established by the European Commission (DG MARE), in the form of the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA), which is run by a consortium of five parties through a service contract. Consortium partners cover a range of fields of expertise. The Consortium has established contacts with all Member States, and additionally obtain information from international organisations, private companies, and other organisations, which they then process, analyse, publish, and make available to interested parties. The Commission can request EUMOFA to carry out ad-hoc studies at any time, and there is no limit on how many studies can be requested from the contractor.

In consultation with EUMOFA, it was noted that having a clear identity that is linked to the Commission is beneficial, given that the EU has exclusive competence regarding the Common Fisheries Policy (CFP). Therefore the EU is expected to provide guidance and authority on this matter. However, this is not so much the case for the music sector. In the case of EUMOFA, the vast majority of data is available from public sources, and considering a future European Music Observatory's need for sources of data from private and sectoral organisations, there could be a risk that this model may not be possible if certain data providers will not willingly provide data to the organisation(s) managing the tender (see section 3.6).

Legal Basis

Establishing an in-house setup within a competent service in the European Commission would be the most cost effective and straightforward way to develop a European Music Observatory of this nature. The European Commission is already currently issuing tenders for projects in the field of music, for instance in the context of the Music Moves Europe Preparatory Action, whereby specific tenders (or one tender for the management of the Observatory) could be published directly through the e-tendering service of the EU.

Under this option as already explained above the Commission would systematically publish calls for proposals or for tenders, covering subjects included in the four "pillars" developed as part of this research, in order to appropriately cover the scope of the data needs expressed by the sector. The Commission would keep control on the guidelines, objectives and expected deliverables of the relevant research tasks. However, this would create an additional administrative and financial burden for the competent service(s) involved including on the human resources side, at a time when it is unlikely that additional resources would be foreseen on activities that are not very directly linked to the Commission's overarching strategic priorities. It also creates a pressure in terms of prioritising research topics and justifying choices (and omissions) in the eyes of sectoral advocates.

Budget

Under this option, the dedicated staff within the competent Commission service(s) would manage calls for applications/tenders, and would not carry out any analysis of the data directly. Staff would nonetheless be needed to issue tenders and monitor the implementation of the projects for data collection and/or research. Data could also be procured directly by the service and experts would then be contracted to carry out analysis, or tenders could be issued for the collection of data and research/analysis together.

Associated costs are higher than data purchasing costs due to the absence of a permanently established team able to process, analyse and present data according to

in-house indicators, definitions and research guidelines. The following budget required to implement this option is estimated by the study team:

- *EUR 50,000 - 200,000*: Staff costs (to deal with EMO tenders and essential relationship management);
- *EUR 100,000 - 400,000*: External expert costs to support the competent service(s) on ad-hoc basis;
- *EUR 250,000 - 1,000,000*: Tender contracts with external data providers for several projects / year, allowing progress on 1-3 specific topics per pillar.

As shown above, this options implies that there would be significant additional staff costs for the Commission. There would however be minimal additional costs, as there would be no need to purchase additional tools/software for the analysis of data as these activities would be carried out by the contracted research providers. The budget outlined for tender contracts is wide in scope, which reflects the possibility to adapt the number of possible projects. This makes this option flexible; the Commission could adapt the number of projects depending on the priorities and the available budget allocated to a European Music Observatory.

Access to data

The studies carried out under this option would be handled by third party research companies or data providers. The European Commission could agree to acquire data from the relevant providers and provide this to contractors to carry out the analysis, or this procurement could be carried out by the contractors directly in the framework of individual project budgets. There should also be the possibility to carry out surveys within the context of projects, with specific calls for tender referring to this in the terms of reference. The results of these surveys should be analysed by the contractor.

In EUMOFA, the vast amount of data is acquired from public sources, with the rest of the data being procured through the contractor from private sources. The situation with EUMOFA would not be completely applicable for a European Music Observatory as there is far less publically available data in relation to the music sector, which would mean that there would be a need for a significant amount of private data that would need to be paid. It would be very dependent of the ability of contractors to acquire this private data. Contractors could also be required to explore and utilise all open data where necessary or relevant for the studies carried out. This option should be explored further, either by the Commission or through the tendering organisations in their proposals.

Products/services

Under this option, the products and services that are made available by the competent Commission service(s) through its Observatory function would be dependent on the deliverables requested in individual calls for proposals/tenders. The study team envisages that the most common form of deliverable under this option would be research reports. These research studies would be disseminated by the Commission or dedicated Observatory channels. There is also the option to tender out surveys to specialist organisations.

Under this option, the level of data output would be limited in comparison to other options. Potentially, this option limits scope to offer additional services, such as the provision of dashboards/online tools, unless these services are specifically tendered out. If the option of a long-term service contract is used, such as that of EUMOFA, there could be the option to include specialist IT services within the criteria of the contract, in order to ensure that these services could be offered.

SWOT Analysis

figure 11 SWOT analysis of contracted research management European Music Observatory

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Easiest and cheapest means to implement. • Limited number of staff required for the Commission but in a context when it is extremely difficult for Commission's services to get extra staff members. • Would not require too much additional expertise to implement. • Flexible approach that allows the Commission to adjust the topics and level of activity dependent on developments in the sector and the needs of relevant stakeholders. • Easier to work on an ad hoc basis through individual, framework and service contracts. 	<ul style="list-style-type: none"> • Associated costs are higher than data purchasing costs. • Lack of centralised team to analyse data and produce co-ordinated reports/deliverables. • Less visibility of EMO as work carried out by contractors and not one specific organisation • Potentially less of a contact point with stakeholders, with reliance on potentially multiple contractors to carry out the work. • Lack of consistency in the methodology of the EMO, compromising the ability to monitor yearly developments and trends. • Limited number of services/products on offer; difficulties in managing sectoral expectations.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Opportunity to work with a number of different experts working within various fields of the music sector. • Can offer a number of flexible contract options. • Can adapt to changes in the sector efficiently in that calls can change year on year. 	<ul style="list-style-type: none"> • May not meet the needs of the sector. • Need to ensure good and close working relationship with contractor(s). • The work of the EMO does not produce satisfactory results through tendering out services, and is not continued. • Additional administrative burden for the Commission in addressing applications from calls of proposals/tenders, with the potential to impact other work of the Music Moves Europe initiative. • Precision required in contracts in order to deliver the services required. • High data costs could mean budget is stretched and capacity reduced.

Source: Panteia, 2019

3.8.3 In-house Observatory within the Commission

This option is similar to the contracted research management option in that both are effectively run within the competent Commission service(s). The difference is that the analysis and research activities would be carried out by dedicated staff inside the competent Commission service(s). This option would help ensure consistency in the research activities, but it would also most likely need strong links with other sectoral experts and stakeholders to deliver specific studies. An example of this can be found within the Market Observatories that are run by DG AGRI, whereby the Observatory is run and organised within DG AGRI itself, but works in close partnership with an expert group and Member States. Having a team of dedicated experts within the competent Commission service(s) could potentially allow assisting European music stakeholders

with research activities, in the form of partnerships or provision of expertise. This would obviously depend on the resources available.

A potential issue with this option is that the work of the European Music Observatory could be perceived as not being an independent source of data for policy making purposes as it will be European Commission staff working on all projects. This could therefore be seen too closely tied to specific policy goals of the Commission and not seen as benefiting all stakeholders equally. This could also limit the potential to access private funding opportunities in the future (should this be required for a European Music Observatory to fully realise its potential and remain relevant for the sector). However, access to private funding from certain segments of the industry would need to be reviewed in the light of independence, impartiality and transparency. The lack of an independent body would also not meet the expectations of many within the sector based on the research carried out in this study.

However, this option does offer some flexibility in that a more limited governance structure would allow selecting and defining topics more easily, depending on policy developments and needs. It is recommended that the pillar structure would still be utilised as a basis for the work of the EMO as, again, it presents a framework for resource allocation and a mechanism for monitoring relevance of outputs to the matrix of stakeholder interest.

Legal Basis

Establishing an in-house observatory function within the competent Commission service(s) would be a logical, cost efficient and straightforward way to develop an identifiable European Music Observatory structure (short of developing a fully independent organisation). In this option, instead of calls for proposals/tenders being issued for external parties to carry out the projects, the work would be carried out in house. This creates additional needs on the human resources side, (data analysts and researchers with expertise in the music sector), at a time when it is unlikely that additional resources would be foreseen on activities that are not very directly linked to the Commission's overarching strategic priorities.

Budget

The budget required for this option would have human resources implications (data analysts and researchers with sound knowledge of the European music sector to conduct and carry out the activities) for the competent Commission service(s). As with the contracted research management option, an additional smaller budget could be needed for external experts, who would be recruited on ad-hoc contracts to provide further support, as needed. These staff costs would also include IT experts to assist in developing and maintaining for instance dedicated information on the website, along with the possibility of creating interactive tools and dashboards. The number of staff that would need to be employed would depend on the scope of the work of the European Music Observatory and the number of projects envisaged.

As noted previously, tendering costs are higher than data purchasing costs, but having a permanently established team able to process, analyse and present data according to in-house indicators, definitions and research guidelines would allow for efficiency gains in comparison to contracting out the analysis to external experts. Analysis and processing of open data could also provide a means to reduce costs of data, however in the view of the study team this would need to be supplemented with some private data from third parties to be able to fill identified gaps. The authors of this study estimated the following budget allocation required for this option:

- *EUR 100,000 – 550,000*: Staff costs (specialists in data analysis/research in the music sector or administrative staff);
- *EUR 100,000 - 400,000*: External expert costs to support the competent Commission service(s) on ad-hoc basis;
- *EUR 500,000 - 1,000,000*: contracts with external data providers for 6-12 projects / year.

While this option would involve expanding existing structures within the Commission, still some additional budget for a premises for the European Music Observatory may have to be foreseen.

Access to data

As described in section 3.6, access to data would be dependent on contractual arrangements for data that are agreed with providers, along with partnerships established between stakeholders and national and European statistical offices. As there would be an in-house team working on projects, studies could be determined upon the basis of available data and the possibility of coming to an agreement within the boundaries of the available budget. Therefore, access to data would be dependent on the contractual arrangements made. There could be a risk that data companies might not want to disclose data to the European Commission.

This option could potentially also provide for the opportunity to carry out surveys in-house; however this possibility would be restricted because of limited human resources availability. There would need to be close collaboration with Eurostat in order to maximise data collection and to utilise the potential of ad hoc modules relating to the music sector. Depending on available resources, there could also be the opportunity to assist other music stakeholders with research activities, utilising the in-house expertise. Stakeholders could assist with the collection of data, which is would then be analysed by the dedicated European Music Observatory team, or both tasks could be carried out in partnership.

Products and services

Regarding the types of products to be delivered, this option would provide more consistency and stability in the types of deliverables in comparison to the first option of tendering multiple studies to external parties, because the same research team would work on all studies, complemented by additional external expertise where necessary.

Regular reports should be produced in order to monitor developments and long-term trends within the sector. These should be disseminated through European Commission or dedicated European Music Observatory channels. As the data would be centralised within the core team, there would also be the possibility to conduct real time monitoring of certain variables, should the access to data permit this.

SWOT Analysis

figure 12 SWOT analysis of in-house European Music Observatory within the Commission

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Having dedicated experts working on the projects will allow for consistency. • Flexible approach that allows the Commission to adjust the topics and level of activity dependent on developments in the sector and the needs of relevant stakeholders. 	<ul style="list-style-type: none"> • Lack of independent neutral structure (attached to the EC). • Potentially difficult for Commission's services to get extra staff members to carry out data analysis function. • Potentially weaker governance level and more limited involvement of stakeholders.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Opportunity to partner with EU funded music networks in data collection, which can also be included as part of funding conditions. • Can adapt to changes in the sector efficiently in that calls can change year on year. 	<ul style="list-style-type: none"> • Lack of human resources to deliver a sufficient level of work compared to expectations. • May not meet the needs of the sector. • Potential limitations regarding private funding options, as would not be an independent body similar to the EAO. • High data costs could mean budget is stretched and capacity reduced.

Source: Panteia, 2019

3.8.4 Fully fledged EMO

This proposed option presents the most advanced form for a European Music Observatory. In comparison to the previous options, this would be an autonomous structure, modelled along the example provided by the European Audiovisual Observatory (EAO). Having an independent structure has benefits and would in particular correspond with the desire of stakeholders for strict neutrality, which was identified during in-depth interviews. That being said, such an option would demand a large amount of political support, from within the EU institutions and from EU Member States. This option would also require a significant budget, including additional cost considerations in comparison to other options, such as securing a suitable premises for the Observatory.

As explained in section 3.3, setting up an independent, fully fledged European Music Observatory would also demand a more comprehensive governance structure, in order to ensure that the needs of stakeholders and policymakers are met; both should be involved in the governance of an EMO. Having representation from the policy level and the sector on board in an advisory capacity would allow for a wide range of needs to be met. The proposed four pillar structure acts as a strong foundation for the work of a future independent European Music Observatory, and provides the necessary means to structure the work of the Observatory in order to be effective for the largest number of stakeholders.

Developing a European Music Observatory with the same functions and capacities as the European Audiovisual Observatory, would require important staff implications in order to carry out the larger scope of work. For instance, the European Audiovisual Observatory contains a team consisting of 26 members, including an Executive Director, department heads, analysts, as well as administrative support staff, although this level of structure took many years to develop. However, by following this model, efficiency gains could be achieved with a consistent and dedicated team working on the required analysis and research activities, and given that the EMO can enter into

long term negotiated agreements with providers of data. This would allow for annual or multi-year analysis of the sector based on the various thematic areas.

Legal basis

This option envisages the creation of a permanent body for which a strong legal basis would be required. As identified in section 3.2 above, the following options could potentially be suitable legal bases for this option:

- Creating an **specific instrument within the legal basis** of the new Creative Europe 2021-2027 regulation;
- Empowering a **“body identified by a basic act”** with the exclusivity of carrying out the tasks of the European Music Observatory

However, to achieve either of these options, it would take a great deal of political support from Member States to realise. A strong legal basis will be necessary when considering that an European Music Observatory would potentially need to negotiate with data providers (if not done so directly by the Commission), and would therefore need some degree of legal personality to make these agreements.

Budget

In this option, the Observatory would be a permanent structure with an autonomous budget, bringing together a team of in-house employees and provided with a mandate which includes representation and communication costs. Looking at the European Audiovisual Observatory as a possible model for an autonomous European Music Observatory, it is clear that a significant budget would be required to realise this. As an indication, it should be noted that in 2019, the European Audiovisual Observatory budget amounted to EUR 3,673,600, which is funded mostly by directly contributions from Council of Europe Member States, in addition to support from the Creative Europe programme and indirect funding through private stakeholders on an ad hoc project basis.

The budget allocated to data purchase in this option would serve the purpose of securing “raw” data from selected data providers, which would be analysed by the in-house team. Functioning costs include the expenses incurred by the organisation of several governance and coordination meetings per year. Considering all of these requirements, it is estimated that at a minimum, a fully-fledged European Music Observatory would require the following budget:

- *EUR 500,000 – 600,000*: Staff costs (around 10 permanent staff members to begin with).
- *EUR 150,000 – 200,000*: Management costs (Executive director and other senior positions)
- *EUR 200,000 – 300,000*: Functioning costs (governance meetings, technical/IT costs, renting costs, travels, events, communication).
- *EUR 500,000 – 1,000,000*: purchases through external data providers for 6-12 projects / year.

Therefore the total budget foreseen is would be greater than could be extracted from the Creative Europe programme (see section 3.4). Therefore, additional funding sources would have to be considered in order to realise this option, which would mean that the Observatory would not be 100% European Union funded. Section 3.4 outlines several possible scenarios for this: private funding and additional contributions from Member States.

Several stakeholders have noted that a mix of private and public funding would be an ideal option for a future European Music Observatory, at least in the longer term. Additionally, those who have worked on European projects (Creative Europe etc.) believe there is some need to put responsibility on the actors of the music scene, and therefore sharing the responsibility is desirable. In case of private funding, there should be rules governing the financial contribution of stakeholders, so that no imbalance/favouritism is created. It should be noted that the European Audiovisual Observatory also receives a small amount of private funding in addition to Member State funding and still retains its objective working methods.

As explained in more detail in section 3.4, the possibility for Member States to contribute to the budget of a future independent European Music Observatory by creating a Public-Public Partnership between the EU and several Member States. This option would be open to all Member States, but it would be down to their discretion whether to contribute and the size of the financial contribution.

The most important consideration regardless of funding option is that the financing of the European Music Observatory is sustainable. The authors of this study believe that the most ideal solution would be to start the EMO as a 100% EU funded body, with the opportunity for additional funding from the Member States and the private sector once the value has been shown. This would be judged on the basis of concrete indicators developed in the mid-term strategy and annual work plans, as well as feedback from stakeholders, as described in section 3.3.

Organisation of an independent fully fledged European Music Observatory

In comparison to other options proposed in the context of this study, an autonomous, fully-fledged European Music Observatory would require a more complex organisational structure. Based on the example provided by the European Audiovisual Observatory, in order for a European Music Observatory to be able to provide a comparable function to the level that the EAO is currently performing at, a fully-fledged EMO would need to involve a significant number of staff and roles. The following section provides an indication of the types of roles that would be necessary to ensure a comparable function to the European Audiovisual Observatory. Such a structure would not be feasible in the other options presented, but reflects the ideal scenario that is based upon the most developed proposal for a European Music Observatory presented in this report.

Executive director

The executive director would be appointed by an external board that is made up of representatives of the Commission, as well as EU Member States. The role would consist of:

- overseeing the day-to-day work of the EMO;
- hiring the team and organising the tasks undertaken by the different departments;
- executing the broad strategic decisions made by the board;
- liaising and coordinating with the different structures associated with the EMO – board of directors, advisory committee, stakeholders;
- representing the EMO in its outreach efforts;
- acting as an expert to European and national policymakers on issues related to the music sector.

Administration & support

Head of administration/HR

A Head of Administration/HR would be appointed by the executive director with the approval of the board and reporting to the executive director. The role will consist of:

- seconding the executive director in all matters linked to the management of the EMO;
- overseeing all administrative matters, accountancy;
- IT and human resources needed to operate the EMO;
- deputising for the executive director during trips;
- absences, illnesses;
- hiring Accountant, IT expert, Office manager, and second executive director in hiring the EMO team.

Accountant

An accountant is hired by the head of administration/HR to whom he/she will report. The role will consist of:

- preparing the monthly, quarterly and yearly accounts;
- overseeing monthly payroll;
- ensuring the invoices to suppliers are paid and invoices from vendors are paid.

Information technology expert

An Information technology expert is hired by the head of administration/HR to whom he/she will report. The role will consist of:

- Setting up and running proposed website;
- Development of platforms for data collection;
- assessing the IT needs of the EMO;
- implementing IT strategy;
- working with other departments to ensure that IT systems work smoothly.

Office manager/receptionist

An assistant that would be shared with executive director.

Research Department

Head of research and intelligence

The Head of research and intelligence would be appointed by the executive director to whom he/she reports. In charge of:

- Identifying the data needs of the EMO;
- commissioning or producing in-house reports related to the music sector in collaboration with the advisory committee;
- ensuring the reports are rendered correctly and timely by in-house analysts or third party contractors;
- building a relationship with the key data suppliers;
- provide expertise to policymakers and stakeholders.

Analysts

Analysts would be hired by Head of research and intelligence. In charge of:

- Identifying themes for research;
- conducting research projects and ensuring their timely delivery;
- Updating dashboards;
- assisting Head of research and intelligence.

Legal department

Legal counsel/Head of licensing

A Legal counsel/Head of licensing would be appointed by the executive director to whom he/she reports. In charge of:

- all legal matters related to the EMO;
- coordinating with outside legal experts when required;
- drafting all legal documents needed for the operational run of the EMO;
- negotiating alongside Head of research and intelligence licensing contracts with data suppliers;
- providing expert legal advice to the executive director and all the departments.

Department of marketing and communications

Head of marketing and communications

A Head of marketing and communications would be appointed by the executive director to whom he/she reports. In charge of:

- setting up and coordinating the outreach strategy of the EMO;
- liaising with media outlets;
- devising and executing the release campaigns linked to the various reports.

Access to data

Under this option, a significant budget would also need to be available from the start in order to make agreements to purchase necessary data that is not publically available or available from open sources, and to work with stakeholder groups to develop methodologies to address data gaps in data that is unavailable (see section 2.3). Although it would not be feasible for a future European Music Observatory to meet the needs of all stakeholders from day one, it should be able to quickly start the process of gathering and analysing data across a range of themes.

The Observatory would be able to enter into negotiations with providers of data immediately as an autonomous independent body. With a larger number of dedicated staff available to work on the research projects and less of a need to carry out tendering procedures with third party research organisations.

It is recommended that the European Music Observatory under this option takes a selective approach to data, and starts with (i) data that is already available on the market, and (ii) data sets that can be provided by third parties. A lot of data is already available, either through existing data suppliers (as listed in section 2.3) and the Observatory should start by listing all the available data and suppliers, and delivering targeted results based on the workload priorities.

In a second step, the Observatory will be in a position to better address the missing links in data. The remit and use of data will expand progressively as the Observatory will grow its structure and the scope of its interventions. It will also benefit from input from stakeholders that will be able to help identify and select sectors or projects that need to be monitored. Therefore, the European Music Observatory can deliver projects that fall under each of the four pillars immediately, and can utilise the suggested 'quick win' research projects that have been suggested in section 2.4. The advisory board and stakeholders can contribute to the priorities of the research activities.

Having an independent and autonomous structure would allow the European Music Observatory to strike a wide range of partnerships with data suppliers and stakeholders who hold data about their own sector. This would create a bridge

between the Observatory and data suppliers and ensure a constant flow of data. It would also ensure that some data can be obtained at a lesser cost.

Having a permanent autonomous body would allow the European Music Observatory to build renewable data collections in order to offer comparative and longitudinal analysis and identify trends. Therefore, multi-year agreements should be made with some data suppliers for projects that will be repeated year-on-year. This would most likely help scale down some costs and also ensure that the same methodology will be used year-on-year.

An independent, visible European structure that carries out dedicated research at a pan-European level would also be able to contribute strongly to discussions regarding the lack of harmonised data within Europe. Therefore, in order to achieve better access to data, the European Music Observatory should be given a mandate to contribute to the discussion on data standards and indicators with European and national level stakeholders and statistical collection bodies. This has potential to drive best practice in data collection that would ultimately benefit all aspects of the music sector.

Possible products and users

Having a fully-fledged, independent European Music Observatory that commences work at full scale capacity from the beginning would allow it to reach and have an impact on the largest number of users straight away.

The fully-fledged EMO would ensure delivery of regular/annual reports, carried out by a consistent team of experts, and showing key figures and trends within the sector. Moreover, EMO would build up regular figures to establish long term trends. Infographics and on-line tools could be presented on a dedicated EMO website, and real time information can be presented (charts for instance) where possible based on available data.

Having several music sector experts working year-round on sector related research could enable qualitative research activities and ad hoc studies based upon stakeholder needs, possibly in conjunction with stakeholders to maximise access to expertise and resources. A future European Music Observatory could help with coordinating European research activities in the music sector. An EMO could also develop tools to establish cooperation between various data collection bodies. The Observatory should, therefore, also be involved in setting standards and developing common EU wide definitions that are crucial for consistency. By having an independent body, the Observatory could also be involved in sharing best practice, education and training on data collection in the creative sector, assisting with wider public/private partnerships and ad hoc projects.

Furthermore, the European Music Observatory should build its own IT platform to accommodate the various data sets (pending appropriate licensing agreements) in order to have them in-house and be able to access the data without having to go back to suppliers. This would also allow in-house researchers to dig into multiple data points.

Additional cost considerations

This option would involve significantly more start-up and long-term costs in comparison to other options proposed. Firstly, a large early investment would need to be made in order to begin carrying out the work immediately. Also, a suitable location would also need to be found and paid for, and a cost would even be attached if this

would be housed within the European Commission premises. In the case of the European Audiovisual Observatory, the city of Strasbourg offered premises for the organisation; therefore the city level could be one option to be explored for the location of an EMO.

As all of the research and analysis work would take place in-house, funds would be required for the necessary tools and IT equipment for the researchers and analysts. Additionally, software licenses are likely to be required for relevant programmes and analytic tools.

SWOT Analysis

figure 13 SWOT analysis of fully-fledged European Music Observatory

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Strong structure that can come in and begin work that meets four pillars. • Reaches out to most stakeholder groups. • Autonomy to make agreements with data providers. • Visibly independent from the Commission. • Can control own budget. • Strong presence/visibility as an independent EU funded body working only in the music sector. • Costs go down after initial start-up costs (data and methodologies settled). • Can enter into long term agreements with providers of data to provide annual or multiyear analysis of the sector based on the various thematic areas. 	<ul style="list-style-type: none"> • Difficulties in establishing autonomous legal basis due to lack of support from policy level. • High costs - difficulties in securing sufficient budget. • Larger start-up costs compared to other options. • Complex structure
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Opportunities to generate additional funding from other sources. • Working with sectoral organisations and contributing to wider research partnerships. • Work/relationships with other EU and non-EU data collection bodies. 	<ul style="list-style-type: none"> • Does not receive the required level of necessary political support • Generates unrealistic expectations. • Lack of consensus from stakeholders around priorities. • High data costs could mean budget is stretched and capacity reduced. • Unable to increase operating budget through private sector investment or additional Member State contributions

Source: Panteia, 2019

3.8.5 Scale up European Music Observatory

A further possible option is that a European Music Observatory starts at a more modest scale than the fully fledged version, with the ultimate goal of becoming a more developed structure over time. This option would allow the European Music Observatory to test what is possible at a smaller scale before taking on more work as the reputation grows and the demand from the sector becomes more apparent. At the time of writing, it is highly likely that any approach to a European Music Observatory

would need to take a 'scale-up' approach, given budgetary restraints that have become apparent in light of the Covid-19 pandemic.

There are three potential approaches explored in the context of this study. First, to set up an independent body in the same manner as the fully-fledged option that operates on a smaller scale (and reduced budget) to begin with. Second, to begin with one of the structures previously identified, such as an in-house or contract management EMO with the view to eventually implementing a fully-fledged option. Examples of this would be the competent Commission service(s) issuing a first wave of tenders to improve knowledge of the sector or conducting research work in-house and establishing working relations with data providers and sectoral partners before launching an independent structure that would carry on the work. Third, a hybrid approach is proposed, whereby the competent Commission service(s) would initiate a number of parallel actions to gather and improve the European music sector data collection landscape.

Although the creation of a smaller independent body would be the most suitable option, as this gives the opportunity to establish working methods in advance and to test what works and what does not, this would still involve similar challenges in determining a suitable legal basis, negotiating with data providers and receiving the necessary political support. The option of scaling up from an in-house or contracted management EMO would be more feasible to execute, although could lead to challenges in developing into the fully-fledged option.

The following figure provides an overview of possible scale up options that could be used in the development of a European Music Observatory:

figure 14 Overview of possible 'scale-up' options for a European Music Observatory

	Smaller independent body → Fully fledged	Contracted research management → Fully fledged	In-house Observatory within the competent Commission service(s) → Fully-fledged	Hybrid option → Consistent approach to data collection
Proposed Action	<p>The Commission would support the development of a small independent structure, based on the example proposed as the 'fully-fledged option' indicated within this report. This option would require less than the budget proposed and would not have the same number of staff, resulting in less projects and data collection/analysis.</p>	<p>The Commission would initiate calls for tenders in order to gather data on the European music sector. Tenders could also be launched to develop long term data collection solutions to address gaps. The data and working methods developed during this phase could be used as providing the basis for any future independent structure.</p>	<p>The Commission would hire several experts and begin working on developing data collection methods, working with potential providers of data and analysis of the data. Eventually, more members can be added, and these members can also be moved into an independent Observatory structure if this is eventually developed.</p>	<p>The Commission will test a number of different actions to gather and improve data relating to the music sector. This will potentially involve a combination of:</p> <ul style="list-style-type: none"> • calls for proposals/tender for projects that need to be carried out by third parties; • Projects carried out in-house by the competent Commission service(s), working in combination with the JRC or external experts on music sector related projects; • Strengthening cooperation with other relevant data collection bodies regarding music sector data; • Working with and providing support for stakeholders to improve existing data collection activities; • Working closely with sectoral and non-sectoral data collection experts to address innovative solutions to addressing data gaps.

Benefits	<p>Would make the process of scaling up easier; Can already establish working methods; Consistency in staff, premises and working methods already in place</p>	<p>Would be straightforward to implement from a legal view; Allows for time to develop and test ideas, as well as time to gain the necessary political and financial support.</p>	<p>Having consistent staff and working methods in place would allow for a smooth transfer in case an independent structure was eventually created; Working methods already in place allows for consistency.</p>	<p>Flexible approach; Allows to test a number of different possibilities in parallel; Allows the first data collection at European Level to take place; Can use as a basis to develop into a number of structural options.</p>
Challenges	<p>Challenges in establishing a legal basis and the necessary political support would be similar, if not the same as for a fully-fledged option. Limited budget would mean less work carried out, possible unrealised expectations.</p>	<p>Lack of consistency in data and information provided if multiple tenders addressed by different parties. Difficult to scale up as a following independent structure; would be a very different form to the existing structure. Need for additional members at a time when it is extremely difficult to recruit human resources</p>	<p>Potentially challenging to move from an internal Commission structure to an independent body; Strain on the financial resources in-house.</p>	<p>Lack of consistency in approach; Does not involve the development of a real structure with its own identity; Potentially does not meet the expectations of stakeholders.</p>

Source: Panteia, 2019

Legal basis

As with the previous options, the legal basis would ultimately provide for the creation of a permanent body that would be operational from its creation, although running at a reduced scale, or through an in-house research set-up within the Commission, that either deals directly with the data collection and analysis, or issues and manages calls for tender and the running projects.

Budget

The goal of the approach under this option is to ultimately reach the same level that is envisaged in the fully fledged EMO (Section 3.8.4). It should be noted that the creation of an Observatory (at least one with the functions described in the previous option) would take time, and that realistically, some form of scale-up would have to be considered.

Under this option, some form of observatory function would be able operate on a small budget at the start, utilising one of the scale-up options that are presented above. As with the previous option, the Observatory would be best served by starting as a 100% EU funded body, with the opportunity for additional funding from the Member States and the private sector once the value has been shown. The available budget for would be the amount that would be able to be extracted from the Creative Europe programme, which would be highly dependent on several factors (see section 3.4). Therefore, some degree of funding for data driven music sector research projects should be feasible.

This would however also mean that a smaller number of projects and research areas would be tackled from the inception compared to the previous option. The number and type of projects would be dependent on the budget that was available for the Observatory. Some budget would need to be provided to be able to acquire data and to take on a sufficient number of staff (if a separate structure was created), although this would be dependent on the level of work that is required at inception of the European Music Observatory.

Given the budgetary considerations outlined in section 3.4 that imply that there would be limited funds to start with, a flexible, scale-up option that allows a number of parallel actions to be tested that are carried out by different parties is considered the most feasible solution.

Access to data

As stated before, ultimately, also under this option, the aim is to achieve a fully-fledged EMO (option presented in section 3.8.4).

Regarding feasibility, as also stated before, a future European Music Observatory could not cover all and everything, and cater for the expectations of every stakeholder from day one. Moreover, it would not be feasible to cover the same number of projects and topics under this option in comparison to the fully-fledged option; it would therefore be more feasible to limit the number of projects to a selection of several projects that cover the four pillars, ideally utilising data that is already on the market. The European Music Observatory could thereby establish its value and build on its portfolio of work. Projects should be selected in consultation with stakeholders through the Advisory Board.

The research team believes that a significant number of studies offering ‘quick wins’ could be developed at a limited cost by using existing data, by partnering with other organisations, and by leveraging available resources. As indicated in section 3.6, a number of studies could be launched from the outset that would rely on third party research companies and data providers. This would essentially be valid during the launch period of a ‘scale-up’ European Music Observatory. Tenders can be launched for specific projects by the Commission (as is currently the case under the studies conducted in the context of Music Moves Europe). Or the model of EUMOFA could be followed, whereby the Observatory operates under a service contract awarded to a consortium of several partners and covering different fields of expertise. Once the Observatory would enter into a full operational mode, it could also build internal expertise for possible projects to be developed in-house.

Ultimately, a hybrid solution that incorporates a number of different activities carried out by different parties could be a suitable testing ground for actions to feed into a more permanent future structure. That being said, the same budgetary and human resource limitations encountered in the other proposed options would still be applicable.

Possible products and users

Although the data provided should cover all the four pillars, as a more limited number of projects would be implemented in the initial phase, this could affect and limit the number of potential users, and may lead to stakeholder disengaging from the work of the Observatory. However, if more projects were to be added over time and the extent of the scaling up suggests that progress would be made, it is more likely that stakeholders would remain supportive to the project. Ultimately, the aim would remain to develop and expand the work of an Observatory over time in order to provide quality services for the European music sector.

SWOT Analysis

figure 15 SWOT analysis of ‘scale-up’ European Music Observatory

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Flexible model that allows the EMO to grow organically and potentially become more impactful over time. • More flexibility to learn what works and what doesn’t. • Lower start-up costs. 	<ul style="list-style-type: none"> • Smaller initial impact and lower visibility. • Does not allow carrying out the broad array of projects that stakeholders expect • Potentially less capacity to negotiate effectively with data providers. • Lack of EU funding • Lack of necessary strong political support
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Targeted early quick wins. • Build established structure through incremental developments. • Good work can encourage further growth and support. 	<ul style="list-style-type: none"> • Insufficient political support for the creation of an EMO. • Chance that that EMO does not grow due to lack of impact. • Does not scale up due to lack of interest or ‘un-matched’ expectations. • Potential difficulties in developing from a tender based/in-house EMO to an independent organisation. • High data costs could mean budget is stretched and capacity reduced.

Source: Panteia, 2019

3.8.6 *Integration into an existing observatory structure*

One of the possibilities the authors of this study were asked to explore was the integration of the tasks of a European Music Observatory within the structure of existing cultural or related observatories. In particular, two Observatories were identified that could be considered possible options for integration of European music data collection activities:

- European Observatory on Infringements of Intellectual Property Rights (EUIPO)
- The European Audiovisual Observatory (EAO)

More information on the EAO can be found in Annex 9.

Discussions with the EAO have been helpful in establishing research parameters for this feasibility study. Both organisations have expressed willingness to develop good working relationships with any future European Music Observatory. While this study cannot conclude whether the EUIPO Observatory could potentially carry out the work, or some of the tasks, of a future EMO, which would be subject to future inter-institutional talks, it does not exclude this option. In this instance, there would be theoretically the possibly to integrate the additional tasks required as a part of the existing legal basis of the suitable organisation.

The European Observatory on Infringements of Intellectual Property Rights (EUIPO)

The European Union intellectual property office (EUIPO) is responsible for managing the EU trade mark and the registered Community design, and works with the IP offices of the EU Member States and international partners. The European Union Intellectual Property Office Observatory is part of EUIPO, and is based in Alicante, Spain. The Observatory operated by European Intellectual Property Office was established under Regulation (EU) No 386/2012 on 19 April 2012. It is tasked with gathering and monitoring data, and exchanging best practice, relating to all intellectual property rights covered by Directive 200448/EC and which is needed “in order to obtain a complete picture of the situation and to enable comprehensive strategies to be devised with a view to reducing infringements of intellectual property rights.” The Observatory is guided by a network of stakeholders designated into 3 groups – public, private, civil society. The network includes observers from other agencies, including European Audiovisual Observatory, with which it has relevant Memorandum of Understanding, but works only with organisations which have European level accountability. The Observatory sets its annual work-plan through network consultation and the budget is part of the overall EUIPO budget, which funds the Observatory through income generated by trade mark registrations, from registered design registrations, and various legal proceedings associated with EUTMs and RCDs, such as oppositions, cancellations, invalidities, renewals, etc. Data is either self-collected through EUIPO or purchased at market rate, contributing to its impartiality. The Observatory does not have an operational role and does not make or recommend and policy decisions, and in matters of debate it maintains a strict code of neutral objectivity. The Observatory considers its value in the high-quality and objective studies and data it produces, and considers its strongest asset to be its credibility.

The IP Observatory does not receive EU funding, which suggests the **possibility of a very low cost option**. The EU Intellectual Property Office is the official European trademark and design registration agency, which is a paid-for service, and it's this income that covers the cost of running the Observatory. The Commission made an initial financial investment but this was to cover start-up costs only. The legal powers for the Observatory are contained in Regulation 386/2012. EUIPO have a formal

working relationship with the European Audiovisual Observatory and has 'observer' status at executive board meetings.

Music, and particularly the commercial exploitation of music, benefits greatly from the excellent IP rights afforded in the EU and it is therefore essential that the EMO works carefully and diligently alongside the EUIPO Observatory.

The European Audiovisual Observatory (EAO)

The authors of this study carried out an extensive consultation with the European Audiovisual Observatory (EAO). The term "audiovisual" essentially refers to all the media except the press: cinema, television, radio, video and the various on demand services (such as Video on Demand or Catch-up TV), which are all sectors of the audiovisual industry. The information provided by the European Audiovisual Observatory is aimed at its members and professionals working within the audiovisual sector: producers, distributors, exhibitors, broadcasters and other media service providers, international organisations in this field, decision-makers within the various public bodies responsible for the media, national and European legislators, journalists, researchers, lawyers, investors and consultants. The budget of the European Audiovisual Observatory is mainly funded by direct contributions from its 41 member states and the European Union, represented by the European Commission, and partly through revenues from the sale of its products and services. The EAO primarily gathers information on its members' audiovisual industries.

The European Audiovisual Observatory was set up as an Enlarged Partial Agreement of the Council of Europe. Its legal basis is Resolution Res(92)70 of the Committee of Ministers of the Council of Europe of 15 December 1992, as well as Resolution Res(97)4 of 20 March 1997, in which the Committee of Ministers confirmed the continuation of the EAO. A founding member of the EAO, the European Union (EU, at the time European Community), represented by the European Commission, has been playing an active role since the EAO was established. The activities of the Observatory concern both legal information and market information, as also reflected by its structure into two Departments (Legal and Market). There are three working languages within the EAO - English, French and German, and 26 staff members.

Based on the research carried out, an initial finding is the necessity to avoid "mirroring" the model of the European Audiovisual Observatory, which is built on two distinct departments respectively covering "market" and "legal" aspects of the audiovisual sector. Although this data-collection principle seems to be working well for highly integrated sectors such as television and cinema, a variety of music sector activities could not be covered by such a distinction. The evolution of online distribution models, for instance, is a challenge which can be analysed from both a "market" and a "legal" viewpoint. Another element to be taken into consideration is the relative importance of non-commercial music activities in the European landscape, which are not easily approachable through a market/legal dichotomy.

The EAO would potentially be interested in working with a future EMO in areas of mutual interest, but the specificities required to successfully conduct research and data collection in the music sector could not be met by the EAO. Consultation with the EAO indicated that it is highly unlikely that there would be interest in expanding the scope of the EAO to include music sector activities. Firstly, this would be difficult given the fact that the EAO operates within the Council of Europe, and the Board consists of many non-EU states. The EAO has created a delicate balance between the stakeholders and the difficult task they have been created for, namely getting better

data on the audiovisual sector. There is little compatibility with the activities of the EAO and the planned activities of a potential EMO.

SWOT Analysis

figure 16 SWOT analysis of integration of European Music Observatory into an existing observatory structure

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Flexible model that allows the EMO to grow organically and potentially become more impactful over time. • More flexibility to learn what works and what doesn't. • Lower start-up costs. 	<ul style="list-style-type: none"> • Smaller initial impact and lower visibility. • Does not allow carrying out the broad array of projects that stakeholders expect • Potentially less capacity to negotiate effectively with data providers. • Lack of EU funding • Lack of necessary strong political support
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Targeted early quick wins. • Build established structure through incremental developments. • Good work can encourage further growth and support. 	<ul style="list-style-type: none"> • Insufficient political support for the creation of an EMO. • Chance that that EMO does not grow due to lack of impact. • Does not scale up due to lack of interest or 'un-matched' expectations. • Potential difficulties in developing from a tender based/in-house EMO to an independent organisation. • High data costs could mean budget is stretched and capacity reduced.

Source: Panteia, 2019

3.9 Overview of options

The analysis carried out in the previous sections shows that there are a number of possible options that could be considered in developing a European Music Observatory. One constant that applies to all the available options is that the 'four pillar' approach should be implemented as the approach to data collection, given that these areas correspond to the main priorities of stakeholders and policy makers consulted in this project, along with the analysis of the requirements. Additionally, there are several 'quick win' projects that have been proposed (see section 3.6) to be implemented from the start. **These projects could be launched regardless of the proposed feasible option selected.** These could be launched through tenders issued by the competent Commission service(s), or an independent fully-fledged observatory could make agreements and partnerships with data providers in order to have the required data to carry out the work or launch tenders in instances where external expertise would be required.

Regarding the other points that have been analysed within the context of this study, there are a number of variables that need to be considered. The following chart provides a quick reference chart to compare the different organisational arrangements for the proposed feasible options. Some options would have variables that are applicable to more than one option; for instance, there could be several possibilities of legal basis for a future observatory under a certain option.

figure 17 Overview of various options proposed for a European Music Observatory

	Fully fledged EMO	Scale up EMO	In house EMO hosted within the competent Commission service(s)	Contracted research management	Integration into existing observatory
Area of responsibility / governance	External board that is made up of representatives of the financiers (Commission, as well as possibly EU Member States); Board sets the mid-term strategy, as well as the annual work plan. Consultation with Advisory Committee to determine priorities and topics based on the four pillars.	Task force set by the competent Commission service(s) develops mid-term strategy and annual action plans, along with support from stakeholders and policy makers; Can implement a flexible approach if necessary.	Task force set by the competent Commission service(s) develops mid-term strategy and annual action plans, along with support from stakeholders and policy makers	Task force set by the competent Commission service(s) develops mid-term strategy and annual action plans, along with support from stakeholders and policy makers	Dependent on working model of existing observatory
Suitable Legal Basis options	Establishing a specific body Body identifies as a basic act Creating an independent instrument under Creative Europe	Creating an in-house research set up within the competent Commission service(s).	Creating an in-house research set up within the competent Commission service(s);	Independent instrument within Creative Europe; In-house set up within the competent Commission service(s)	Legal basis of existing Observatory
Advisory committee	Broad advisory committee made up of industry, civic and public music sector organisations	Expansion of current Advisory Board to cover key contacts from all stakeholder groups	Expansion of current Advisory Board to cover key contacts from all stakeholder groups	None – Work plan set by the competent Commission service(s); Possible consultation on an ad hoc basis.	Dependent on working model of existing observatory
CEO	EMO Director	EMO Director hosted within the competent Commission service(s), or no Director, with the option to include once EMO has reached more developed stage.	EMO Director hosted within the competent Commission service(s)	None	Existing Observatory CEO
Staff	EMO employees (see section 3.8.4)	Level of staffing dependent on the scale up model. Would require some additional human resources.	Analysts/researchers contained within the competent Commission service(s)	Administrative support contained within the competent Commission service(s), managing contractual relationships	Existing Observatory staff + potential specific experts (if required)
Budget and cost considerations	Would require significant budget for data purchase from selected data providers, HR costs and functioning costs, including premises and the expenses	Would require some budget, but significantly less than fully fledged option. Levels would be dependent on the type	Requires budget to employ several internal data analysts and researchers; Some budget should be	Requires budget for dedicated staff within the competent Commission service(s) to manage tenders;	Dependent on budget available at existing Observatory; Most likely lower costs than alternative

	incurred by the organisation of several governance and coordination meetings per year; Consideration should be given to accessing private funding or additional contributions from Member States in order to maximise operational capacity	of EMO implemented. Flexible approach means that a number of parallel actions can be taken with limited budget to test solutions.	allowed for external experts where required; A permanently established team will allow some efficiency gains; No additional budget required for a premises for the European Music Observatory	Tendering costs are higher than data purchasing costs due to the absence of a permanently established team able to process, analyse and present data according to in-house indicators, definitions and research guidelines; Minimal additional costs (such as software, premises etc.)	models; No additional budget required for a premises for the European Music Observatory
Access to data	EMO should establish agreements and partnerships to purchase necessary data that is not publically available; Work with stakeholder groups and public data collection bodies to develop methodologies to address data gaps in data in unavailable; Start with selective approach to data (i) data that is already available on the market, and (ii) projects or data sets that can be commissioned or provided by third parties; Option allows for a constant flow of data. It will also ensure that some data will be obtained at a lesser cost.	Would need to make contractual arrangements and partnerships for provision of data or launch tenders to be handled and collected by third party research companies or data providers; A number of different options can be tested in parallel to improve/develop data collection in the European music sector.	Access to data will be dependent on contractual arrangements for data that are agreed with providers, along with partnerships established between stakeholders and national and European statistical offices.	Handled and collected by third party research companies or data providers; The European Commission can agree to acquire data from the relevant providers and provide this to contractors to carry out the analysis, or this procurement can be carried out by the contractors directly in the framework of individual project budgets.	Potentially more limited, as may not have the specific sufficient sectoral knowledge required.
Limitations of model	Significant set up and running cost; Significant work to set up; Challenges in ensuring comprehensive representation; High delivery expectations.	Could possibly be seen as less visible compared to a fully-fledged option; Expectations of stakeholders not met.	Potential lack of impartiality (views of sector/audience vs Commission); Potential limited representation of stakeholders. High staff costs mean this option may not be feasible.	Lack of consistency; Limited stakeholder input; Lack of industry credibility; Fails to meet stakeholder needs.	Working processes and expertise may require some internal adjustments given the characteristics in which data collection in music sector takes place; Fails to meet all stakeholder needs.
Benefits of model	Accurate cross-border co-operation and monitoring;	Would allow a more flexible approach, and	Limits cost; Relatively easy set-up;	Lower cost option; Responsive to policy	Low cost; Utilises existing

	<p>Comprehensive data resource; Clear EMO identity; Impartiality; Recognised status and credibility; Potential for improved working relationships; Co-ownership of decision-making and areas of work.</p>	<p>could be achieved with limited budget; Testing possibilities using available budget allows opportunity to prove value and establish need for a more permanent structure.</p>	<p>Clear EMO identity; Potential for quick decision-making;</p>	<p>need; Light-touch approach; Experts contracted when necessary.</p>	<p>expertise in data collection/analysis.</p>
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Source: Panteia, 2019

4 Conclusions and recommendations for a future European Music Observatory

Main conclusions

The main message of this research is that a very large majority of stakeholders and policymakers consulted **support the establishment of an independent European Music Observatory, that should be financed in significant part (if not exclusively) with European Union funding**. However, the interviews conducted in the course of this research show that at the time of drafting the study there was no strict consensus whether it should be an EU centralised permanent body or not.

As stated in Chapter 1, the first, most direct and important finding of the study lies in the fact that it would be **counter-productive for the European Commission not to press ahead with the development of a European Music Observatory** in some form, considering the momentum that has been achieved in the EU level discussion on music, and by engaging the sector and public bodies at all levels of consultation and decision-making. This has been demonstrated through the desk research activities and multiple interviews that have been conducted in the context of this research. Discussions with stakeholders have shown that the landscape of music sector data collection in Europe is not considered satisfactory, and a degree of EU action would significantly contribute to fix the apparent market gap. The articulation of this priority in the Commission's proposal for the next Creative Europe Programme, and in the European Parliament's report on the subject, add to the music sector's and the Member-States' growing interest in developing a European Music Observatory.

A consensual takeaway from this research is that **sector representatives and policymakers do not have access to reliable and comparable music data at local, national and European level**. This was a sectoral consensus already prior to this research, and has been reflected in various dialogues between the Commission and the sector. The issue has been raised in several occasions since the Commission started its dialogue with the music sector, first through the AB Music Working Groups process, and then via the various features of the "Music Moves Europe" initiative.

The fragmentary nature of reliable music sector data is problematic, and the data currently collected on the music sector in Europe is scarce and difficult to access. Although some national and EU-level bodies do collect data, the quality and type of data varies too much to represent a viable resource for all music sector stakeholders. There is also a **lack of coherent methodology for the collection of comparable and structurally collected data at local, national and European levels**, and a general consensus emerged on the fact that data should be collected to most effectively support the sector as a whole. Another key issue is the lack of comparability of definitions and indicators used in the collection of data, and there is a clear need to evaluate and solve this problem at the European level.

The launch of an observatory that would produce independent studies regarding the sector and provide regular and accurate measures of the imprint of European music, its circulation and vitality would hence be **highly beneficial for the sector, and would help clarify and better assess the strengths and weaknesses of the European music landscape**. A European Music Observatory should be embraced by a wide spectrum of sectoral stakeholders and policymakers and should therefore aim at covering a range of research and data-collection fields, which is as broad and representative as possible. The research has shown that the Four Pillar Structure,

which consists of the main data priorities identified during the study, would be the most suitable and relevant means to structure data collection, and will be of relevance to the maximum number of stakeholders. **A European Music Observatory should therefore be of collective interest for commercial, not-for profit and public operators active in the field of music.**

The data needs to **encompass the most important topical issues on the policy agenda discussed between EU institutions and representative music sector organisations at EU level**, and also needs to reflect the European Union's goals for culture and the European music sector in particular, building on and strengthening further the sector's strong assets: creativity, diversity and competitiveness. The establishment of a European Music Observatory would be fully consistent with the subsidiarity principle and its mission would be to exclusively provide information of European interest. Its reach should begin where existing national data-collection endeavours fail to provide comprehensive and comparable measures and analysis. Synergies should be built when possible with existing EU-funded tools (e.g. music-related cooperation projects, networks and platforms co-funded by Creative Europe) and relevant activities of the Joint Research Centre, Eurostat, the European Audiovisual Observatory, other European observatories as appropriate etc. In other words, the backbone of the proposed data collection structure should be its EU-added value.

Transparency will also be achieved by ensuring that each sub-sector does indeed contribute – with help and incentive from the European Music Observatory – to the data mining processes, helping to create a larger set of data than the existing one. This research has shown the willingness of the sector to share and help standardise data, as well as to engage with a future European Music Observatory. The idea of creating a European Music Observatory has now become part of the policy platforms of several organisations representing sub-sectors of the music community. This “appropriation” of the project is the clear sign that an Observatory is not seen as a fundamental and necessary tool for the sector whose remit will help fix a gap and provide a tool for long term structured data collection on the sector.

This study was launched to test the feasibility of a possible future European Music Observatory. It can conclude that the creation of such an Observatory would resonate beyond just the boundaries of the tasks undertaken by the Observatory and would have a positive transformative impact on the music eco-system in Europe. A European Music Observatory would have a leverage effect on many levels.

At a general level the following benefits would be as follows:

- to contribute to setting better **data standards** for the music sector on a pan-European level.
- to encourage the EU statistical office to incorporate new and **more granular data** pertaining to the music sector.
- to encourage national statistics agencies in the EU to **work in sync with the EU statistical office and harmonise economic data** about the sector.
- to **incentivise music sector organisations** representing the various sectors to even out the quality of their data, and, in some case, to find schemes to collect and start providing data which was previously unavailable (live music, music publishing, neighbouring rights, among others).
- to create a set of **best practices** in terms of data collection that will trickle down to all elements of the music sector.

For the music sector, the benefits would be multiple too:

- There would be a European structure whose sole purpose would be to collect and **produce data and intelligence** about the sector, covering all the aspects of the music eco-system, and providing this insight to the music ecosystem.
- The European music sector, policymakers and citizens would be able to have a pan-European **overview of the economic and social value of music**, with the opportunity to monitor its evolution over time.
- The music sector would have the tool to research **gaps and hindrances** in the way the sector operates in order to suggest **remedies and policies**.
- It would foster a culture of **transparency** in the sector, by setting up new tools to monitor the changes and progress made by stakeholders.
- The music sector and policymakers would gain proper tools to **monitor the circulation of repertoire** within the EU but also outside the Union.

For policymakers, the EMO would provide additional specific benefits:

- Having for the first time, and for the long haul, a structure that would provide data and intelligence about the music sector in order to **identify issues** specific to the sector and pave the way for **evidence based policies and solutions** for the sector.
- Being able to monitor year-on-year changes in the sector, in order to **measure the impact of local, national and European public policies**, and assess improvements in the way the sector operates.
- Greater understanding of the **importance of music for society** by looking at participation in music activities across Europe, including through educational, amateur music and volunteering work, considering social and environmental impacts.
- Relying on **independent experts** and not just on information provided by the sector to inform public policies related to the music sector.

What is apparent from this research is that this particular moment represents the perfect opportunity to develop a European Music Observatory. There is evident **synergy between stakeholders and policymakers and a mutual desire to cooperate on issues vital to the future of the European music sector**. This is also reflected in timing of the upcoming Multiannual Financial Framework (MFF) and the coming "Sectorial Action" on Music within the Creative Europe Programme 2021-2027, which builds upon the Preparatory Action on Music). The proposal for a European Music Observatory also has strong synergies with the EU Digital Agenda, and will help ensure the European music sector continues to compete in the digital age. This rare and excellent alignment between sectoral interests, resourcing opportunities and policy priorities should not be wasted.

Strengths and weaknesses of the options

The different options that are presented in this report suggest several feasible means to create a European Music Observatory. All of these options have various strengths and weaknesses that have been explored.

figure 18 Overall SWOT analysis of the proposed options

	Strengths	Weaknesses	Opportunities	Threats
Contracted research management	<ul style="list-style-type: none"> •Easiest and cheapest means to implement. •Limited number of staff required, in a context when it is difficult for the Commission's services to get extra staff members. •Would not require too much additional expertise to implement. •Flexible approach. •Easier to work on an ad hoc basis. 	<ul style="list-style-type: none"> •Higher associated costs. •Lack of centralised team. •Less visibility of EMO. •Potentially less of a contact point with stakeholders. •Lack of consistency in the methodology. •Limited number of services/products on offer. 	<ul style="list-style-type: none"> •Opportunity to work with a number of different experts. •Can offer a number of flexible contract options. •Can adapt to changes in the sector efficiently. 	<ul style="list-style-type: none"> •May not meet the needs of the sector •Need to ensure good and close working relationship with contractor(s). •The work of the EMO does not produce satisfactory results through tendering out services, and is not continued. •Additional administrative burden for the Commission in addressing applications from calls of proposals/tenders. •Precision required in contracts.
In-House through the competent Commission service(s)	<ul style="list-style-type: none"> •Dedicated experts allows for consistency. •Flexible model allows easy adjustment of work plan. 	<ul style="list-style-type: none"> •Lack of independent neutral structure (attached to the EC). •Weaker governance level and limited involvement of stakeholders. 	<ul style="list-style-type: none"> •Opportunity to partner with EU funded music networks in data collection. 	<ul style="list-style-type: none"> •Lack of sufficient human resources to deliver a sufficient level of work. •Does not meet the expectations of stakeholders. •High data costs could mean budget is stretched and capacity reduced. •Potential limitations regarding private funding options.
Fully fledged EMO	<ul style="list-style-type: none"> •Strong structure that can begin work that meets four pillars. •Reaches most stakeholders groups. •Autonomy to make agreements. •Visibly independent from the competent Commission service(s). •Can control own budget. •Strong presence/visibility. •Costs go down after initial start-up costs. •Can enter into long term agreements with providers of data. 	<ul style="list-style-type: none"> •Difficulties in establishing autonomous legal basis due to lack of support from policy level. •Difficulties in securing sufficient budget. •Larger start-up costs compared to other options. •Complex structure. 	<ul style="list-style-type: none"> •Opportunities to generate additional funding. •Working with sectoral organisations contributing to wider research partnerships. •Work/relationships with other EU and non-EU data collection bodies. 	<ul style="list-style-type: none"> •Generates unrealistic expectations. •Lack of consensus from stakeholders around priorities. •High data costs could mean budget is stretched and capacity reduced. •Does not receive the required level of necessary political support. •Unable to increase operating budget through private sector investment or additional Member State contributions.
Scale up model	<ul style="list-style-type: none"> •Flexible model that allows the EMO to grow organically. •More flexibility to learn what works and what does not. •Lower start-up costs. 	<ul style="list-style-type: none"> •Smaller initial impact and lower visibility. •Does not allow the EMO to carry out the broad array of projects that stakeholders expect. •Potentially less capacity to negotiate effectively with data providers. •Lack of EU funding. 	<ul style="list-style-type: none"> •Targeted early quick wins. •Build established structure through incremental developments. •Good work can encourage further growth and support. 	<ul style="list-style-type: none"> •Chance that that EMO does not grow due to lack of impact. •Insufficient political support for the creation of an EMO. •High data costs could mean budget is stretched and capacity reduced. •Does not scale up due to lack of interest or unrealised expectations. •Potential difficulties in

		<ul style="list-style-type: none"> •Lack of necessary strong political support. 		<ul style="list-style-type: none"> developing from a tender based EMO to an independent organisation.
Integration into existing observatories	<ul style="list-style-type: none"> •Utilising existing experience in data collection and analysis. •Most likely lower costs than alternative models. 	<ul style="list-style-type: none"> •Dependent on budget available at existing Observatory. •Working processes and expertise may have to readjust for data collection in the music sector. 	<ul style="list-style-type: none"> •There are several EU and non-EU data collection bodies where there are potential synergies with the work of an EMO. •Faster to set up administratively. 	<ul style="list-style-type: none"> •May not be able to gather all music stakeholders if existing Observatory structure does not allow for stakeholder involvement. •Activities already carried out within the existing observatory might form the basis of the EMO activities, which might hamper the development of new activities that are more relevant. •Existing Observatories may not be interested in taking on all additional work of an EMO, but only part, as it does not align with their area of interest.

Source: Panteia, 2019

Regarding the structure of any possible future European Music Observatory, the main conclusion that can be drawn from the research is that a European Music Observatory would benefit from a **legal basis that is as autonomous as possible and a governance model that is as inclusive as possible**. Although **no consensus can be drawn from the stakeholder and policymaker consultation as to whether a European Music Observatory should be implemented** as an EU centralised body or not, the authors of this study have considered, explored and debated several options and have evaluated the merits and limitations of all of these options.

Recommendation for the most effective feasible structure for a European Music Observatory

This study has shown that there is a demand for a European Music Observatory which could monitor the impact of the music sector in Europe. There are a number of potential data providers which are interested in contributing, and it appears there is also sufficient willingness to improve music data collection in Europe and address gaps where they exist. The table above provides an overview of the potential options that are available for the development of a future European Music Observatory.

Based on the analysis of these options, this study concludes that the most effective European Music Observatory and the one that would provide the best results would be **the fully fledged option**. This option presents the most advanced possible form for a European Music Observatory that is proposed. Under this format, the European Music Observatory would be an independent structure that is separated from the Commission, and this would correspond to stakeholders' desire for a structural setting that is considered "neutral". This option would also allow for better collaboration with providers of private data, who can be expected to have less reservations about providing data to an independent structure.

Having an **independent, fully-fledged EMO would allow for a more inclusive governance structure and ensure that the needs of stakeholders and policymakers are met**. This option would also allow for efficiency gains, in that there would be a consistent approach to data collection and dedicated team working on the analysis, research and dissemination activities that are required, and that the European music observatory could enter into long term agreements with providers of

data to provide annual or multiyear analysis of the sector based on the various thematic areas.

In order for this option to be implemented, **a number of conditions would need to be met**. Firstly, budget projections suggest that **a fully-fledged EMO would require a significant allocation of funds, probably beyond what could be extracted from a future Creative Europe budget**. The study suggests that a European Music Observatory could potentially be financed in part with other contributions, including from EU Member States, and that there would be several initiatives currently functioning under this specific model of Public-Public Partnership between the EU and a group of EU Member States. As such, in the view of the authors, this approach could be considered as one of the options for the establishment of a “fully-fledged” model for an EMO.

The option of a fully-fledged European Music Observatory, its objectives, its actions and its funding through the sectorial action on music within the Creative Europe Programme **would especially be dependent on the necessary support from the European institutional level and the Member States**, also considering the resources’ implications identified by this study and in light of the ongoing negotiations on the new Multiannual Financial Framework. Such a scenario would ultimately need to comply with the EU’s general strategic objectives and priorities for EU policy making in the field of culture. Regarding Member States’ readiness to finance such an Observatory from national budgets, the study outlines that Ministries of Culture showed a consistent interest for improved data collection and analysis at EU level, in the context of a widespread gap in data availability and reliable European indicators. Member States consulted in this study considered the Creative Europe Programme as the most logical, reliable, impartial, sustainable and impactful funding level to support such as structure, in particular through the future Sectorial Action on music of the future Creative Europe Programme (2021-2027). Some respondents indicated that other sources of funding could also be considered, such as sector contributions, Member States’ contributions, or EU research programmes. The study concludes that **while there is no complete consensus on the nature of a future European Music Observatory, its permanence or funding, the sample of Member States interviewed are generally in favour of a consistent approach to a data collection and analysis effort at EU level**, with a significant share of respondents pointing to a permanent, EU-funded structure.

The projections provided in this report are therefore **dependent on a sufficient level of political and financial support**. The budget proposed for the fully fledged option accounts for the minimum that would need to be provided in order for a European Music Observatory to function effectively and provide EU added value (i.e. having capacity to demonstrate tangible benefit to a broad range of music sub-sectors and across different geographical regions within the EU). In addition to sufficient financial resources, a European Music Observatory **would need to have access to sufficient expertise and human resources** in order to function effectively.

As there would be a number of important challenges in developing a structure such as that of the fully-fledged option proposed, the authors of this study therefore recommend that a **‘scale up’ approach** is taken. Implementing a structure that could immediately begin to start mapping the European music sector in some capacity would benefit the sector.

A number of approaches for scaling-up have been presented in this study, and the authors of this study can conclude that a structure housed and coordinated within the Commission that conducts a number of activities in parallel, working with a number of

different interested partners could serve this goal in the short-term. In the authors' view, it would begin to collect data, launch tenders from the outset, and it would be complemented by internal team members who could manage contracts and develop in-house data collection methods that take advantage of a number of partnerships with data providers and stakeholders. Under such an approach, the Commission would also look to take advantage of alternative funding streams, such as those offered through Member State contributions and the Horizon Europe Programme. Lastly, the study recommends that the Commission further explores the option of integrating an EMO into an existing Observatory, such as the European Observatory on Infringements of Intellectual Property Rights.

The study highlights that an **Observatory should have a long-term perspective in order to function at an effective level and provide the potential added value.** It is considered more feasible that a European Music Observatory would start at a more modest scale with the view to increasing the scope of the Observatory over a period of time. From the outset, this would result in less financial resources required to implement a European Music Observatory, and by testing certain actions, this could be a means to show the value of such a body and gain political support.

However, the study finds an important principle that must be taken into consideration in any scaled down version would be that **the ultimate goal should be to further develop the work of the Observatory and work towards a structure consistent with the fully-fledged version.** Depending on the level of political support and available budget, it is recommended to create a structure similar to the more advanced Observatory if possible, which would operate at a reduced capacity in order to facilitate subsequent scaling up. The study considers this most ideal as it would make the scale up process more efficient (for instance, the working methods, governance and legal basis would already be defined), and the Observatory would already have more visibility as a separate organisation specifically collecting and disseminating data on the European music sector to the public.

That is not to say that the long-term perspective could not also be extended to go beyond what is recommended in this report. Any European Music Observatory should be provided with the **opportunity to prove its added value, and develop means to expand the scope of its data collection and research.** This could be achieved through developing new funding streams from the private sector, collaborations with other European Observatories or additional funding from the EU or Member States.

Regardless of the form a future European Music Observatory would take, its **creation would be a sign that the music sector is receiving the full attention of European policymakers as part of the efforts to develop Europe's creative sector.** The music community was among the first to be hit by the digital revolution, and yet it has proven extremely resilient, thanks partly to the strength of the booming live environment and the recorded music sector's ability to adapt quickly to a fast-changing environment. Now that there is a renewed optimism thanks to the rise of streaming, the music eco-system is also more complex than ever, and more interconnected than ever. Not only should a European Music Observatory reflect and monitor these systemic changes, but it should also provide the tools to make the European music sector stronger and fitter for purpose in the digital age while **fully playing its role in the building of a knowledge-driven, culture-centric and community-diverse Europe in the 21st Century.**

Annexes

Annex 1: Glossary

Key players in the music industry

Authors (composers and songwriters):

Composers write the music to a song or for an instrumental track. Songwriters write the words and melody that make up a song. Song structure and the arrangement are also part of the process (so a songwriter can also be the composer). A lyricist can work with a composer to add words to a song or a composition. Authors are assigned rights (authors' rights) that have moral and economic aspects, one that protects the integrity of the works and the other that provides remuneration when the works are used or licensed.

Collective management organisations:

Collective management organisations (CMOs) are intermediaries that aggregate rights from multiple rights holders, for example songwriters and composers, and license them to users of music such as radio stations, businesses with music, digital platforms, etc. CMOs usually operate under some form of blanket license and are mostly not-for-profit organisations.

Concert promoter:

A person or company that finances and/or organises a concert – also called concert organiser. Concert promoters usually buy the right to concert from the artists' agents.

Distributors:

Distributors are the companies that bring the music to the physical or digital retailers (download platforms and streaming services). All major companies have their own distribution division. Independent labels get distributed either through major companies or through independent distributors and aggregators such as Believe, CD Baby or The Orchard.

Live venue:

Site where an event or concert is held. Examples include clubs, theatres, auditoriums, arenas, amphitheatres, casino showrooms, and festivals.

Managers:

This is the person or entity responsible for looking after the interests of the artists. A manager can be associated with an act at a very early stage and will pilot the development of the artists' profile and career. The manager advises the artist on all business-related decisions and promotes the artist through direct personal networking, media coverage, distribution of demos. For independent bands, the manager is often a member of the group and also acts as the 'booking agent' of the ensemble. Professional manager are normally under a contract and are paid a percentage of the group's profits.

Performers:

Music performers are the individuals such as singers and musicians that perform music for recordings or on stage. They may be part of an orchestra, band or group; solo artists; or a group of singers, including backing singers and vocalists. Performers are assigned certain rights known as neighbouring rights when their performances are communicated to the public. The European Union recognises neighbouring rights for performers throughout the union so that when a song is played on radio, performers

get royalties. Some countries like the USA do not recognise neighbouring rights for performers when recordings are played on terrestrial radio.

Publishers:

Music Publishers used to mainly deal with the copyrights associated with printing and distributing sheet music. Over the years the role of publishers has evolved. Overall, music publishers deal with the rights attached to the compositions, not the recordings. These days, in addition to print rights, publishers help musicians with mechanical and synchronisation rights and also collect money on their behalf for publishing-related copyrights as well as from performance rights, when the music is played in public.

Record labels:

Record labels are the companies that market recorded music and music videos. Record labels engage in a wide range of functions in the music industry including new artist recruitment and development (known as A&R or Artist & Repertoire), marketing and promotion of music and artists, distribution (physical and digital), music publishing (most often via a separate company), and copyright enforcement.

There are two type of record companies: major record companies, that have significant global market share, and usually belong to a conglomerate (market leader Universal Music Group is owned by Vivendi, Sony Music Entertainment is a division of Sony Corp., and Warner Music Group is part of Len Blavatnik's Access Industries); and independent music companies, usually owned by the founder(s) such as Beggars Group, Because or PIAS, that operate nationally or regionally. Record labels offer recording deals to music artists. The exclusive contracts normally include the financing, the marketing and the distribution of recordings for which artists receive a royalty rate.

Record labels such as majors but also several independents own their distribution network that reaches out to digital platforms and physical retailers. In recent times, labels have started propose what is known as "360 deals" agreements to artists, that including other aspects of the artists' business such as live music. Record labels usually divide their artists and repertoire between frontline, which includes all the new releases, and catalogue, which regroups all the previous releases controlled by the record company.

Services companies:

Services companies provide artists or labels a range of services, from digital distribution to marketing and promotion. With the development of digital streaming services, more and more artists are using services companies such as CD Baby, Believe or AWAL to get their music to market.

Talent Agent:

A representative who arranges for the public performance and other creative-related opportunities for an artist. They're also known as a 'booking agent' or 'bookers'. They may be independent or part of talent agencies.

Type of rights**Copyright:**

Copyright is defined as the set of exclusive rights granted to the creator, the producer or a performer of an original work, including the right to reproduce, publicly perform, distribute and adapt the work. These rights can be licensed, transferred and/or assigned.

Authors' rights:

These are the rights granted to composers, songwriters and lyricists, and by extension to music publishers, who are the custodians of these rights. Authors' rights are usually collected (at least for the performance and mechanical rights, see below) by collective management organisations also known as authors' rights societies or performance rights societies.

Mechanical rights:

Mechanical royalties are a publishing royalty, which are collected by publishers and songwriters for the usage of a composition, as opposed to a recording. Songwriter and composer who create original music are entitled to a mechanical royalty for the "reproduction" of their composition. In the physical world, this meant mechanical reproduction in the form of CDs or vinyl. In the digital world, both downloads and streams are considered virtual mechanical reproductions.

Performance rights:

Performance rights are related to the public performance of a composition. They generate royalties that are paid to music publishers and authors and composers when their compositions are played on the radio or performed in public.

Neighbouring rights:

Neighbouring rights are the performance rights that are attached to a recording. It's a rather recent right that benefits the producer of the recordings (in the financial understanding of the term) as well as performers and musicians. Some countries, like the USA, do not have a performance right for the use of sound recordings on terrestrial radio. Neighbouring rights are usually collected by collective management organisations.

Synchronisation rights:

A music synchronisation licence, or "sync" for short, is a music licence granted by the holder of the copyright of a particular composition, allowing the licensee to synchronise ("sync") music with some kind of visual media output (film, television shows, advertisements, video games, accompanying website music, movie trailers, etc.). When an audiovisual project producer wants to use an existing recording in their work, they must contact both the owner of the sound recording (record label), and the owner of the composition (songwriter, in general via a publishing company or, occasionally through a collective management organisation).

Licensing:

In the music industry context, it means to grant permission for one person or company to use or perform another person's song or instrumental track. A record label may license another label to sell recordings it owns. A publisher may license a filmmaker to use works by one of its composers. A license allows limited rights to another party. The terms of the license will specify duration, exclusivity, territory, etc.

Private copying levy:

The first private copying scheme originated from Germany in 1965. Since then, most European countries (France, Belgium, Finland...) have adopted the system known as private copying levy which consists in a payment of compensation accrued on recordable media, from smartphones to computer hard drives, USB sticks and other digital devices to compensate rights holders whose works are copied for private usage. EU law provides that when a Member state introduces an exception to copyright for private copying this should be accompanied by a compensation scheme.

Rights management:

This is the function of managing the rights on behalf of rights owners. It can be companies whose sole purpose is to ensure that content that has been licensed has delivered royalties that are identified and accounted for. The role can be taken by collective management organisations or by private companies on behalf of songwriters, composers, performers, music publishers, or record labels. Rights management organisations usually receive logs from digital service providers for the usage of music, which is then matched with rights holders data and royalties are then accrued to the account of the rights holders.

The digital eco-system for music**Analytics:**

Sets of data linked to the usage of music that provide insights into the way music is consumed, where, who by, as well as activity on social networks. The data can help identify where fans are, what type of music they favour, and so on. Analytics are data-driven metrics that help make better informed decisions.

Blockchain:

Blockchain is the technology that powers cryptocurrencies. Applicable to music, the blockchain is a distribution ledger that can store cryptographic information related to music rights holders and register and validate transactions, while being theoretically very hard to tamper with.

Digital downloads:

Digital download consist in the paid acquisition of or the free access to a digital file, usually in MP3 format, that will be transferred from a digital service provider onto a device (laptop, phone, player, tablet). Platforms such as Apple's iTunes Music Store or Amazon provide access to legitimate digital files. Other platforms, usually operating on a peer-to-peer basis, provide access to unlicensed musical works. With the development of music streaming services, sales of digital downloads have plummeted over the past five years in all the main music markets.

Digital service providers:

Digital service providers (DSPs) are companies or organisations that provide access to services online. DSPs can provide access to music downloads, like Apple's iTunes Store, or access to streaming music like Spotify, or even provide satellite-delivered content such as SiriusXM in the USA.

Internet service providers:

Internet service providers (ISPs) are companies or organisations that provide access to the internet.

Playlists:

Playlists, applied to music streaming services, are bundles of songs chosen either by the streaming service (cf. Spotify's Discover Weekly) or by users themselves. The presence of a song on a prominent playlists can help reach millions of listeners and determine the success of a song. Streaming services also offer users personalised playlist for each listener, based on their history.

Social networks:

Social networks are digital platforms that allow users to interact among each other and share information, music, videos, snippets, etc. such as Facebook, Twitter, Instagram, WeChat, and TikTok.

Streaming service:

Audio streaming services are digital platforms that aggregate songs licenses from record companies and offer them for listening to users. Streaming services can be advertising-supported and free for the users or require a subscription. Some services such as Spotify have both a free tier (freemium) and a paid-for tier. Others, such as Apple Music, are subscription-based only. The main services can provide access to up to 50 million tracks.

Webcaster:

A webcaster is usually a terrestrial radio station that makes its content available online.

Annex 2: Overview of stakeholder consultation process

As a key part of the project, the authors of this study engaged in a broad stakeholder consultation, through interviews (both face-to-face and telephonic), an on-line survey, attendance at European music sector events and through Advisory Board meetings. The consultation has been divided into five categories:

- Consultation with Advisory Board Members
- Consultation with policymakers
- Consultation with Music sector stakeholders (excluding Advisory Board members and policymakers)
- Consultation with providers of music sector data
- Online survey

The following section provides information on each of the consultation areas.

Consultation with the Advisory Board

As a key part of this project, an Advisory Board was utilised throughout the various tasks required. The aim of the board was to be as representative as possible across the European music spectrum, taking into account various interests and perspectives. Including various stakeholder organizations was considered crucial in achieving credibility and support for the results of the project. Co-creation allows and encourages a more active involvement from stakeholders to ensure that the future Observatory has added value to both the EU and the sector. There is a positive history regarding stakeholder input, as evidenced by the results of the AB Working Group sessions. However, the consortium remains solely responsible for the results of the study, and is aware of the possible political considerations that are involved in dealing with stakeholder interests.

Therefore, the Advisory Board was established as a stakeholder consultation tool, a quality control mechanism and as a tool to support a harmonised approach:

- The Advisory Board included supporters of the consortium that are covering relevant sectors. The European Commission was consulted regarding the composition of the Advisory Board.
- The objective was to encompass as many direct and indirect beneficiaries with the European Music sector as possible.
- The Advisory Board was used to review all work before finalisation and submission at all key intervals of the project.
- Feedback from the Advisory Board was evaluated against the fulfilment of the project objectives and EC requirements.

The Advisory Board was comprised of the following persons:

figure 19 Advisory Board members

Name	Organisations
Audrey Guerre	Live DMA
Burak Ozgen	GESAC
Corinne Sadki	European Music Export Exchange (EMEE)
Elise Phamgia	Liveurope
Francesca Fabbri	Association of European Radios (AER)
Fruzsina Zsep	Yourope
Jake Beaumont-Nesbitt	International Music Managers Forum (IMMF)
John Phelan	International Confederation of Music Publishers (ICMP)
Marc du Moulin	European Composer and Songwriter Alliance (ECSA)
Matthieu Philibert	IMPALA
Pascale Labrie/Vincent Sneed	European Broadcasting Union
Peter Smidt	Eurosonic Noorderslag
Ruth Jakobi/Simone Dudt	European Music Council
Suzanne Combo	International Artist Organisation (IAO)

Source: Panteia, 2019

The authors of this study offered phone contact and face-to-face meetings with the Advisory Board so that thorough input could be achieved by each member. The authors of this study arranged meetings through web conferences and held the first physical meeting of members at Eurosonic Noorderslag (Groningen, January 2019). In addition, the authors of this study attended events in Brussels (such as the Keychange launch event at the European Parliament and the European Music Council event at the same location, which was hosted by MEP Axel Voss) where Advisory Board members were present. Several face-to-face meetings in Brussels also took place where possible. Another physical Advisory Board meeting was arranged in the context of the Music Moves Europe first dialogue session held in Brussels on May 21st 2019.

At each of the Advisory Board meetings the authors of this study presented the progress of the study so far, and offered opportunities for feedback. One of the main conclusions that came out of the first Advisory Board meeting is that the music sector is diverse and broad, and it is of great importance that the study should reflect the sector's needs. It was agreed that although economic indicators were of great importance, qualitative and transversal indicators that also measure the social impact of music should also be considered. This includes the educational and the amateur strands of the music sector in Europe. All Music genres should be considered in the context of the study. Data should be available on revenues and employment, but also in relation to the wider economic and social spill over impacts which are integral to the music sector's ecosystem and to a full understanding of its value.

Consultation with music sector stakeholders

Data on the music sector is often considered as insufficient, patchy, unreliable or simply non-existent. Stakeholders consider the role of the EMO to be potentially the right response to current state of availability of music sector data in Europe. So far, they are consistently interested in following the process and being part of the project.

In the context of this task, the authors of this study engaged with a variety of EU and national level stakeholders, such as national music export offices, live music venues,

national music councils and associations, national music centres, composers and authors societies, and rights organisations.

A large number of the stakeholders consulted within the context of the study have been referred to the authors of this study through recommendation of the Advisory Board. In addition, the stakeholders that have been approached have also suggested additional contacts that can be approached, therefore creating a 'snowball' effect. The interviews took place over telephone/web conference or through face to face meetings (where possible). The stakeholders consulted therefore cover all levels of the value chain and represent a number of different genres and interests.

The stakeholder consultation was mainly focussed on the following three aspects:

- **Data usage** (e.g. what sources are currently used? Is data being collected? How is it used/shared?)
- **Data Needs** (e.g. what gaps exist? Why is this data needed? What are the challenges in collecting this data?)
- **Thoughts on a future EMO** (e.g. what are the expectations for a future EMO? How should the data be presented? Thoughts on the governance of a future EMO?)

All interviews were carried out confidentially with stakeholders, therefore no overview of the stakeholders consulted can be provided in this report.

One of the key conclusions that is consistent amongst all stakeholders is that there is a struggle with the lack of data. The data that is collected is very fragmented, and although some bodies collect data, the quality and type of data varies. Generally, there is a lack of coherent methodology for the collection of data and agreement on the types of data that should be collected to most effectively support the sector as a whole. There are big issues regarding the comparability of definitions used in the collection of data and that there needs to be something done about this problem at the European level. It is vital that there is good quality, publically available data in order to show the value of music across Europe and to be able to inform good policy making.

Consultation with policymakers

As part of the consultation process, the authors of this study also engaged with policymakers to determine their views on a future EMO. These interviews took place with officials from a number of different Member States and cities/regions between February - May 2019. It is important to note that the interviews do not reflect an official position of the Member States, but nonetheless, provide useful insights into the expectations of policy makers in relation to a possible European Music Observatory.

Four key criteria guided the selection of our policymakers that were consulted:

- The impossibility, within the timeframe and resources allocated in the context of this study, to interview in-depth 28 Ministries. It was therefore necessary to focus on a limited group.
- The importance, as highlighted in our contacts with the Commission on the subject, to include both EU Presidencies of 2018 (Finland and Romania)
- The necessity to provide an overview as representative as possible of the diversity of Europe (from the point of view of the size, economic and cultural importance of the countries, and from the perspective of the geographical coverage)
- The necessity to provide an overview as representative as possible of the different music policies carried out at national and local levels (from zero articulated policy action to a high degree of involvement by public authorities at national and local levels)

Additionally, the authors of this study carefully screened the European map to look for cities implementing a distinct music policy as part of their cultural programmes. All cities interviewed are considered as “best practices”, as far as including music specifically in their policies is concerned. We also wanted to reflect Europe’s geographic diversity as much as possible here, and focus more on cultural capitals than on political capitals.

Representatives from the following Member States and cities/regions were interviewed in the context of the study:

- Finland
- France
- Ireland
- Luxembourg
- The Netherlands
- Portugal
- Romania
- Sweden
- Aarhus
- Barcelona
- Lille
- Hamburg

Consultation with data providers

The authors of this study has reached out to a wide range of potential data suppliers, some of which being also stakeholders. The general reaction to the EMO is overall positive, with the feeling that a European Music Observatory will fill a gap in the market and help provide the sector with appropriate tools to monitor its activities.

Most companies or organisations producing data that were surveyed for this report welcome the idea of an Observatory, some because it will represent a new client, others because it will help improve the data sets on the sector, for the benefit of all. A list of companies and organisations that have been consulted during the project can be found in Annex 7.

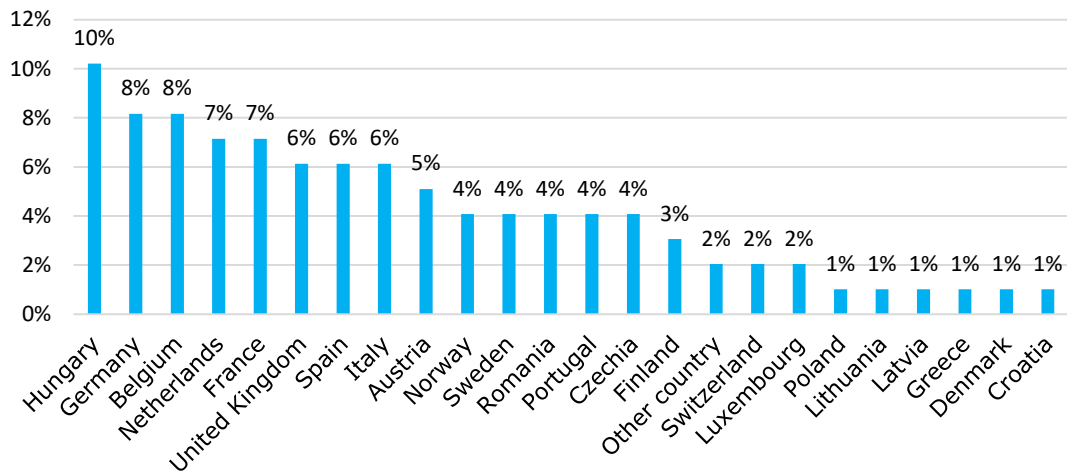
Survey

The authors of this study also developed a survey to be sent to stakeholders in order to gather a sufficient amount of information on available data sets and the data needs of the European music sector. This short online questionnaire was distributed at the end of February 2019 amongst the members and extended networks of our Advisory Board, along with other stakeholders that were identified throughout the consultation phase (including through the stakeholder interviews). This exercise was carried out in order to identify gaps in the data already collected. In addition to inviting European stakeholders directly, the authors of this study provided a link for the survey to be distributed by our Advisory Board members, and to be completed through stakeholders directly. Other persons consulted throughout the consultation phase also provided the survey link to other contacts and network members. The authors of this study also provided the link to the Commission to distribute to relevant beneficiaries of EU funds. All answers were anonymous, with the option for respondents to provide information if they wished to be consulted further through a telephone interview.

A brief overview of the respondents to the survey is provided below.

Firstly, in this section, the characteristics of the respondents who participated in the survey are presented. The total number of responses to the survey came to 98 in total. As shown below, 10% of the responses came from Hungary, followed by Germany (8%), Belgium (8%), Netherlands (7%) and France (7%). Additionally, 95% of respondents indicated to be professionally involved in the music sector.

Figure 20 Nationality of the respondents who participated in the stakeholder survey



Source: Panteia survey, 2019

Looking at the distribution of respondents across the music sector, respondents associated or involved in Music/cultural organisations are best represented at 47%. Followed by Artist/artist organisations (28%), and Music festivals (live music) (27%).⁵⁵

figure 21 Distribution of respondents to stakeholder survey across the music sector

This option best reflects my position/interest within the sector:	N	%
Music/cultural organisations	46	47%
Artist/artist organisations	27	28%
Music festivals (live music)	26	27%
Composer/performers/songwriters	23	23%
Music management	22	22%
Music education	22	22%
Music publishing	19	19%
Music venues	19	19%
Music and technology	18	18%
Record label	14	14%
Rights management	13	13%
Music production	12	12%
Amateur music	9	9%
Broadcasting	8	8%
Journalism & Research	4	4%
Other	3	3%
Total	98	

Source: Panteia, 2019

⁵⁵ This is a multiple response question. As such, percentages don't add up to 100%.

85% of respondents indicated that they, at least in some form, use data in relation to the music sector. These respondents indicate to mostly use national data (75%), followed by data at a European level (72%) and that on a global scale (49%).⁵⁶

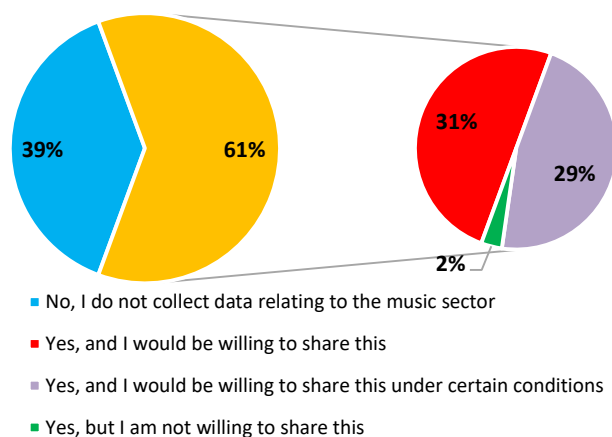
figure 22 Level of data utilised by stakeholders surveyed

Level of data utilised by stakeholders surveyed	N	%
National	64	75%
European	61	72%
Global	42	49%
Regional	35	41%
Local	32	38%
Total	85	

Source: Panteia, 2019

Moreover, 61% of all respondents are involved in collection of data themselves and almost all of them indicated that they would willing to share their data with the EMO. Either straight up (31%) or under certain conditions (29%).⁵⁷

figure 23 Percentage of respondents to the stakeholder survey who are involved in data collection and whether they would share with a future European Music Observatory



Source: Panteia, 2019

⁵⁶ This is a multiple response question. As such, percentages don't add up to 100%.

⁵⁷ The percentages don't add up to 61% due to rounding to integers

Annex 3: Four Pillar Structure

Throughout the project, the main research hypotheses with regard to the data-collection structure were the following:

- **The need for European data collection is transversal in the European music cluster:** as reflected in recent music sector-backed initiatives such as the AB Music Working Group Report (2016), the European Agenda for Music (2017) or the Music Moves Europe Reeperbahn meeting (2017), the lack of systematic data is a consensually accepted challenge for all players in the European music value chain. As such, this element of “collective need” within the music sector appears to us a pivotal assumption of the terms of reference of this particular study. This “appetite” within the main groups of interest in the ecosystem has been confirmed through the first meetings of the Advisory Board of the project, which brings together a representative sample of European music sector stakeholders.
- The existence of European observatories active in other cultural and creative fields in Europe, the very diverse portfolio of topics on which they carry out data-collection and research endeavours, and the observation that the work of such bodies is generally embraced by a wide spectrum of sectoral stakeholders and policymakers leads to the intuition that **a European Music Observatory should also aim at covering a range as broad and representative as possible of research and data-collection fields.** It appears obvious that such a tool, especially if it is to be developed through public funds, should be of collective interest for private, not-for profit and public operators active on the subject of music.

Having established this, an initial finding is the necessity to avoid “mirroring” the model of the European Audiovisual Observatory, which is built on two distinct departments respectively covering “market” and “legal” aspects of the audiovisual sector. Although this data-collection principle seems to be working well for highly integrated sectors such as television and cinema, a variety of music sector activities could not be covered by such a distinction. The evolution of online distribution models, for instance, is a challenge which can be analysed from both a “market” and a “legal” viewpoint. Another element to be taken into consideration is the relative importance of non-commercial music activities in the European landscape, which are not easily approachable through a market/legal dichotomy. Therefore, it is suggested to look at legal aspects impacting the music sector from a transversal perspective, in relation to other thematic areas.

This Annex provides more information on the content and justification for the four pillar structure, as an addition to the information provided in Chapter 2.1.

Pillar 1: The economy of music in Europe

Main justification

One of the key findings of the AB music working group report was a substantial appetite for cross-sectoral, neutral and comparable data on the music business at EU level. While recent studies (e.g. EY “Creating Growth” study) have attempted to measure the impact of music on the EU’s economy, systematic and comprehensive metrics do not exist at this stage.

While one of the objectives of the Preparatory Action “Music Moves Europe” is to improve readiness of the music sector “in a highly competitive and global market”, it is still difficult to compare macro-level patterns and trends with other music industry blocs (e.g. Northern American markets), in order to accurately assess potential commercial strategies or growth opportunities. This lack of systemic information

affects many layers of the ecosystem: recorded music producers, publishers, distribution companies, artists and songwriters, the live music sector (festival, venues, touring operators), etc. It is indeed possible to establish “rough” comparisons with other markets using very broad parameters (number of jobs, contribution to GDP in the EY report). It is also possible to compare music sales figures or rights collection (through IFPI reports or CISAC reports, for instance). However, in the absence of a public data-collection body at EU-level, such figures are delivered by private companies or international trade organisations, and as such do not necessarily ensure a neutral, and factual character to information which is important to support policy making at EU level.

While centralized and ready-to-use data exists at national level in some EU countries⁵⁸, comparable EU-scale measures and mappings still remain to be developed in this area. The “map” of the European music value-chain is still too fragmented to articulate coherent commercial or policy strategies at EU level. This would answer both the grievances of the sector and the mandate of the P.A, while providing clear European added-value. It is therefore suggested to create a “Pillar” or “department” which would concentrate on the task of measuring and mapping the economy of music in Europe that includes both private commercial and private/public non-profit activities.

Main potential data-collection and research areas identified at this stage

- Macro-economic patterns and trends (e.g. employment, revenue, competition)
- Value chain mapping and analysis (e.g. characteristics of music organisations, copyright collection, collective management, remuneration of artists, spill-over effects)
- Legal aspects (e.g. tax, labour laws, social security, contracts, case law)
- Business regulations (e.g. live music regulations, consumer protection, licensing, anti-piracy rules)

Pillar 2: Music diversity and circulation

Main justification

A large part of the EU’s action in the field of culture lies in fostering cross-border activities and promoting Europe’s cultural diversity and heritage. In this framework, while the EU is limited by the subsidiarity principle, its mandate includes carrying out policy and funding measures, notably through the European Agenda for Culture and the Creative Europe Programme. As far as music is concerned, the EU’s action is already visible in the field, through Creative Europe-funded endeavours (including ETEP, Liveurope or JUMP, to name a few), or the MME talent awards. The very title of the Preparatory Action says it all: “Music Moves Europe: Boosting European Music diversity and talent”.

Specific data-collection, research and analysis cluster on cross-border movements of works and artists could be one of the key features of a European Music Observatory. Although the EU has been active in the field of supporting cross-border activities

⁵⁸ In this section, we are referring to “quick win” areas such as social security systems, labour laws, job figures, national public funding budgets for music, rights collection figures, etc. which are available publicly in a vast majority of EU-member states. What is missing on these data-collection areas is neutral, EU-backed data-mapping. This is problematic to articulate a coherent EU strategy on the music sector. Full-scale, regular, cross-sectoral studies on the entire value chain do not exist anywhere in Europe, to our knowledge. The closest example to a 360 degree national data -collection model would be the “measuring music” reports developed by UK Music on a yearly basis, but it focusses on economic elements mostly.

(through the Creative Europe Programme and through regulatory measures) there are currently no stable and systematic mechanisms which can track, monitor and assess the international flows of repertoire (for instance on radio and television channels, streaming services, or physical sales), the movements of performers and professionals (through touring or international events), the overall permeability of non-national European music within EU Member-States, and the success of European music outside of the EU.

At this stage of the research, this “cross-border” element is one of the most recurrent data-collection priorities coming from policymakers and sectoral organisations. A large range of interviewees agree that a key added value for a European Music Observatory would be to measure intra-European movements of music, and the characteristics of European music activities outside of the EU. As suggested in the T.O.Rs, a key mandate of this study is to explore means to expand and systematise existing research works such as the 2012 EMO/ESNS study “Music Crossing Borders”. Therefore, building an ad-hoc “Pillar” on this “cross-border” element is considered justified. Our suggestion is to articulate a strong component of the Observatory around the mission of tracking movement of European music within and outside of Europe.

In this context, it is our understanding that the “Music Moves Europe” Preparatory Action is currently developing a “European Music Export Strategy”, which aim will be to provide the music sector with operational tools to further develop the success of music export in an outside of Europe. In this perspective, a European Music Observatory, equipped with the appropriate data-collection mandate, could efficiently inform the EU on cross-border flows, and provide appropriate, neutral data in this field, hence naturally complementing the “Strategy” activity – while, by all means, providing neutral and transparent data under the supervision of its governing structure.

An important distinction is to be made in this framework, between “music made in Europe” and “Genuinely European music”: while distinctly European music works (produced, published performed by entities covering multiple European Member-States) do exist and should be mapped and analysed, the vast majority of Europe’s music repertoire is developed at national or local level. The Observatory’s mandate should look at European music considering this element even more acutely, since definitions and indicators vary from one EU-member State to another, as observed while surveying European music export offices as part the consultation of the Advisory Board of this project. For example, how to define the country of origin of a music work when it crosses a border? Should it be considered from the point of view of the artist, the producer, the songwriter, the rights owner, the publisher, etc.?

It is our belief that the data-collection structure developed in the frame of this project should assess this issue as priority and provide a harmonious set of definitions and indicators around what “music made in Europe” means in concrete terms. It is recommended that this be set at a political level in the instrument establishing the Observatory.

Main data-collection and research areas identified at this stage:

- Cross-border circulation of works/repertoire (e.g. building common definition and indicators, mapping of cross-border access, sales and consumption flows)
- Cross-border mobility of artists and professionals (e.g. cross-border live performances, mobility of professionals, international music events)
- Cultural diversity aspects (e.g. languages, genres, types of productions)
- Legal aspects (freedom of movement, state aid, etc.)

Pillar 3: Music, society and Citizenship

Main justification

A key challenge faced by the European music ecosystem is to measure its intrinsic value hand in hand with its economic and social impact. While there is no question whether music should be nurtured as an art form and a component of Europe's cultural identity before being considered as a potential product, it has proved difficult for the European music community to accurately measure and establish metrics for the "non-mercantile" music sector. Not to mention the "grey zone" between amateur music and commercial music, or "professionalization" phase of artists.

Another issue when looking at the wider picture is the assessment of the concept of music audience. The EU has been looking at the subject of audience engagement in the current Creative Europe programme, and encouraged cultural sectors to provide statistics in the field. However, a lack of harmonised definitions has prevented substantial progress in this domain.

In this context, recent initiatives such as the broadly supported "European Agenda for Music" have participated in placing new elements at the core of the EU debate, identifying subjects such as music learning, professionalization, and the recognition of amateur practices, access to music or the role of music in shaping society - in terms of policy priorities. At the same time, the "Music Moves Europe" Preparatory Action has flagged subjects such as music education, professional training, or health as priorities for the future layout of the EU's actions in the field of music, which provides an opportunity to articulate on of our pillar proposals around these themes.

This research pillar should focus on the way audiences choose, and are able, to experience music in its full range of cultural contexts and through which means they access and experience music. This focuses on all aspects of musical interaction and audience engagement. It should also provide a framework to map and measure all actors and initiatives contributing to societal evolutions in the music sector at large, as well as not-for-profit operators in Europe.

An interesting opportunity here is that many European countries already collect information on subsidized music operators (e.g. associations or not-for-profit projects), not to mention the wealth of information available through Creative Europe supported initiatives, which could provide this Pillar with interesting data.

Main data-collection and research areas identified at this stage:

- Education, training, personal development
- Audiences (music consumption, interaction, participation in music events, etc.)
- Music and society (not-for-profit sector, associations, social inclusion, amateur music, heritage, participation in music)
- Normative Aspects (broadcasting quota rules, diversity promotion schemes, freedom of speech rules)
- Music and the environment (carbon footprint of venues, touring, festivals, merchandise manufacture, streaming services; issues around noise/neighbourhood impacts; good practice in these areas).

Pillar 4: Innovation and future trends

Main justification

To quote the text of the P.A, "in recent years the creation, production, distribution and consumption of music have fundamentally changed: new distribution channels, powerful digital players, innovative start-ups, business models and consumption

patterns have emerged. Digitisation, for example in the case of music streaming, has brought opportunities but also many challenges for the sector”.

The European Music Observatory, through a dedicated research activity, could become a pro-active element of the EU’s toolbox to measure and assess the impacts of the trends described above, but also answer future challenges. The Observatory’s data collection structure should therefore incorporate a prospective activity, for the sector to be able to better anticipate, test and prepare for future challenges of the music sector.

While it will be important to ensure that this Pillar does not impede on the tasks of the JRC or other EU research outlets and build synergies with them, it could provide a clear EU-added value and help building the music sector innovators of tomorrow, not only answering the P. A’s objective to “help the sector adapt to and benefit from digitisation” but lead the way in for the future wave of technological or legal innovations. It should be acknowledged that this is indeed the pillar which is most likely to take time before delivering fruitful results. But it is our finding that the EU must become more ambitious in terms of prospective research in the field of music & technology. A key component to the success of this pillar will indeed rely on the inclusion of researchers who are familiar with the music sector.

Main potential research areas identified at this stage:

- Technological evolutions (e.g. A. I, Block chain)
- Future business models (e.g. distribution platforms, branding, monetisation, fair remuneration, authors rights collection mechanisms, legal innovations)
- New policies and support schemes (policy “think-tank” department)

Annex 4: Analysis of data needs

Suggested scope presented by the European Commission

In the Terms of Reference for this project, it was suggested by the European Commission that the feasibility study should address how consistent, accessible and reliable data could be gathered and monitored in the following areas:

- The composition of the music sector
- Sales and income along the music value chain
- Employment by economic operators in the music sector
- Gross value added and the sector's contribution to European GDP
- Consumer behaviour
- Circulation of the European repertoire
- Cultural diversity
- The economic flow of music rights between European countries.

In early consultation with the Advisory Board and other sectoral stakeholders, it was agreed that this suggested scope was too limited in order to meet the current needs of the sector. The Commission clarified that there was no barrier to the authors of this study broadening the scope regarding types of data collected. It is still recommended that at a first stage, a future European Music Observatory should deal with only some basic measurements which will help give a good first picture of the sector.

Analysis of data needs

This section describes the key data needs that have been identified by various stakeholders and policymakers consulted in the context of this project. The authors of this study held several meetings with Advisory Board members, who outlined the various data needs and requirements. Following these meetings, the team engaged in detailed discussions with other music sector stakeholders and policymakers. An analysis of the results of this consultation is provided below. In addition, the authors of this study developed a survey for other stakeholders so that a broad picture on the types of data that are needed by the sector are included. An analysis of the survey results is also presented.

Advisory Board consultation

Regarding data needs, it was not a task of the Advisory Board to come to common positions, but to share views and provide input for the authors of this study. This section outlines the various positions that have been provided by the Advisory Board. The advisory board also had the opportunity to comment and clarify this section during the project.

Many of the Advisory Board members affirmed that **data relating to the economic value of the sector is a priority**, and that the European Music Observatory should show the **contribution of the sector to the EU and national economies**. Members noted that it would be really useful to have regularly updated and comparable data to show the contribution of the sector in terms of **jobs and growth year on year**. Data on **copyright** is fundamental to demonstrating the importance of music to the economy. In particular, it shows the importance of copyright and licensing in supporting creators. Data on the economic value of the sector is also useful in showing the **value of music to public authorities and other potential financial stakeholders**.

Several members of the Advisory Board suggested that there is also a **need for qualitative data**, and it is therefore the view of the Advisory Board that the EMO

should not be just be based on statistics and figures. There is a real need for more research studies, and the EMO should evaluate the possibility of carrying out such studies. An EMO should play a role in finding, aggregating, sharing and stimulating work in this area.

It is also particularly **important to measure the social impact of music**, and not just economic indicators. The music sector has a huge social impact which is insufficiently understood, and several advisory board members argued to include the educational and the amateur parts of the music sector in Europe. Therefore, some of the indicators and types of data that should be included are the number of participants in free time music activities; diversity of available music activities; scale, scope and quality of music education; audience numbers, audience engagement and diversity of audiences, including marginalised groups (amongst others).

It should further be recognised that so-called **amateur activities are also economic factors, contributing skills development, talent identification and key performance platforms**, including provision in localities less well served by mainstream professional outlets. 'Amateur' is perhaps a misleading term in a sector where many people alternate between paid and unpaid roles. Voluntary contributions add value across the commercial, subsidised, educational and social dimensions of music-making and distribution.

A key task of a future EMO is to understand the plurality and diversity of musical activity across Europe. In particular, **monitoring the circulation of repertoire and live performance across Europe and at international level is something that would be of great benefit to the European music sector**, and is considered a key priority where EU intervention would have a clear added value. Regarding cultural diversity, it is also important to consider how reflective musical professions are of the societies that support them as well as to look at how music of different origins is accessed and consumed by the public. There should also be attention paid to collecting data on gender equality (for both front and back of the house) and other diversity related indicators.

It was also mentioned by the Advisory Board that many organisations have developed methodologies for data collection, and the research team begun to explore to what extent this is shareable. For instance, Live DMA has developed its own methodology for data collection regarding the live sector, which takes place every year in all member countries. The International Confederation of Music Publishers (ICMP) has recently had discussions with the World Intellectual Property Organisation (WIPO) on how to build on both parties' Memorandum of Understanding in areas of data collaboration. ICMP have experience in aggregating data.

The European Music Observatory can work in areas of mutual interest, but it was suggested to **not duplicate other studies/data collection that are taking place**. It was also suggested that the Observatory should aggregate data that is already collected. There is already some good data collected, and gathering and aggregating that data would be useful. Comparable data is of great importance to effective interpretation and any subsequent policy making or action planning. As a suggestion for the authors of this study, it was noted that the study should look at the feasibility, but also at what first studies can be carried out by the EMO based on what is already available but not widely known. This chimes with advice given by the European Audiovisual Observatory around ensuring early 'quick wins' to demonstrate the value of a new body and build trust.

Interviews with stakeholders

Regarding the specific types of data that need to be collected, it is clear that **stakeholders have a wide range of interests on this matter**. A problem in determining the needs to the sector is how to define the sector. There are many actors in the value chain that represent various types, genres and special interests that an EMO should take into consideration, and there are a lot of music sector actors with very specific needs. It takes time and expertise to gather data that is useful and specific. As previously stated, there is a lack of European wide data that is systematically collected, and the data collected is largely fragmented or incomplete. Comparability of definitions are a big problem.

An EMO will also be able to contribute to areas where there is evidence of overlap in data collection, with organisations collecting data at the same level. Data collection organisations will also tend to collect data according to their own sub-sector's specific needs and interests (and according to the most easily available sources of information).

Employment data is important and should include aspects such as the size of the sector, type of employment, age of employment, particularly including information regarding the (perceived) high drop rate out from certain parts of the sector. Some stakeholders would like to have specific information on the number of persons working within their specific profession (e.g. music managers). In general, a great deal of stakeholders find questions in relation to the labour market interesting. From a mobility perspective, it is interesting to look at the mobility of music professionals. This includes looking at the destinations more music professionals and artists after leaving their profession (e.g. whether they stay in the music sector but change to a different part of the sector?). Information on trends regarding this aspect would be useful for employers, educators, policymakers, and professionals and artists alike. Information and statistics on the number of volunteers is also needed by several stakeholders

Certain **legal and regulatory information** in relation to employment is needed by the sector. For instance, data on employment tax is something that is needed, and this should be accessible through national ministries. The same applies to visas for artists, as this data could lead to improved approaches to artist mobility. There is relatively little data on contractual practices, as this is difficult to collect due to non-disclosure agreements in contracts.

Other employment related data that is very important from a musician's perspective include revenues, periods of work (e.g. how many working days per year), no of gigs, access to social security/pension and the drop in financial resources after retirement. The International Federation of Musicians (the international organisation for musicians' unions and equivalent representative organisations) sees positive benefits in collecting this type of data for their work into improving the lives of musicians, who are often not considered employees, have no health insurance, and have limited access to compensation schemes or training schemes.

In partnership with stakeholders, the EMO should also evaluate the **market for music rights in Europe** (including authors' and neighbouring rights, as well as synchronisation rights), both on a pan-European level, and country by country. The EMO should also attempt to monitor the economic flow of rights between European countries (i.e. how much Germany's rights organisations send to France and vice-versa) and also with countries outside of the European Union. Aside from the

economic value of such information, it will also provide good indicators in terms of circulation of repertoire.

The EMO could also be considered by the European Commission to monitor other legal and regulatory changes that have the potential to affect the sector, such as the recent **Directive on Copyright in the Digital Single Market**, provided that there is no overlap in monitoring carried out by the Commission.

From the perspective of composers, better data on the **levels of royalty payments** would be beneficial. With better data, it would be easier to understand what composers actually get paid for their work. Collection societies have individual agreements to provide some data on this, although to the extent that access is granted, it is very confidential.

Data on the **live sector** is something that is generally needed (and missing from the sector – for more information see Annex 5). Although there are some studies carried out, they are usually too narrow in scope and an EMO should aim to provide data on a larger scale at European level. LiveDMA currently collects certain information based on its annual survey, although this is limited to its member venues. Data should be collected in relation to both venues (arenas) and small and medium-sized venues as they constitute a crucial share of the European music sector. Venues that showcase non popular live music, and concert halls and venues designed for classical orchestra, concerto and opera concerts also face similar challenges to venues displaying works of more commercial genres. Venues and the environment they operate in are under pressure from the impact of gentrification and resulting real estate and urban development. The securisation of public events is also taking its toll on the live music sector, as it represents a more significant part of their budget compared to previous years.

Other key issues for the live sector include **audience diversity** (accessibility and participation) and support to emerging artists. Data relating to all these aspects would be beneficial to the live sector. Therefore, a lot of data is required in relation to the European live circuit. Regarding the specific operation of the live sector, stakeholders are interested in information on what artists are touring at what type of venues, how many performances, how many times played abroad, gender equality and sustainability etc. This applies to all genres of music.

Audience figures and participation in relation to live performances are very important, as no real national reliable figures are currently available across the EU. **Audience development** data are research are also important, in order to see how special activities are helping to engage audiences (providing examples of good practices). Several stakeholder organisations are preparing or are carrying out surveys on audience development, in some cases, some public funding is being provided.

The **consolidation of the live sector** is a key challenge and data on this would be beneficial for the live sector as a whole (promoters, venues, music managers etc.). Several large multinational companies have an overwhelming grip on venues and festivals. Most of these companies are also vertically and horizontally “integrated,” meaning they own other companies that are relevant to their financial success. An EMO could be used to understand more about the issues around the consolidation of the sector. Therefore, to some extent data is needed from big promoters, such as Live Nation and Ticketmaster. This is an important area to monitor in order to achieve better understanding of the impact on diversity of the musical offer.

In addition, due to substantial recent changes in the music industry, venues and organisations/professionals working within the live sector would like data on whether live venues cater to the needs of the 'YouTube' generation. The classic model (buy tickets, go watch a gig or concert) is changing. The industry needs data on the extent to which music is still relevant for the younger generation, and to be able to monitor current trends, such as the 'festivalisation' of the live sector, where people are demanding more interactive experiences in comparison to what is offered by traditional live venues.

Although the existing model is still strong with people 25+, we know anecdotally that this is not the case for younger people, and therefore figures are needed on this. GDPR has restricted access to data for live venues and artists to some extent. Artists want the names and contacts of those who go to gigs, but this is confidential, and arenas and venues need infrastructure to connect audiences and artists. According to some stakeholders, there needs to be a further discussion on how best to now share data between venues and artists/promoters.

There is a lack of data on **the international mobility of artists and professionals within the music sector**. This is needed by stakeholders as the current lack of data affects the ability of relevant stakeholders to plan effectively. Information on artists abroad tends to be scattered amongst rights holders (and by genre e.g. classical). Export offices count royalties from abroad, although several stakeholders have acknowledged that information on live scene revenues are often not collected as this is a difficult process and that there are not the resources to do this. Data on sales and royalties are collected to some extent (who sends the money and where from, EU and outside), but this data comes from collections societies and there are often problems with accuracy of numbers due to non-disclosure agreements.

An important area of data collection that is needed is in relation to the **circulation of European repertoire**. Certain stakeholder organisations want information on what artists are being played in other Member States across the EU. Streaming data (such as that from Spotify, Deezer and Apple Music) is therefore very important. Data on the circulation of repertoire has particular use for export offices. European charts (both streaming and radio) are an area where stakeholders would like specific data. Radio is indispensable for music promotion and dissemination, and data should be comprised of both public and commercial stations.

It was also suggested that it may also be interesting to **collect data on awards given to European artists** (in the world) and awards given in Europe (whether having an international scope or purely focused on the country or region). In the contemporary classical field, it appears that there is no data on the performance of works by composers in other countries; it probably exists but there is no easy means to find this information. As noted in the second Advisory Board meeting in Brussels, some work on determining key definitions around what constitutes 'national' repertoire would be necessary to enable meaningful progress in this area, which a transnational body such as a European Music Observatory would be well placed to lead.

Better data on the **market share of independent record labels** is needed. The recorded music sector is very concentrated, with three major companies accounting for 70-80% of the market, while thousands of SME's account for the rest. These figures go up to 90-95% in the top 100 airplay and streaming charts in certain countries. Currently, there is not sufficient access to good data on market share in relation to the digital market, and there is the need to plug gaps in publicly available data. Nielsen collects data in the US, but it is not that granular. For the independent

sector, each 1% of market share means more tracks/artists in comparison to major labels, therefore representing a greater volume of transactions.

Collecting data on daily usage is enormously expensive (even before actually analysing that data). Collecting/aggregating all the data is a big challenge for the independent market. Major labels have agreements with digital services (advantage of scale), but there are a lot more independent labels. This information is important in monitoring the health of the independent music sector, and to ensure the sustainability of small European businesses. Additionally, reliable data on this topic will help to introduce policies and programmes which might help increase this diversity.

Music education is an area that has been identified by several stakeholders consulted as lacking important information and data. There is generally a lack of Europe-wide data that is systematically collected in music education, which therefore leads to a lack of comparable information available. Some examples include access to music education for children, access and approaches to music training, components of music and arts curricula, money available for educational projects and access to music education and to music in general is also of interest at all ages, during and beyond school as well.

Some data is collected through the European Association for Music in Schools member networks but this is very dependent on resources which can be (and are often) sorely lacking. They are connected to other networks as well, such as the European Choral Association, and also to actual schools. Some of these networks carry out in-house studies, which they can often access, though not always. Within the field of music education, qualitative data would also be beneficial in addition to a comparative information of curricula between countries, outcomes (i.e. students going on to music professions, or amateur practice as adults) and on the social impact of music education. Information around the training and professional requirements of persons working in the music sector is also required. This information can be used to ensure that European music professionals have the necessary skills to enter the job market, and to ensure the competitiveness of the European music sector.

Data in relation to **diversity** has been something that has been mentioned as an area of importance. It has also been suggested that diversity should be broader than just languages and cultural diversity between the Member States, and it is important that the gender gap in the sector is also something that is monitored. Some stakeholders requested the EMO to study how languages cross borders, in particular, where certain language artists being played outside their own country (not those with a common language e.g. BE and FR). This is something that is particularly of interest in countries that have language minimum for radio play, and is important in the context of preserving cultural heritage.

There is however a need to **ensure that diversity is considered broadly**, and does not just entail diversity of nationality/languages. This also means including data on ethnic minorities, gender, sexuality, refugees etc. This is important for understanding of the sector's accessibility to people of different backgrounds and to highlight structural issues that might need addressing.

Qualitative information is needed to monitor **future trends and innovation** within the sector. Technology is playing an ever more complex role within the music sector, not only in music making and distributing but also in solutions for remuneration and rights issues. It has therefore been suggested that a European Music Observatory should monitor new developments within the sector, such as AI and Blockchain, in order to be

better equipped to deal with the future developments in the interests of European competitiveness.

More information is required by stakeholders on **how the sector is financed**, in order to understand how companies and individuals make a living. It has been noted that this task would be extremely broad in scope, as there would be the need to look into ways of reviewing both private and public funding. This could be carried out through regular surveys following identification of the main investors in the sector. It is important to know what cultural policies are at national level, and what funding is provided by governments for music. This also includes legislation, social security coverage of musicians, public money injected into music, and which types of organisations receive public funding, amongst other things. It would be useful to have data to compare public funding/investment in the music sector as well as information on patterns of private sponsorship, commercial business models and the impact of each on quality, diversity and sustainability.

Survey

The survey respondents were presented with different areas/topics of possible data the EMO could be providing in the future, and were asked to indicate how useful this would be to them. These topics were categorised along the lines of the proposed pillar structure (see 3.2). For example, as becomes clear from the table below, more than 75% of respondents deem all data on **the economic value of music** to be of value to them.

For data on the size and characteristics of audiences and/or consumer patterns this even rises to 90%. The value of data on the flow of music rights across the EU is less clear to the respondents, since 20% of them indicate that they don't know if it will be useful.

figure 24 Survey on data needs - The Economy of Music in Europe

The Economy of Music in Europe	Useful	Don't know	Not useful
Size and characteristics of audiences / consumer patterns	90%	8%	2%
Sales/revenue along the value chain	83%	13%	4%
Employment in the EU Music sector	83%	10%	7%
Gross value added of the music sector to EU GDP	82%	14%	4%
Composition of the sector Incl. public bodies, private non-profit, private commercial, SMS	78%	14%	8%
The flow of the various music rights across the EU	76%	20%	4%

Source: Panteia, 2019

With the exception of linguistic diversity more than 80% of respondents deem data on topics in the area of **cultural diversity and music** as being useful to them. Particularly data on audience numbers is very high interest, with 90% indicating it would be useful. There is far less interest shown in data on linguistic diversity as only 58% would find it useful to have.

figure 25 Survey on data needs - Music diversity and circulation

Music diversity and circulation	Useful	Don't know	Not useful
Audience numbers	90%	5%	5%
Cross border circulation of live performance	88%	11%	1%

Export of European music	85%	9%	6%
Cross border circulation of repertoire	81%	16%	3%
Audience diversity	81%	13%	6%
Linguistic diversity	58%	28%	14%

Source: Panteia, 2019

In the area of **music, society and citizenship**, data on participation of society in the music sector (88%) and data on music associations, NGOs and charities (85%) appears to be the most useful to the respondents. There is more ambiguity on the usefulness of data on the gender gap in the music sector. Still with a large majority (71%) indicating that it would be useful for them, but a significant portion (22%) also indicating that don't know if this will be useful.

figure 26 Survey on data needs - Music, society and citizenship

Music, society and citizenship	Useful	Don't know	Not useful
Participation in the music sector	88%	8%	4%
Music associations, NGOs and charities	85%	9%	6%
Employment (incl volunteers)	81%	13%	6%
Music education and professional training	81%	10%	9%
Gender gap in the music sector	71%	22%	6%

Source: Panteia, 2019

Lastly, data needs on topics relating to **innovation and the music sector** seem to be useful across the board. As can be expected, between 11%-15% also indicate that they don't know how useful it will be for them. This is because this topic concerns future data and research needs which is difficult to predict given the rapid pace of change that is currently underway in the sector.

figure 27 Survey on data needs - Innovation and future trends

Innovation and future trends	Useful	Don't know	Not useful
Policy innovation	85%	12%	3%
Technological evolutions	84%	11%	5%
Audience behaviour	84%	14%	2%
New business models	83%	12%	5%
New legal models	78%	15%	7%

Source: Panteia, 2019

The list of topics shown above is of course non-exhaustive and the respondents were therefore also asked to provide other types of data that they would like the EMO to collect. A selection of the answers given:

- Social responsibility of organizations.
- The environmental impact of musical practices and the music sector.
- Government subsidy amounts on both the EU and Member state level for any support measures related to the music sector.
- Conferences, competitions, calls.
- Templates for sponsorship/marketing presentations.
- Music libraries, archives
- Research publications relating to the sector. Including (new) research on:
 - Relation between music and general cognitive performance.

- Financial and social impact of music on local communities.

Overall, the results to the questions on data needs show a **large interest in data on a wide variety of topics**. Combined with the survey result that a majority of respondents think that the proposed EMO would differ either a lot (33%) or slightly (33%) from other data providers, the data needs indicate that the scope of the EMO should be large in order to both fill gaps in data availability and to also be distinct enough from others. When the EMO covers just a small section of the topics described above, the uniqueness of the EMO compared to other data providers will diminish. On the other hand, it seems unreasonable to think that the EMO could provide data on all of these topics at its conception. It is likely that the number of topics on which data is being collected by the EMO will increase over time. This leads to the possible issue of the EMO being too similar to other data providers at its conception and therefore, if not given enough time and backing to develop, see disappointing usage figures.

However, by covering a few key data and research areas under the proposed pillar structure, this should be sufficient as a first step to ensure that the future EMO has sufficient value to a broad spectrum of those working within the European music sector.

Annex 5: Analysis of data gaps

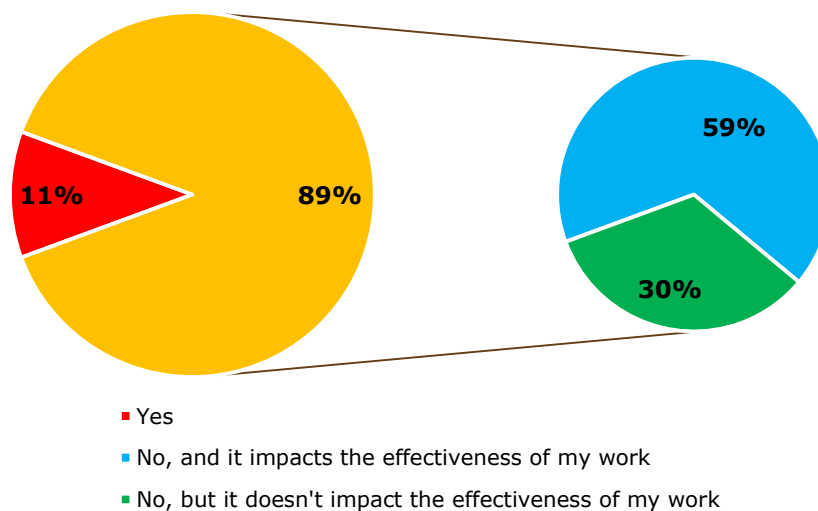
Stakeholders and policymakers have the need for certain types of data, mostly because it is not currently available to them. However, it has also been noted that there is a great deal of data 'illiteracy' within the music sector, and that actually there is a lot of data that is currently being collected or available, yet stakeholders and policymakers do not have access or are unaware of its existence. This section first presents a summary of the findings from the survey and interviews in relation to the data gaps.

It is worth noting that a future European Music Observatory – with the help of the stakeholders working within an advisory committee setting – should rapidly engage in the identification of data gaps (this study will already identify some of these gaps, but this will be an ongoing process for the Observatory). It will then be essential to find the right partners or systems to bridge these gaps.

Data gaps according to stakeholders

The respondents were asked if they were satisfied with the current level of availability of data relating to the music sector and the overwhelming majority said no (89%). Moreover **59% of those respondents indicated that this also has a negative impact on the effectiveness of their work.**

figure 28 Percentage of respondents to the stakeholder survey who are satisfied with the current level of data relating to the music sector



Source: Panteia, 2019

When identifying data availability gaps, the overlap with data needs becomes obvious. The need for certain types of data arises from the lack of access or existence of said data. There are however two distinctions to be made here as to why a particular party say they need data. On the one hand they may be in need of certain data because they don't have access to it right now. On the other hand they may express a need for it because there exists an actual gap in availability, meaning that the type of data they are looking for is not being collected at all. This distinction is hard to make with

regards to the answers of the questionnaire, since the question was asked if the respondent felt that there was any data not included within the scope of the four pillar structure and should be collected by the EMO.

The answers to this question can therefore both be data needs and gaps. An example of this is the suggested collection of data on 'music media' by an EMO. There are various studies on the concept of music related communication, so there is data available. However, there is no single access point for all info on this topic and therefore certain gaps that may seem to exist in this field can actually be much smaller than at first glance. In this case, it seems to be a gap in quick and easy accessibility of data rather than a gap in data availability.

One important topic where a data gap clearly exists, which is also mentioned in the questionnaire, is energy consumption and the environmental impact of music. This mainly concerns the live music sector (touring, pollution of festivals, energy consumption of music venues), but also includes music production and providers (energy consumption of studio equipment, production of physical sales, energy consumption of digital music service providers).

Another topic relevant to mention is the availability of data on the music consumption of young people (born after 2000). This generation consumes music distinctly different from other age groups, according to respondents. A detailed picture of this age group is missing. The more "underground" or more "internet-savvy" / "internet-native" companies (labels etc.) can be of use here but may not be as interested to participate in organizations full of people who (they think) are miles behind them.

Summary of data Gaps

There is already an existing pool of data that would allow the EMO to start compile information about the European music sector. Currently, some data is not collected, or is not aggregated in a way that it can be compared across Europe. During the consultation phase of the project, stakeholders were consulted on what the main data gaps are in relation to the European Music sector. Based on the research that has been carried out in the context of this project, the following gaps exist.

Pillar 1: The economy of music in Europe

An analysis of the music sector and the various sub-sectors and activities shows the following data situation:

- **Recorded Music:** IFPI and local trade organisations provide a detailed picture of the sector's activity in Europe and country by country. Accessing granular data on the activities of independent labels on a pan-European level and country by country could be a challenge. Efforts should be made to track the flow of revenues between countries.
- **Music Publishing:** Aggregated data on music publishing on a pan-European and country by country basis is not existent. This sub-sector requires more research, in partnership with ICMP.
- **Authors' rights:** Through local societies and GESAC and CISAC, it is possible to draw a picture of the sector on a national and pan-European level. However, the flow of rights that circulate between the various countries through authors' societies' reciprocal agreements is not available and could constitute a good indicator of the circulation of repertoire, in line with the Transparency report requested by the Directive 2014/26/EU on collective management of copyright and related rights, which requires to provide information on relationships with other collective management organisations, with a description of at least the

following items: amounts received from other collective management organisations and amounts paid to other collective management organisations, with a breakdown per category of rights, per type of use and per organisation.

- **Neighbouring rights:** Some data exists via SCAPR and AEPO-ARTIS, but it is not made public. This sub-sector will require special attention in order to develop a consistent set of data on a national and pan-European level as well as measuring the flow of neighbouring rights between the various countries, in line with the Transparency report requested by the Directive 2014/26/EU on collective management of copyright and related rights (see above).
- **Live Music:** As expected, this sub-sector suffers from a dearth of data, save for some countries like France, which has the most complete set of data on the live music sector in Europe, due to the existence of the CNV, which collects a tax on concert ticketing. EMO and the live music sector will have to work together to design a tool to monitor the economic activity of the sector.
- **Export:** Some countries like the UK, France or Sweden have data about the export of their repertoire. To improve data gathering covering this activity, EMO should partner with Export Offices and EMEE in order to set standards and create monitoring tools.
- **Employment:** Some data is available through Eurostat, but not much granularity.
- **Number and size of companies active in the sector:** This would technically be part of Eurostat's data, but is currently not available.

Pillar 2: Circulation of Repertoire & Cultural Diversity

There is already some potential sources to start tracking and monitoring the circulation of European repertoire not simply within the EU but abroad too. One of the caveats is that most data suppliers do not identify artists either through their nationality or the country of the repertoire owner (Selah Sue is an artist from Belgium but the repertoire owner is a French label). Identifying songs by their language could also prove to be problematic. The task is even more difficult when it comes to the origins or songwriters and producers.

The authors of this study recommends that the EMO works with potential data suppliers to address this issue. An EMO task force could be put together to start mapping artists according to their nationality, the origin of the repertoire owner and the language of the songs. Such information could be then passed on to data suppliers.

From the outset, EMO could have access to the following tools to monitor circulation of repertoire:

- **Radio Activity:** Data supplier Radio Monitor has depth of data available that can then be used for analysing the presence of European repertoire on European airwaves, and elsewhere.
- **Streaming Activity:** Due to the huge volumes of streaming data and the difficulty to access this data, monitoring streaming activity could be a challenge. However, the recent announcement by Nielsen that they are now providing a global streaming chart, but also national streaming charts, should provide EMO with a potential tool to monitor this activity.
- **Live Activity:** At this stage there are no pan-European tools allowing to analyse the cross-borders activity of European artists. Listings from ETEP and other exchange programmes will be a good place to start, but as for pillar 1, it will be necessary to build a tool to monitor the circulation of European artists.

Pillar 3: People & Music

This pillar has a wide outlook in that it consists in measuring the interactions between individuals and music, from learning to play music to consumer behaviour with regards to music, listening habits, etc. Many of these questions will find answers via surveys that will be commissioned by the EMO and through reports on specific topics.

It is advised that an EMO work with stakeholders such as AEC (Association Européenne des Conservatoires), LiveDMA, European Jazz Network, Europa Cantat and others who have made attempts to map out their sector but sometimes lack the manpower, the expertise or the resources to develop reliable and recurrent data points.

A wide range of data in this field will also be sourced from national data collection agencies and statistical offices, sometimes from Eurostat. Some gaps that currently exist include:

- **Music education:** National data collection agencies collect data on the education of music in schools and conservatoires, however this is often not comparable. Pan-European comparable data on music education is therefore needed.
- **Diversity:** Currently, there is no real EU wide data on diversity in the Music sector. Diversity should include the study of ethnic minorities, gender and vulnerable groups (such as refugees etc.) and their interactions with music.

Pillar 4: Innovation & New Business Models

This pillar is the least data-driven in that it will rely mostly on research conducted on topics relating to changes in the market place, new business models, disruptive technologies, etc. The EMO will have the latitude to pick certain topics and assign them to third-parties.

An EMO should consider setting up an “innovation expert’s advisory committee,” constituted of respected professionals in their field who are known for their forward thinking views, to help identify key themes to be studied.

Further information on key gaps

Live music sector

As expected, this sub-sector suffers from a dearth of data, save for some countries like France, which has the most complete set of data on the live music sector in Europe, due to the existence of the CNV, which collects a tax on concert ticketing. EMO and the live music sector will have to work together to design a tool to monitor the economic activity of the sector. An EMO and the live music sector will need to work together to build a tool to monitor the economic activity of the sector. Data on the live sector is something that is generally missing, save for some countries like France, which has the most complete set of data on the live music sector in Europe, due to the existence of the CNV, which collects a tax on concert ticketing. Although there are some studies that are carried out, they are usually too narrow in scope and an EMO should aim to provide data on a larger scale at European level.

Key issues for the live sector include concentration of the sector, the impact of gentrification and resulting real estate and urban development, audience diversity (accessibility and participation), support to emerging artists, competition within the sector, gender equality and sustainability. Data relating to these aspects would be beneficial to the live sector. In addition to live venues, there are no real useful data

available for booking agencies and promoters. A challenge in obtaining data in the live sector is that a lot of stuff is done 'off the book', and is therefore shown as hidden costs in different segments. Therefore, it is hard to get truly reliable data.

Stakeholders feel that it is essential to show the importance of live music. Evidence based, hard figures are important to convince policymakers in relation to funding, sponsors, media and acts as a base for building the dialogue with governments. The live sector represents a big part of the music sector, and data would be important to have an influence on rules, regulations and laws at local, regional and national level.

A number of challenges exist in regards to data collection at EU with live venues in Europe. Across the 28 European member States, there are multiple different models of the music industry and the level of state intervention in the industry, meaning that the level of subsidies for the live music sector differ per country. Venues exist in economic models, ranging from no subsidies for venues, to heavily funded models (such as the French model). Venues have therefore different levels of staffing to be able to carry out research or provide input for surveys and studies on the shape of the live sector.

In addition, small unsubsidised venues do not keep data, and in countries such as the UK data is harder to come by in comparison to countries such as France, the Netherlands, Belgium and Germany. Data in some countries (particularly the UK) is very commercially sensitive (e.g. employment, number of tickets), and there needs to be a strong justification as to why venues should provide this data. Therefore there are varying degrees of responsibility to engage in the types of research that may be required by a future EMO. The biggest challenge in obtaining this type of data will be building a suitable methodology for data collection that is multi-levelled and comprehensive.

Obtaining a balance between the commercial and non-commercial aspects of the live sector will be a crucial feature in the collection and development of data. Some stakeholders state that there should not be too much stress on the economic value of live music, as most of what is happening in live music has no commercial purposes. A lot of the work done is voluntary. On the other hand: a lot of money is going around in the sector and a lot of people and organizations (in) directly benefit from it. An EMO would need to provide benefit for data collection in the commercial music industry, and therefore it would be essential to have large/high-level companies on board in order to be representative.

Circulation of repertoire

There is a lack of data on the circulation of European repertoire. Certain stakeholder organisations want information on what artists are being played in other Member States across the EU. Although some information is collected, it is mostly not comparable at EU level. Therefore, pan-European tools allowing to analyse the cross-borders activity of European artists need to be developed. Listings from ETEP and other exchange programmes will be a good place to start, but it will be necessary to build a tool to monitor the circulation of European artists. It will also be important to provide clarity regarding certain definitions, for instance, what is considered 'national repertoire'.

Music Publishing

Currently, aggregated data on music publishing on a pan-European and country by country basis is not existent. This sub-sector requires more research, in partnership with relevant partners, such as ICMP.

Music Education

At present there are issues with current data availability in relation to music education. There is generally a lack of Europe-wide data that is systematically collected in music education, which therefore leads to a lack of comparable information available. This is due to the structural differences between different countries and even within countries sometimes. For example, Germany has 16 different systems. Therefore, in order to fill this gap, there must be a data collection methodology designed that ensures comparability.

Within the field of music education, qualitative data would also be beneficial in addition to a comparative information of curricula between countries, outcomes (i.e. students going on to music professions, or amateur practice as adults) and on the social impact of music education. The “outcome perspective” is an important concern now in the music education field. There is difficulty in analysing data from countries where the language is not English/French/German (commonly spoken languages). Also, curricula changes quickly in different countries and regions, making it difficult to be up to date through data collection by their networks. According to stakeholders, PISA (OECD's Programme for International Student Assessment) is “dangerous” data collection because they focus primarily on language and mathematics. Data on education should be broader and include the arts (in this case, music).

Authors' rights

Through local societies and GESAC and CISAC, it is possible to draw a picture of the sector. However, data on the volume of rights circulating between the different EU countries is not available. An EMO should evaluate possible means to address this issue.

Diversity

It has been noted by several stakeholders that an EMO should collect data relating to a more diverse workforce. More data on this subject will act as a very important and useful to benchmark to determine the music sector is now, and where it will be in the future. Currently, there is no real EU wide data on diversity in the Music sector. From interviews, it has been stated that there is a need to ensure that diversity is considered broadly, and does not just entail diversity of nationality and languages. Other aspects that should be considered are ethnic minorities, gender, vulnerable groups (such as refugees etc.). To be able to achieve this, and EMO would need to have access to national data. It is important the European music sector continues to attract a diverse workforce, and data will be crucial in monitoring that this is the case.

One of the key areas where diversity data is required is in relation to gender. Through the Keychange project and the EU cultural action plans, this subject has been growing in visibility in the last few years. Therefore, if broader diversity data is not available from the start of an observatory, then Gender would be a good starting point. It is important that data on this applies to every aspect of the workforce, and not just the % of female artists, but also number of studio personnel, managers and other music related professionals. It is important to look at the number of women in line-ups for festivals, showcases and concerts, as well as the number of women winning music awards. These last two points are a strong indicator of who is being promoted. Data on the gender balance within music education (conservatories and schools) will also be of use.

Annex 6: Quick wins to address data gaps

The economy of music in Europe -- The key figures

Pillar attribution:
Economy of music
Description:
Similar to UK Music's The Year in Numbers, this research will focus on four or five key indicators related to the economy of music in Europe: value of the recorded music market, value of the music publishing market, value of the music rights market, value of the live music business, employment of the sector. The research will compile pan-European data and national data. The end result, meant to be repeated each year, should provide the foundation for the EMO.
Source of data:
IFPI, CISAC, AEPO-ARTIS, ICMP, IMPALA, Eurostat, national statistics agencies, live music sector.
Occurrence:
This project should be undertaken each year to be able to draw comparisons year-on-year.
Key findings:
This project will deliver for the first time the real contribution of the music sector to the European economy. And each year will allow to see the evolution of the sector.
Benefits:
Better knowledge of the sector. Results can be used by stakeholders on a pan-European level and nationally to make a case for the music sector. Massive potential media coverage.
Costs:
Minimal since most data is likely to be sourced at a marginal or no cost, but labour intensive.

Analysis of the most streamed songs in Europe and outside Europe by calendar year

Pillar attribution:
Diversity & Circulation
Description:
Based on as many full calendar year-listing possible, this report will look at the share of European content among the world's most played songs (a top 5,000 or top 10,000), the key genres, the top languages, the nationality of the artists and songwriters with possible analysis of previous years and by region (Europe, North America, Latin America, Asia, Africa). A key element to consider in the development of this project will be establishing a definition of "European content," which is a suggested task that the EMO could undertake with input from the Advisory Board/stakeholders.
Source of data:
This project would be based on listing supplied by Nielsen, which started in April 2019 to release weekly reports of the most streamed songs globally.
Occurrence:
This project should be undertaken each year in order to be able to draw comparisons year-on-year.

Key findings:
Assessing the use of European repertoire on music streaming services around the world and compare it to repertoires of different origins.
Benefits:
Evaluating the share of European repertoire among the most played songs in the world and make recommendations on how the situation could be improved.
Costs:
A one-off license fee to Nielsen, likely to be in the five figures, or part of a regular package of data to be determined. Further discussions with Nielsen will take place during MIDEM.

Analysis of radio airplay in Europe by calendar year

<i>Note: This project could be combined with the previous project or run independently</i>
Pillar attribution:
Diversity & Circulation
Description:
Based on as many full calendar year-listing possible, this report will analyse the share of European content among the most played songs on European Radio (a top 5,000 or top 10,000), the key genres, the top languages, the nationality of the artists and songwriters, as well as a breakdown by country.
Source of data:
This project would be based on listing supplied by Radio Monitor, the only supplier of pan-European radio monitored data in Europe. There is also the possibility to work with AER and the EBU on this project.
Occurrence:
This project should be undertaken each year in order to be able to draw comparisons year-on-year.
Key findings:
Assessing the airplay of European repertoire on European radio stations and compare it to repertoires of different origins.
Benefits:
Evaluating the share of European repertoire among the most played songs on European and provide data analysis to evaluate the need for policies on European content.
Costs:
A one-off license fee to Radio Monitor, or part of a regular package of data to be determined.

Pan-European survey on consumers' music-related behaviour

Pillar attribution:
Music, society and citizenship
Description:
This project will consist in issuing a tender to select a company that will carry a pan-European survey on the behaviour of people in relation to music, from music practice and learning, to the consumption of music on various platform, access to illegal content, visits to concert venues, etc.
Source of data:
The company selected for the survey. There should be some synergies with the work of EUIPO in this regard.

Occurrence:
This project should be undertaken each year in order to be able to draw comparisons year-on-year.
Key findings:
A detailed account of the way European consume music, with data by age group, gender, and localisation.
Benefits:
Better understanding the way Europeans access and consume music. Not labour-intensive for the EMO since the research is outsourced. Massive potential for communication and media coverage throughout Europe.
Costs:
Cost will vary according to the number of countries surveyed, the sample of people surveyed and the number of questions linked to the survey. Most likely in the six-figure range. There is also the possibility that this type of study could be commissioned at national level, and the EMO would only need to know how and where to access these data, and possibly provide a standardised template on beforehand for each member state.

Study to evaluate the best method to assess the economic value of the European live music industry

Pillar attribution:
Economy of music, Diversity & Circulation
Description:
The live music sector in Europe is fragmented and lacks macro- and micro-economic tools to evaluate the real contribution of the sector to the EU economy (along with its spill over effects). It also lacks recurrent tools to monitor the performances of individual artists. This study will look at the various possible ways to improve the data on live music and make recommendations on the way to create reporting tools to monitor box-office results.
Source of data:
No data involved but the report will offer solution to determine how data on the sector would be compiled by EMO's partner chosen from the tender process.
Occurrence:
One-time study, but monitoring should be continuous in order to allow to create quarterly and yearly reports.
Key findings:
Proposing solutions to the live music sector on how to improve the collection of data on the sector. Provide a thorough and accurate picture of the contributions of the live music sector to the EU economy and the spill over effects. Identification of the key artists, genres and venues that draw audiences. Identification of the gaps in the sector, nationally and on a pan-European level
Benefits:
Provide the sector with better tools to monitor live music shows and analyse the performances of European acts. Tracking of the sector on a weekly basis. Bringing new tools to the industry. Better knowledge of the sector and ability to design policies to improve the situation of the sector.
Costs:
To be determined by the tender.

Study to evaluate the impact of live music at a local, national and pan-European level

Pillar attribution:
Economy of music, Diversity & Circulation
Description:
Each year, thousands of live music event take place across Europe and attract a local audience, but also visitors from other parts of Europe. This study will look at the live music eco-system at a local, national, and pan-European level, assessing the value added of live events and venues to local communities, in particular the spill-over effects. The study will also look at the circulation of EU citizens attending live music events.
Source of data:
Data would come from events themselves, live music trade organisations, local and national governments. It could be coordinated (and co-financed) by the Ministry of Tourism in member states.
Occurrence:
One-time study.
Key findings:
A real picture of the economic impact of live music events, in particular festivals for local, national and the EU's economy.
Benefits:
Provide local, national and pan-European policymakers and stakeholders a picture of the value added of live music events to local, national and European economies.
Costs:
Fee for contractor. The study could be coordinated by EMO with the financial support and resources of EU's ministries of tourism.

Study to evaluate the economic value of the European music publishing industry

Pillar attribution:
Economy of music
Description:
The music publishing sector in Europe is made of major companies and a myriad of independent companies in each country. This makes it more difficult to assess the real economic value of the sector. ICMP, the Brussels-based international organisation representing music publishers, has a set of data but it does not cover the whole sector. This study will look at the ways to set up a model to gather data on the music publishing sector in all EU member states, and that incorporates the various streams of revenues for publishers: performance rights, mechanical rights, direct licensing, synchronisation and others (lyrics).
Source of data:
No data involved, but partnerships with international organisation ICMP and national music publishers' associations will be useful.
Occurrence:
One-time study.
Key findings:
Proposing solutions to music publishing sector on how to improve the collection of data on the sector.
Benefits:

Provide the sector with better tools to monitor the music publishing sector and setting standards for music publishing data.

Costs:

Cost related to the contractor picked for the study.

Studies to consider in a second round

In this section, a list of studies is provided that could be carried out by a future European Music Observatory following the initial list of studies that is provided above.

Study on the impact of Artificial Intelligence on the European music market

Pillar attribution:

Economy of music, Innovation & future trends

Description:

Artificial Intelligence and machine learning are transforming the music landscape. This study, which will be subject to a tender, will look into all the various aspects that AI is going to impact the industry from an economic, structural, legal, and economic perspective. The study will assess the state of AI-driven projects in the EU and will list the benefits for the EU to invest in music-related AI projects, and will draw a series of policy recommendations.

Source of data:

Data would be compiled by EMO's partner chosen from the tender process.

Occurrence:

One-time research project.

Key findings:

Identifying the key challenges facing the industry and propose solutions/measures.

Benefits:

Provide the sector with a thorough and deep study about a key potential disruptor.

Costs:

To be determined by the tender.

Study on the impact of streaming services' playlists on the exposure of European music

Pillar attribution:

Economy of music, Diversity & Circulation

Description:

Playlists on music streaming services have become the main vehicle to expose new music to a wider audience. This study will analyse the origin of the music featured on playlists by origin, genre, language, and also the trajectory of a selected number of tracks after they were featured on playlists. The report will also make recommendations as to how to maximise the presence of European artists on playlists.

Source of data:

Data would be supplied directly by music streaming services or compiled by a third-party partner.

Occurrence:

One-time project.

Key findings:

Identifying the key impact of playlist, the state of European acts on playlists and propose solutions.

Benefits:
Provide the sector with a better understanding of a crucial tool to expose European artists, and provide data/analysis for potential policy measures.
Costs:
Could be a no-cost report if data is supplied by streaming services and the analysis done in house (but could also be handled by a third-party contractor).

Study to evaluate the economic value of European music SMEs

Pillar attribution:
Economy of music
Description:
The independent music sector in Europe is made of thousands of SMEs in all EU countries. However, there are no documents mapping the economic activity of the independent sector, its contribution to the economy, the number of people it employs, the number of artists it has under contract, etc. In addition, there are not relevant tools to assess the year economic value of the independent sector. This study will look at the ways to set up a model to gather data on the independent music sector in all EU member states.
Source of data:
Partnerships with international organisations IMPALA, WIN, Merlin, IFPI and organisations representing independent companies throughout Europe.
Occurrence:
One-time study.
Key findings:
Proposing solutions to independent music sector on how to improve the collection of data on the sector.
Benefits:
Provide the sector with better tools to monitor the independent music sector.
Costs:
Cost related to the contractor picked for the study.

Study on musical learning and practices

Pillar attribution:
Economy of music, Diversity & Circulation, Music, society and citizenship
Description:
Playing a music instrument is one of the most shared cultural practice in the EU. This pan-European study will attempt to map the musical practices of Europeans, country by country, identifying the type of instruments played, the age groups playing music. The study will also look at the infrastructure available for Europeans to learn to play an instrument, listing conservatories and other locations dedicated to the art of music.
Source of data:
National cultural agencies, associations of conservatories and musicians.
Occurrence:
This project should be undertaken every two years in order to be able to draw comparisons over time.
Key findings:
Mapping European music practices, identifying music learning sources.
Benefits:

Better understand the way Europeans relate music learning and practice, and suggest policy measures if required.

Costs:

Cost related to the contractor picked for the study.

Study on online piracy in the EU, and piracy of European content outside the EU

Pillar attribution:

Economy of music, Diversity & Circulation, Music, society and citizenship

Description:

The development of online cultural consumption has been followed by a high level of unlicensed content accessed by consumers throughout the world. This study will look at the way European citizens consume music through illegal or unlicensed platforms. The study will give a breakdown of the most pirated songs, the most popular music genres on a pan-European level and country by country. The study will also look at the way European music content is pirated outside of the EU, which songs, which artists, which music genres. This study has the potential to become a yearly fixture for the EMO.

Source of data:

Piracy data specialist MUSO, EUIPO, among others.

Occurrence:

This project should be undertaken each year in order to be able to draw comparisons year-on-year.

Key findings:

Give for the first time a real assessment of online music piracy, in a granular way.

Benefits:

Give a picture of how piracy affects European artists and music companies, and suggest policy measures if required.

Costs:

Likely to be a five- to six-figure study due to the large volume of data to be monitored.

Study on the social environment for semi- and professional musicians throughout the EU

Pillar attribution:

Economy of music, Diversity & Circulation, Music, society and citizenship

Description:

The EU has a patchwork of social legislation for semi- and professional musicians. This study will look at the various rules and regulations applied to musicians, from their tax regime to their health insurance situation and benefits. It will look at the commonalities and differences between the different systems and attempt to provide a set of best practices, as well as make recommendations leading to a better harmonisation of the status of musician throughout the EU.

Source of data:

National governments, unions, musician's organisations.

Occurrence:

One-time study.

Key findings:

Mapping of EU's social scene for musicians, especially the differences by countries and highlighting best practices.

Benefits:

Better understand the system applied to musicians and suggest policy measures.

Costs:

Cost related to the contractor picked for the study.

Study on Diversity in the music sector (could also be carried out through several more specific studies)

Pillar attribution:

Diversity & Circulation, Music, society and citizenship

Description:

This study will look at the diversity and inclusion in the European music sector, analysing the status of women and minorities in the field. This includes businesses, as well as festival and venue bookings. It could also include an analysis of the gender and ethnicity of performers and songwriters topping the charts throughout Europe.

Source of data:

National governments, trade organisations, survey.

Occurrence:

One-time study, with the potential to be recurrent if specific data points and indicators can be extracted from the study to measure on a constant basis inclusion and diversity.

Key findings:

Mapping of EU's diversity. Creation of indicators.

Benefits:

Better understand the level of diversity and inclusion in the sector and suggest policy measures if needed to improve the situation.

Costs:

Cost related to the contractor picked for the study.

Study to evaluate ways to improve music-related data in Eastern European countries and "smaller" EU member states

Pillar attribution:

Economy of music, Diversity & Circulation

Description:

The music sector in most Eastern Europe countries and smaller EU Member States is nascent or not fully developed, and lacks the tools and processes to gather economic, cultural and social data on the music sector. This study will assess the current data available, analyse the gaps in data and suggest ways in which data gathering can be improved.

Source of data:

local organisations, Impala, IFPI, CISAC, GESAC, national stats agencies.

Occurrence:

One-time study.

Key findings:

Proposing solutions to independent music sector on how to improve the collection of data on the sector.

Benefits:

Provide the sector with better tools to monitor the independent music sector.

Costs:

Cost related to the contractor picked for the study.
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Annex 7: Proposed approach for a European Music Observatory data Strategy

Proposed strategy for data

The global data market related to music is rich, deep and diverse but it is also complex, fragmented and patchy, reflecting a sector that has multiple layers and as many potential sources of data, especially if looked at with a wide angle, from the behaviour of consumers to the mechanisms in place to ensure rights holders get remunerated, musical practice to global live tours, physical and digital distribution to machine learning applied to the management of rights.

Each sub-sector of the industry generates its own sets of data. Such data is often available, but not always. The European Music Observatory will act as an accelerator in raising awareness about the value and the need for accurate data. It will also serve to highlight the data gaps in the market and hopefully help address them.

However, the EMO cannot cover all and everything, and cater for the expectations of every stakeholder from day one. That is why a piecemeal rather than a holistic approach to data is suggested.

The following recommendations can be provided regarding the approach to data for the EMO:

Selective and progressive

It is recommended that the EMO takes a selective approach to data, and starts with (I) data that is already available on the market, and (ii) projects that can be commissioned to third parties (see list of potential projects for the EMO to launch from the outset). The remit and use of data will expand progressively as the EMO will grow its structure and the scope of its interventions. It will also benefit from input from stakeholders that will be able to help identify and select sectors or projects that need to be monitored.

Maximising existing data

A lot of data is already available and the EMO should start first by listing all the available data and suppliers, and starting to deliver results based on such data. In a second step, the EMO will be in a position to better address the missing links in data.

Partnerships

It is recommended that the EMO to strike a wide range of partnerships with data suppliers and stakeholders who hold data about their own sector. This would create a bridge between the EMO and data suppliers and ensure that a constant flow of data will reach the EMO. It will also ensure that some data will be obtained at a lesser cost. The neutrality of the data provided by partners will also be considered.

EMO should also partner with trade organisations in fields other than music. For example, EMO could partner with European cinema organisations and rights societies to produce a report on music on films released during the Cannes Film Festival; or with the organisation representing video game producers and present a report of music usage in video games and on video games.

Recurrent data

The EMO should start with building its data collections function from data that has the potential to be recurrent in order to build tools over time and offer comparison points. For example, one of the first projects suggested that the EMO undertakes is a yearly mapping of the economic weight of the music sector, country by country, branch by branch (recorded music, music publishing, rights collections, live music).

Evaluating and filling data gaps

The EMO – with the help of the advisory committee – should also rapidly engage in the identification of data gaps (this study will already identify some of them), and find the right partners or systems to bridge these gaps. Some of the most important and relevant gaps have already been identified by the authors of this study.

Multi-year agreements

The EMO should consider making multi-year agreements with some data suppliers for projects that will be repeated year-on-year. It will most likely help scale down some costs and also ensure that the same methodology will be used year-on-year.

Building a platform

Another important recommendation is that the EMO to build its own IT platform to accommodate all the various sets of data (pending appropriate licensing agreements) in order to have them in-house and be able to access the data without having to go back to suppliers. This would also allow in-house researchers to dig into multiple data points.

Definitions and standards

Following consultation with stakeholders and data experts and working with Eurostat as well as national stats agencies, the EMO should set data standards and indicators on a pan-European level. It should also help affirm some definitions and terminology, such as what a European artist is and what a European song is, along with defining other important indicators that can be used across Europe.

This will particularly significant for any research on the circulation of repertoire. A song has usually songwriters, performers, producers, a record label (repertoire owner), one of many publishers, and one or many distributors. In addition, a performer/songwriter artist can be affiliated to one or more rights societies for authors' rights and one or more societies for neighbouring rights.

All these fields are potential research data points for analysing the circulation of repertoire.

To clarify a question often asked as to whether the EMO should be in the business of defining and developing data standards such as ISRCs, ISWCs, ISNIs, etc., we believe that it should not be within the EMOs core remit, unless it serves the purpose of helping define better and more accurate sources of data. With this in mind, the EMO could consider joining as associate member DDEX (Digital Data Exchange), the standards-setting organisation focused on the creation of digital value chain standards, and be part of the discussion of data standards.

Criteria for data sources

One of the things that has become apparent to the authors of this study in the analysis of the available data is that a great deal of data that does currently exist is of mixed quality and usefulness. This is for a variety of reasons, which will be further elaborated upon below. Due to this fact, it will be necessary within the context of the final report to determine what are the most useful and suitable data sources for a future European Music Observatory to utilise. In order to do this, the authors of this study have developed a number of potential criteria. In addition to these criteria, there needs to be a cost/benefit analysis for each data type in terms of the price that needs to be paid (in cost of purchase or difficulty of access) and the extent of the use-value based on the criteria below.

figure 29 Criteria for data sources

Criteria for data sources	
Criteria	Explanation
Consistency	The consistency of collected data is important in order to monitor changes within the sector. In order for this to be of value, clear definitions and indicators must have been in place for a suitable amount of time
Assessing if data responds to a need	The EMO should be providing data that is of use and relevance for the European music sector or policymakers. Therefore, the value of the data to these groups should be assessed, in particular, whether it responds to a need.
Structural availability	Data should be structural in that it is not 'one off' and subject to changes. This will allow for consistency and the possibility for yearly comparisons.
Quality	It is important that the data can be considered 'quality data'. An EMO will develop several categories of measuring the quality of data for use.
Possibility of harmonisation	Some data sources and collection methodologies may only be carried out or collected in certain Member States or region. The possibility to harmonise data collection and develop consistent EU wide indicators will be an important consideration in determining whether a data source can be useful to a future EMO.
Degree of EU coverage	EU wide data will be the most useful for a future EMO, as this will allow the opportunity to make comparisons between Member States, and provide a full overview of the situation all across Europe, and not just in countries with a strong music sector (such as the UK and France) or in countries which collect data.
Relevance of data from outside EU	Some potential data is in relation to the activities of European artists and the consumption of European music beyond the borders of the EU. It will therefore be interesting to see whether this data will be relevant for the users of a future EMO, and whether this data is accessible.

Source: Panteia, 2019

Incentives/conditions for provision of data from data providers

In the discussion that have occurred with data providers, it became apparent that in some cases, a trade off will need to occur. This means that the EMO will have to offer something to providers in order to obtain or have access to data, whether that is partial data or otherwise. Therefore, several incentives or options have been developed that can be presented by a future EMO in the negotiations with data providers.

figure 30 Incentives/conditions for provision of data from data providers

Incentive/Condition	Explanation
Financial incentive	The most obvious incentive for data providers will be payment in exchange for data. This will depend on the provider of data, the types and amount of data required and also on what the EMO can offer.
EMO to take over part of the (data) work	There is the possibility (depending on the resources available) that a future EMO could take on part of the data work. An example of this would be the EMO carrying out analysis of already collected data. This could lead to the EMO carrying out additional analyses, on the basis of specific knowledge and expertise in the European music sector
Exchange for other data	There is the possibility that the EMO obtains data in exchange for data that has been collected/gathered from other sources (subject to permission if necessary). There is also the possibility of linking other data with EMO data in order to improve/enrich data, which will contribute to more interesting analysis and studies.
Improved dissemination	A Commission backed EMO could be an interesting European wide forum for enhanced dissemination of the results of data that has been acquired/gathered by providers.
PR (publicity provider)	It is envisaged that the EMO will engage in active publicity campaigns to promote the studies carried out and the potential deliverables/tools. Working in conjunction with the EMO could be used good PR for data providers. The EMO can provide links to the original data on its own website, and the EMO only uses the data for additional analyses and specific studies where it is required.
Goodwill with the European Commission	Providing data to a European Commission based Observatory could be seen as a sign of goodwill and cooperation with the Commission, and could possibly be a reason for the provision of data.
Provider to become 'the standard'	By providing data to an EMO, there is the possibility that this data provider becomes 'the standard' at European level for particular data. Therefore, data providers can be involved in the development of EU wide definitions.
Contributing to the general interest	Data providers will be given the opportunity to contribute to the general interest of the European Music sector
Expanding data offering and clientele	Collaboration with the EMO will potentially give data providers the opportunity to expand their data offering (depending on agreements with the EMO) and potentially offer them the opportunity to expand their client base.

Source: Panteia, 2019

Potential data providers

The following section provides detailed information on the data providers that were consulted in the context of this study.

AEPO-ARTIS

Description:
Organisation representing European artists-performers. Regroups most of the European collective management organisations representing performers.
Data:
AEPO-ARTIS has some sets of data pertaining to its members, but not all. Most of the data is compiled by SCAPR – which has declined to be involved in this project. Access to data will require a mandate from the SCAPR board.
Relevance:
Key to access data about the European neighbouring rights market.
Access to data by EMO:
EMO and AEPO-ARTIS should partner to establish a set of standards to compile and make public data about the European neighbouring rights.
Relationship with EMO:
AEPO-ARTIS interested in a partnership with EMO to define the type of data on the European NR market.
Welcomes an organisation that would instil more transparency in the sector, in particular with regards to earnings from artists, performers and musicians.
Pillar:
Economic Activity, Diversity & Circulation

ALPHA DATA

Description:
Alpha Data (formerly BuzzAngle) tracks digital music consumption patterns (downloads, streaming usage), primarily in the USA/Canada, and is extending its reach globally with agreements with digital platforms to collect global data.
Data:
Collects US and Canada music consumption data (downloads and streaming), plus Europe's 5 biggest markets: UK, France, Germany, Italy, and Spain. Plans to add Australia and Brazil. The data is available online via a subscription and its dashboard allow a lot of flexibility in creating reports (it is possible to run 10 trillion different reports from the dashboard). Alpha Data does not include a field with the nationality of artists, but could create a field and insert info if it were provided to them.
Pricing depends on the type and size of the company, and number of accounts accessing data. Billing is quarterly. Can also provide ad hoc reports if needed.
Relevance:
Potential data supplier for North America, but also for other parts of the world.
Access to data by EMO:
Subject to contractual relationship. Alpha Data can offer competitive rates.
Relationship with EMO:
Interested in being considered as a potential supplier of data.
Pillar:
Economic Activity, Diversity & Circulation

BMAT

Description:
BMAT is a Barcelona-based video monitoring company.
Data:
BMAT monitors 24-7 5,000 radio stations and 1,500 television channels in 134 countries, and over 1,000 clubs from around the world. It services the music industry on data related to the usage of music on TV, radio, venues and digital services. It delivers data to some 100 Collective Management Organisations in the world, that is then used for distribute rights to songwriters and music publishers. The service is also used by record labels and music publishers. In 2018, BMAT starts reporting live music set-lists. NBMAT is also the official digital provider of charts in seven countries – Singapore, Malaysia, Argentina, Brazil, Mexico, Chile and Colombia – based on data from sources like iTunes, Apple Music, Deezer, Google Play, Napster, Spotify, and KKBOX. BMAT's monitoring platform delivers 92 million identifications monthly and monitors 230 million digital transactions hourly. The data includes: channel, timestamp, duration, music metadata (artist, title, record label, composers, industry standard identifiers like ISRC, ISWC, ...) and it can be enriched with other metadata such as proprietary identifiers, music right holder information, language of performance, artist nationality etc.
Relevance:
BMAT has a wide set of data that could be used for multiple purposes, from monitoring specific music genres to creating specific list as well as past data for comparison.
Access to data by EMO:
Subject to a contractual agreement, BMAT could provide EMO access to its database and also compile specific sets of data for research purposes.
Relationship with EMO:
BMAT would like to be considered as a data provider. BMAT also sees EMO as a partner in defending the mission to bring transparency to the rights ecosystem.
Pillar:
Economic Activity, Diversity & Circulation

CEEMID

Description:
Data collection and aggregation system
Data:
CEEMID is a pan European music data integration system based on open data, open-source software in open collaboration with the industry, statisticians and academia, best statistics, data science and AI practices. It uses many data sources about the audience, the creators of music, music works and recordings, its circulation globally and its economy. CEEMID has created thousands of hard music industry indicators via integrate using open data sources, industry data sources, surveys and various APIs to relevant other data sources. CEEMID integrates various data sources and information sources, and in some cases, CEEMID creates original databases, in other cases, it used open or confidential databases. CEEMID is primarily focusing on data from the European Union.
Relevance:
CEEMID can transfer thousands of indicators that are reproducible and verifiable, open-source software that creates them to a European Music Observatory. In particular, CEEMID provides a useful and interesting approach to harnessing the

possibilities of open data in Europe in relation to the music sector, which should be further explored by the European Music Observatory in its start-up phase.

Access to data by EMO:

CEEMID would be willing to transfer its data collection to the European Music Observatory or to any similar public platform.

Relationship with EMO:

Willing to work with a future EMO.

Pillar:

Economic Activity, Diversity & Circulation, Music, Society and Citizenship, Innovation & future trends

CISAC

Description:

The International Confederation of Societies of Authors and Composers is the Paris-based global organisation representing collective management organisations in the field of authors' rights in all repertoires (music, film, literary, AV and visual arts). It counts 239 members in 121 countries.

Data:

CISAC produces a yearly collections report, which aggregates the rights collected around the world by its members. It is presented by region. It aggregates data by type of usage (performance rights, digital, live, mechanical, etc.). Music is the leading repertoire represented by CISAC members.

Relevance:

CISAC data could be part of a yearly report about the state of the industry, if CISAC could provide a breakdown by country. However, it does not cover cross-border rights in the EU.

Access to data by EMO:

CISAC is interested in sharing data depending on the use and whether it contravenes non-disclosure agreements with its members.

Relationship with EMO:

CISAC supports the EMO. A partnership agreement between CISAC and EMO could be negotiated.

Pillar:

Economic Activity, Diversity & Circulation

CNV

Description:

France's public organisation managing a tax on concert tickets. The CNV is one of the organisations that will become part of the Centre National de la Musique, a new body that will also incorporate a music sector observatory.

Data:

The CNV is the main source of data regarding the live industry in France. It releases a yearly report with all the key data about the live sector: box-office, number of shows, attendance, festivals attendance, attendance by music genre, etc.

Relevance:

France is the benchmark when it comes to data from the live music sector.

Access to data by EMO:

Very interested in supplying data, and creating European data standards.

Relationship with EMO:

Interested in being part of the process, as the EMO seems to mirror their observatory, and exchange best practices, setting data standards and expanding knowledge of the sector.

Pillar:

Economic Activity, Diversity & Circulation, Music, Society and Citizenship

DDEX

Description:

Digital Data Exchange (DDEX) is a standards-setting organisation focused on the creation of digital value chain standards to make the exchange of data and information across the music industry more efficient. It regroups a wide range of partners, from collective management organisations to DSPs, electronic manufacturers to music publishers and labels.

Data:

DDEX does not own or produce or share data per se. It publish the standards and then business partners between them, implement the standards for the exchange of data, none of which is accessed by DDEX.

Relevance:

Data standards are crucial to a functioning music rights market and quality data is also crucial for the EMO to fulfil its mandate. The EMO should consider joining DDEX as associate member to be involved in the discussions regarding standards.

Access to data by EMO:

No data to access.

Relationship with EMO:

DDEX is interested in being part of the conversation, in particular in contributing to technological evolutions in the context of the 'Innovation and New Models' pillar, as DDEX continues to provide tools to support the infrastructure that supports the industry.

Pillar:

Innovation & future trends

DIGITAL MUSIC EUROPE

Description:

Digital Music Europe is the Brussels-based trade body representing the main music streaming platforms (Spotify, Deezer, Apple Music, Amazon...).

Data:

DME does not own or produce data per se. Its members do. The research team have started a dialogue in order to set a framework for the EMO to interact with DSPs. Spotify provides a lot of detailed information (top 200 on daily and weekly bases, also historically) per EU country (and all countries in the world), but only in relation to their own streams. Other platforms such as Deezer have their own data.

Relevance:

Data from DSPs will be crucial to monitor circulation of repertoire.

Access to data by EMO:

DME is mostly dealing with policy issues, it can only recommend actions to its members, who will decide whether or not they want to share their data. It has been noted to the research team that certain providers will only provide data if data from competitors is also provided (such as Apple Music)

Relationship with EMO:

DME is an interested stakeholder, and is receiving feedback from its board.

Pillar:

Economic Activity, Diversity & Circulation, Music, Society and Citizenship, Innovation & New Models

Eurostat

Description:

Eurostat (European Union' Statistical Office) is a Directorate-General of the European Commission located in Luxembourg. Its main responsibilities are to provide statistical information to the institutions of the European Union (EU) and to promote the harmonisation of statistical methods across its member states and candidates for accession as well as EFTA countries.

Data:

Eurostat statistical work is structured into Themes and Sub-themes. In the field of cultural statistics, the 2012 ESSnet-Culture final report became a basic reference for culture statistics in Europe, presenting a framework for culture statistics, including concepts and relevant definitions, the methodology elaborated by the thematic task forces, descriptions of 10 cultural domains, and a list of EU and national data sources. The ESSnet-Culture methodological framework for culture statistics is based on the UNESCO framework for cultural statistics (FCS), but it is structured slightly differently and the domains covered do not include (as in the FCS) natural heritage, equipment/supporting materials, sport or tourism. The ESSnet-Culture framework for cultural statistics covers 10 cultural domains (heritage, archives, libraries, books and press, visual arts, performing arts, audio-visual and multimedia, architecture, advertising and art crafts) and six functions (creation, production/publishing, dissemination/trade, preservation, education and management/regulation).

Relevance:

Eurostat has the ability to provide EMO with I data, however, currently NACE codes are not detailed enough to provide useful data. Music sector activities are often bundled in with other activities not relevant to music.

Access to data by EMO:

Eurostat data can be provided to an EMO.

Relationship with EMO:

The authors of this study consulted with Eurostat as to possible areas where data collection can be improved and coordinated with a future EMO. More information is provided on these negotiations in section 3.7 of the main report.

Pillar:

Economic Activity, Diversity & Circulation, Music, Society and Citizenship

EXACTUALS

Description:

Exactuals is a Los Angeles-based rights payment company. It specialises in handling residuals payments on behalf of film studios.

Data:

It operates one of the biggest database of sound recordings (ISRC) and music publishing identifiers (ISWC) and RAI, an artificial intelligence system that helps reconcile data entries that don't match. As of May 2019, Exactuals has created over 28 million links between ISRCs and ISWCs across the 73 million sound recordings and 12 million musical compositions managed by clients of RAI.

Relevance:
Useful for research on metadata and databases of music rights.
Access to data by EMO:
Subject to a contractual agreement.
Relationship with EMO:
Interested in keeping the discussion open.
Pillar:
Economic Activity, Diversity & Circulation, Innovation & New Models

GESAC

Description:
GESAC (European Grouping of Societies of Authors and Composers) is a Brussels-based organisation that groups authors' societies from across the European Union, Iceland, Norway, and Switzerland, representing more than 1 million creators and rights holders in the areas of musical, audiovisual, visual arts, and literary and dramatic works.
Data:
GESAC compiles data on the operations of the 32 European authors' societies that are members of the grouping. This gives aggregated data reflecting the collections and distribution of revenues, as well as number of members, licences, etc. of all member societies and does not break down to individual societies. In addition, each CMO is supposed to provide certain public information every year, as required by the Collective Rights Management Directive.
Relevance:
GESAC is an important stakeholder with the ability to coordinate with its member's access to data.
Access to data by EMO:
Not relevant at this stage.
Relationship with EMO:
GESAC is keen to be part of the governance of the EMO.
Pillar:
Economic Activity, Diversity & Circulation, Music, Society and Citizenship, Innovation & New Models

GfK

Description:
GfK is a Nuremberg-based market research institute, the fourth largest in the world. Its entertainment structure is based in Baden Baden and has a specific team dedicated to the music sector.
Data:
GfK compiles music sales data (physical sales, downloads and streaming) from several countries: Germany, Benelux, France, Spain, Italy, Portugal, Austria, Switzerland and Ireland. GfK also compiles sales data of multiple products and sectors, some of which could be relevant to EMO, such as tech and media equipment. GfK looked into the live music sector and decided not to move into (too complicated to source and unwillingness from the sector to provide data). GfK does not do consumer surveys.
Relevance:
One of the key music data compilers in Europe.

Access to data by EMO:
Subject to a contractual agreement. The public usage of Gfk data will have to be determined contractually.
Relationship with EMO:
Strictly as a data supplier.
Pillar:
Economic Activity, Diversity & Circulation

Google/YouTube

Description:
Global video streaming platform. The premier destination for music streaming in the world, with over 1.3 billion users.
Data:
YouTube does not usually make public data on usage, but has significant datasets on music consumption at a national, regional or global level.
Relevance:
As the leading music platform, data from YouTube would be more than useful to monitor circulation of repertoire and music consumption, inside and outside Europe.
Access to data by EMO:
YouTube is prepared to make datasets available to EMO, in particular regarding the circulation of repertoire. Datasets and conditions to access will be subject to negotiation, but not necessarily linked to costs.
Relationship with EMO:
Support the project and will be interested in being a partner.
Pillar:
Diversity & Circulation, Music, society and citizenship

ICMP

Description:
The International Confederation of Music Publishers is a Brussels-based organisation that regroups music publishers from around the world, major and independents.
Data:
ICMP does not compile data as such although it has a set of data from its members, but it does not cover the whole sector. ICMP last year signed a MoU with WIPO to look at possibilities to aggregate data on publishing.
Source of data:
No data involved, but partnerships with international organisation ICMP and national music publishers' associations will be useful.
Relevance:
Sourcing data on music publishing will be a key project for EMO.
Access to data by EMO:
ICMP is interested in working with EMO to find a model to compile economic data on the sector that would cover the various streams of revenues for publishers: performance rights, mechanical rights, direct licensing, synchronisation and others (lyrics).
Relationship with EMO:

Enthusiastic supporters of the EMO (also a member of the project Advisory Board). Interested in being part of its governance. ICMP could extend the MoU with WIPO to EMO.

Pillar:

Economic Activity, Diversity & Circulation

IFPI

Description:

The International Federation of the Phonographic Industry (IFPI) is the London-based global trade association for the recorded music sector, representing the three majors – Universal Music Group, Sony Music Entertainment and Warner Music Group – and independent labels.

Data:

IFPI provides the authoritative data on recorded music. Each year, it produces the Global Music Report which provides the following information: In-depth analysis of the recorded music sector in the calendar year 2018; Global ranking of markets in 2018 by overall recorded music revenues, physical, overall digital, streaming, performance rights, and synchronisation revenues; Recorded music sales for 2014-2018 by country; Analysis of major regions (Europe, North America, Asia, Latin America, Australasia); per-capita recorded music spend 2018. The report is only the visible part of the data exploited by IFPI. Additional data is compiled by IFPI's analysts and is used internally.

Relevance:

Will be a must for the EMO to get the picture of the recorded music market. It would be also useful to discuss the possibility for IFPI to provide data about the share of European music by territory.

Access to data by EMO:

The 140-page Global Music Report sells for 5,000 British pounds.

Relationship with EMO:

IFPI is supporting the EMO. A partnership agreement between IFPI and EMO should be negotiated.

Pillar:

Economic Activity, Diversity & Circulation

IMPALA

Description:

IMPALA represents European independent music companies in Europe. The Brussels-based organisation counts 4,000 members in Europe.

Data:

IMPALA does not compile data directly. However, sister organisation WIN issued each year for the past two years a report on the true economic value of the independent music sector in the world. This report is actually now going to come out every other year. To assess the size of the independent music sector, IMPALA also suggests that IFPI should be able to contribute. IMPALA is also very keen to see the Observatory put in place a system to map the companies active in the sector, which are mostly SMEs, by size, number of employees, turnover, etc. IMPALA would welcome the contribution of the EMO to help create a set of tools to measure the activities of independent companies. IMPALA would welcome a study initiated by the EMO on how to fix the gaps in the mapping of European independent music company's activities. IMPALA welcomes all studies highlighting the circulation of repertoire, as well as assessment of

the diversity of the radio musical output in Europe. IMPALA is interested in having the EMO look into the impact of the music sector on other sectors such as music, advertising, design, video games, etc. that do not have music at the core but are music users or influencers or benefit from the music sector.

Relevance:

If country by country data is available, could contribute to a better mapping of the contributions of indie companies to the sector. It is however imperative for the EMO to have sets of data reflecting the contribution of the independent music sector to the EU's economy.

Access to data by EMO:

Most likely available, if any.

Relationship with EMO:

Interested in collaborating with EMO and being part of the governance (IMPALA is currently involved in this project as a member of the Advisory Board). IMPALA agrees that there should be an Observatory that will respond to the need to understand the sector and what its needs are. IMPALA believes that the Observatory can play a key role in mapping the sector so that the EU can assess the sector's needs and put in place a strategic and ambitious approach to the cultural sector.

Pillar:

Economic Activity, Diversity & Circulation

IPSOS

Description:

IPSOS is a Paris-based global marketing and research firm. It specialises in consumer surveys and analysis of consumer behaviour. It was used by the IFPI a few years ago to do a survey on music behaviour covering 20 countries including the USA, the UK, France, Germany, Sweden, Australia, among others. IPSOS produces ad hoc reports for clients based on surveys. Most surveys are made from online samples. IPSOS also does radio audience measurement in the UK.

Data:

IPSOS only provides ad hoc reports. Multiple country surveys can be expensive due to the number of countries considered and the size of the panel of surveyed people (and the depth of age groups).

Relevance:

IPSOS has an understanding of the music market and could be a partner for music consumption and behaviour-related surveys.

Access to data by EMO:

Subject to contractual agreement.

Relationship with EMO:

IPSOS is interested in building a partnership with EMO and provide expertise in analysing consumer behaviour.

Pillar:

Music, Society and Citizenship, Innovation & New Models

JAXSTRA

Description:
Sidney-Australia-based Jaxstra has developed the biggest database of music credits and liner notes, working with rights holders. Has an office in London and an outpost in the US.
Data:
It can be described as the IMDB for music. Main credits database is available publicly and freely to consumers. The company is constantly adding new data from third parties.
It is in discussion with several DSPs to figure out how to supply them with a dataset of credits and liner notes. By 2020 it will have developed an analytics tool for users.
Relevance:
Peripheral to the core needs of the EMO. However, could be a partner should the EMO decide to do, for example, an in-depth study on songwriters.
Access to data by EMO:
At this stage Jaxstra is not looking at supplying third parties with data but the situation can evolve as the platform intends to be a resource for the industry.
Relationship with EMO:
Interested in being informed on the developments with the EMO.
Pillar:
Economic Activity, Diversity & Circulation

LiveDMA

Description:
LiveDMA covers a large number of venues (popular live music) in Europe with 3000 participants in 17 countries (2018). It is still expanding but doesn't include big/commercial venues/activities.
Data:
Data play an important role in providing evidence based resources for lobbying on different levels (local, regional, national). Data are collected via a survey (similar for all countries and venues). This survey is disseminated by Live DMA members at national level. The survey contains 25 focused questions (the Dutch version had 250). Reports are published every year and contain figures (total and per country) on capacity of venues, employment, activities, visits, income and expenses.
Relevance:
Could be an interesting source of information on the live sector in Europe, although it is still expanding but doesn't include big/commercial venues/activities. The method could be relevant for the EMO, and the process could be expanded with EMO support.
Access to data by EMO:
A lot of rough data is available but this is not freely accessible. Live DMA is willing to discuss the use of more detailed data for using in the EMO. There are no concerns about commercial sensitivity, but the network is strongly aware of privacy/confidence issues which could hamper participation. Data ownership is a concern that has been raised.
Relationship with EMO:
LiveDMA is a member of the project advisory board, and it interested in becoming a provider of data, subject to conditions.
Pillar:
Economic Activity, Diversity & Circulation, Music, Music, Society and Citizenship

Liveurope

Description:
Liveurope is an initiative supporting concert venues in their efforts to promote up-and-coming European artists. The objective of Liveurope is to boost the programming of young European acts across the continent and help them reach new audiences.
Data:
Liveurope aims at boosting the programming of new European talent in music venues across the continent and help them reach new audiences. In this perspective, Liveurope follows the progress of its members in their capacity to book emerging European artists from year to year. For monitoring purposes: Liveurope collects the following data on the shows booked by its members: artist name, artist provenance, date and location of the show. Since 2017, Liveurope has started to collect data on linguistic diversity and artistic genre.
Relevance:
In total, Liveurope has collected data on close to 3000 live music shows featuring emerging European artists in 14 venues in 14 European countries since 2014. Every year, Liveurope presents key figures on the number and diversity of emerging European artists booked at the end of each season. Currently, Liveurope uses its own definition of an emerging artist, which confirms the need to agree on a harmonised definition at European level. There is potential to collect, use and disseminate this data for more purposes, and this data could be used to start monitoring artists circulation in music venues, especially considering the lack of data in the live music sector.
Access to data by EMO:
The data collected primarily belongs to the members of Liveurope, however Liveurope would be interested to put it at the disposal of the EMO, in order to increase knowledge and understanding of the European music sector (and the cross-border circulation of repertoire for European artists).
Relationship with EMO:
Interested in the process and has worked within the Advisory Board of this project.
Pillar:
Economic Activity, Diversity and Circulation

LYRICFIND

Description:
Lyricfind is a Toronto, Canada-based Company specialising in the licensing of lyrics to DSPs. They have the largest platform offering licensed lyrics in the world. Lyricfind has deals with some of the biggest streaming platforms and also services users directly.
Data:
It has global data on lyrics search and usage, and would also be able to tailor data by country or region. Their database does not include a nationality field, but this could be updated.
Relevance:
Could be the source of research about the circulation of European repertoire through lyrics. A top 50 or top 100 weekly chart on the most accessed songs by European songwriters and performers could be another useful tool for the industry.
Access to data by EMO:
Subject to a contractual agreement.
Relationship with EMO:
Interested in being considered as a data supplier.

Pillar:

Economic Activity, Diversity & Circulation

MUSIC ALLY
Description:

Music Ally is a London-based research and marketing company. Music Ally have about 15 years' worth of information, experience and data on the global music business. Music Ally has more than 400 reports available on their website about different topics in music industry. These reports are only available if you are a subscriber. The costs of these subscriptions range from £39.99 for a month to £399.99 for a yearly subscription. After the subscription you directly have access to the whole of Music Ally's archive going back to 2002.

Data:

Music Ally does not "own" or "produce" data but provides intelligence report on various aspects of the music business, with a focus on new technologies. Reports include 'Startups of 2018 report', country reports (USA, Japan...), or marketing reports.

Relevance:

Potential partner to provide intelligence reports to feed the fourth pillar. Music Ally could also be a potential partner to monitor the changes in the music-related start-ups market in Europe.

Access to data by EMO:

A subscription agreement with Music Ally would give EMO access to Music Ally's catalogue of reports.

Relationship with EMO:

Music Ally is interested in building a relationship with the EMO and would also like to be considered as a potential partner for research purposes. Music Ally believes that the organisation will bring significant improvement to the quality and accessibility of data in Europe.

Pillar:

Economic Activity, Innovation & New Models

MUSIC REPORT
Description:

Music Reports is a Los Angeles-based rights management company.

Data:

Music Reports operates one of the largest database of music compositions and recordings, which is used to match logs from DSPs and identify the rights holders.

Relevance:

Access to the database could help identify sound recordings and compositions from European artists and songwriters.

Access to data by EMO:

To be determined.

Relationship with EMO:

Open to discuss how the database could be used for ad hoc reports.

Pillar:

Economic Activity, Diversity & Circulation

MUSO

Description:
MUSO is a British-based company specialised in tracking online piracy of creative content and allowing rights holders to take down links to pirated songs.
Data:
The company has two sets of data: Piracy by Industry, which gives a global overview of piracy by content genre, by region or by country; and Piracy by Title, which allows users to follow the pirated life of a given music track or a movie. A detailed dashboard allows clients to dig into the data that they need. MUSO can also produce tailored made sets of data. MUSO supplies data to EU's IP Office.
Relevance:
Europe is not immune to such behaviour and it affects the economy of the sector. Monitoring the flow of pirated content in the EU and of EU content pirated outside the EU would give an interesting indication of the impact of piracy on the business.
Access to data by EMO:
Subject to a contractual agreement.
Relationship with EMO:
Interested in collaborating with the EMO.
Pillar:
Economic Activity, Diversity & Circulation, Music, Society and Citizenship

NIELSEN

Description:
Nielsen is a New York-based data-driven and market research company.
Data:
In the entertainment field, it provides the US music industry with data – used by trade magazine Billboard – to identify and list the success of popular artists through the monitoring of physical sales, downloads, and streaming. In addition, by 2021 Nielsen will have also integrated in their database the data from Gracenote, which is probably one of the best database of music works. Outside the US, it has started a new global downloads and streaming-based tracking service, providing data on music consumption around the world. Nielsen also runs a market research division that can provide timely surveys in US, Europe and other parts of the world about consumer activity. Nielsen produces a yearly survey in the USA called Music 360 that covers a lot of ground about what consumers consume and how, based on a sample of 3,000 Americans. A similar survey could be designed for Europe, with samples of 3-500 people by country. And repeated every year.
Relevance:
One of the key music data suppliers in the world. The new global monitoring streaming service could be the foundation for EMO's music consumption data.
In addition, Nielsen's ability to run complex multi-territory surveys in the US and in Europe could make it a potential partner when such need arises.
Access to data by EMO:
Subject to a contractual relationship that would give access to data sets to be determined.
Relationship with EMO:
Very interested in the project and keen to be a data provider for the EMO.
Pillar:

Economic Activity, Diversity & Circulation, Music, Society and Citizenship

PEX

Description:

Los Angeles-based search tool for audio and video files, primarily used to identify illegal content online. Searches through 38 platforms in total, indexes content in real time and matches it with its clients' content. Uses a fingerprinting technology and an audio matching tool using machine learning.

Data:

Operates a vast database of content.

Relevance:

Could be used to track content for ad hoc research or to track the songs that become viral, or analysis on size of catalogue, how many videos uploaded, and share of music on each platform.

Access to data by EMO:

Subject to a contractual relationship that would give access to data sets to be determined.

Relationship with EMO:

Keen to help this initiative. Open to discussion on sharing some type of data to create something different that the rest of industry.

Pillar:

Economic Activity, Diversity & Circulation, Music, society and citizenship

POLLSTAR

Description:

Pollstar is the Los Angeles-based premiere source of live music data in the United States.

Data:

Pollstar tracks all the concerts taking place in the USA and many abroad too, based on reports filed by concert promoters, agents, festivals, managers, and ranks them by box-office revenues, number of tickets sold, and percentage of occupation. Can also produce compilation reports. However, its collection of data is patchy in Europe. Recently introduced Live 75, a top 75 of the main tours taking place around the world, which could be used to identify the performances of European acts touring the world.

Relevance:

Could be EMO's main source of data about the live music sector, providing they expand their collection of European data.

Access to data by EMO:

Subject to a contractual relationship that would give access to data sets to be determined.

Relationship with EMO:

Interested in keeping the conversation open.

Pillar:

Economic Activity, Diversity & Circulation

PPL

Description:
PPL is the collective management society that collects neighbouring rights in the UK on behalf of musicians, performers and record labels. PPL is particularly efficient in collecting international rights for performers and labels and is interested in having better and more data about the European rights market made public. PPL is a member of SCAPR, the global organisation representing neighbouring rights societies.
Data:
PPL produces every year an annual report with various sets of data related to the collections and distributions of neighbouring rights.
Relevance:
Useful in particular with the view to do a focus on the UK market.
Access to data by EMO:
Data made public can be accessed and used by EMO. Access to non-disclosed data has to be discussed on an ad hoc basis.
Relationship with EMO:
Interested in being part of an advisory board. From PPL's point of view, increased measurement of the value of rights and trade in Europe will be useful from a policy perspective.
Pillar:
Economic Activity, Diversity & Circulation, Music, Society and Citizenship, Innovation & New Models

PRODISS

Description:
PRODISS is one of the trade body representing France's live music industry.
Data:
PRODISS does not produce its own data but relies on what is provided by CNV.
Relevance:
Important stakeholder in the live industry.
Access to data by EMO:
N/A.
Relationship with EMO:
PRODISS wants to see more and better data on the live sector in Europe and is keen to work with EMO to improve data on the live sector.
Pillar:
Economic Activity, Diversity & Circulation

RADIOMONITOR

Description:
RadioMonitor is the London-based leading supplier of radio monitored data in Europe. It has offices in 18 countries and provides data to record labels, radio stations, performing rights organisations.
Data:
RadioMonitor monitors the music played on radio and TV in 97 countries. RM produces data that can be accessed titled by title, by country, by radio station, accessible via a dashboard. It produces a series of charts by country or pan-European on a weekly, monthly, quarterly and yearly basis. RM can also produce ad hoc research (it provides data used for the weekly Border Breakers charts).
Relevance:
RM is likely to become EMO's main source to access radio data for research purposes.
Access to data by EMO:
Subject to a contractual relationship that would give access to data sets to be determined.
Relationship with EMO:
Interested in supplying data to EMO.
Pillar:
Economic Activity, Diversity & Circulation

RIAA

Description:
Washington, DC-based trade organisation representing record labels in the USA.
Data:
RIAA collects from its members data on music consumption of recorded music in the USA. Data is published annually and half-yearly. Collects more data than what is published, and also commissions consumer surveys, with panels of 5,000 or more respondents, in partnership with MusicWatch. Data is not necessarily published but shared with members. The purpose is to try to understand consumer behaviour and the evolution of market trends.
Relevance:
As the US is the leading music market in the world, access to data from this market is important. The RIAA's approach to data could also be an inspiration for the EMO in trying to corner data about the socio-economics of the recorded music sector.
Access to data by EMO:
Free access to what is published.
Access to more granularity, in particular the share of European music in the USA would be subject to partnership.
Relationship with EMO:
Interested in follow-up, and very interested is seeing how the EMO could lead to a better set of data on the European market.
Pillar:
Economic Activity, Diversity & Circulation, Music, society and citizenship

SCAPR

Description:
SCAPR is the Brussels-based global organisation representing societies collecting neighbouring rights on behalf of performers and musicians. SCAPR represents 59 CMO's from 42 countries, most of them being European. SCAPR does not have a lobbying remit as it focuses solely in providing services to neighbouring rights societies.
Data:
SCAPR compiles economic data from its member societies, but they are strictly for internal consumption and are not disclosed publicly. SCAPR secretariat is adamant that only individual members can disclose data relating to their activities. SCAPR also develops on behalf of its member's different databases: the International Performers Database (IPD), to identify individual performers in audio recordings and audio-visual works; and VRDB, a centralised system enabling members to more efficiently and accurately identify recordings and works and exchange data linked to performers to properly run distributions locally.
Relevance:
Economic data on neighbouring rights is crucial for the analysis of the music sector, as well as data related to the flow of rights between countries.
Access to data by EMO:
SCAPR will not provide data from its members. It has referred the authors of this report to AEPO-ARTIS, the European organisation defending the rights of performers.
Relationship with EMO:
Not interested in participating in the project.
Pillar:
Economic Activity, Diversity & Circulation

SOUNDCHARTS

Description:
Music monitoring and data aggregating company.
Data:
Only captures public data available via APIs. Data from the monitoring of 1,600 radio stations in 50 countries, from social networks (YouTube, Instagram, Facebook, Soundcloud, Twitter), and from 8,000 music streaming charts (Apple, Spotify, Deezer, Shazam, YouTube), with all the new playlist adds. Does not capture data by nationality of artists but could add such field. Usually used by record labels to track the activity of a specific title from an artist.
Relevance:
Potential partner for the analysis of the circulation of European repertoire on streaming platforms and social networks.
Access to data by EMO:
Subject to contractual agreement. Fees will depend on the volume of data and the analysis required.
Relationship with EMO:
Interested in continuing conversation with EMO, as it fits with SoundCharts' plans to increase analysis and access to data.
Pillar:
Diversity & Circulation, Music, society and citizenship

SOUNDEXCHANGE

Description:
SoundExchange is the United States' collecting society specialised in neighbouring rights for performers and labels. However, it only collects from non-interactive digital services (Pandora, iHeart Radio, Pandora, webcasters...). Since its creation in 2003, SoundExchange has distributed over \$5 billion (as of March 2018).
Data:
SoundExchange issues yearly statements about its collections, but does not dig deep into granularity.
Relevance:
A detailed picture of SoundExchange collections of behalf of European artists and labels would help measure the volume of rights collected in the USA.
Access to data by EMO:
The organisation is prepared to discuss the possibility to access data relating to the performances of European artists and rights streams to European countries.
Relationship with EMO:
Interested in working with the EMO. Expects the impact of the EMO will provide more transparency about neighbouring rights data in Europe
Pillar:
Economic Activity, Diversity & Circulation

SPOTIFY

Description:
World's leading music streaming platform with over 120 million users.
Data:
Available data includes listings of most streamed songs by country or region or globally. Does not usually deliver data to third parties. Data does not include country of origin of artists.
Relevance:
As the leading streaming platform, data from Spotify would be crucial to monitor circulation of repertoire.
Access to data by EMO:
Suggest using an aggregator of data that sources data from Spotify and would be able to aggregate it with data from other DSPs.
Relationship with EMO:
Would like to cooperate with EMO by tailoring data for EMO would require extensive use of staff.
Pillar:
Diversity & Circulation, Music, society and citizenship

UK MUSIC

Description:

UK Music is an industry-funded body established in October 2008 to represent the collective interests of the UK's commercial music industry, this includes recorded, published and live arms of the British music industry.

Data:

UK Music publishes a yearly booklet, Measuring Music, outlining the economic value of the whole music industry and its value to the UK economy. It covers recorded, publishing, live, and export. UK Music also publishes a study of the impact of international and national music tourists, visiting festivals and large scale concerts, on the national and regional economies.

Relevance:

Measuring Music has become a benchmark in the industry and could inspire a similar document from the EMO covering the whole EU. The contents and in particular the methodology of this report are very useful in determining the feasibility of the establishment of the first pillar. It is an example of successful economic data gathering and analysis by a umbrella organization representing the collective interests of the whole industry from artists, musicians, songwriters and composers, to record labels, music managers, music publishers, studio producers, music licensing organisations and the live music industry. Each member of UK Music has granted access to their data and permission to survey their own membership directly. In addition, accountants of some of the UK's leading music acts have provided valuable information to allow for the compilation of these statistics. UK Music works closely with the UK's Intellectual Property Office (IPO), The Department for Digital, Culture, Media and Sport (DCMS) and the Office for National Statistics (ONS) on this project. In particular, the ONS is credited by UK Music as they allowed them to use their Virtual Microdata Lab (VWL) to apply a custom-made methodology for the calculation of the music industry's GVA. The big takeaway from this source for the EMO is that it provides an example of how the calculation of the economic indicators can be made possible on a European level. However scaling up the approach taken by UK Music will require all the respective member associations across the EU to agree to share data. At least the representative organisations on a European Level would need to cooperate with the observatory.

Access to data by EMO:

UK Music is ready to share its data but also its process on how Measuring Music is compiled with EMO.

Relationship with EMO:

Interested in the process and in the setting of data standards that could be adopted EU-wide.

Pillar:

Economic Activity

YACAST

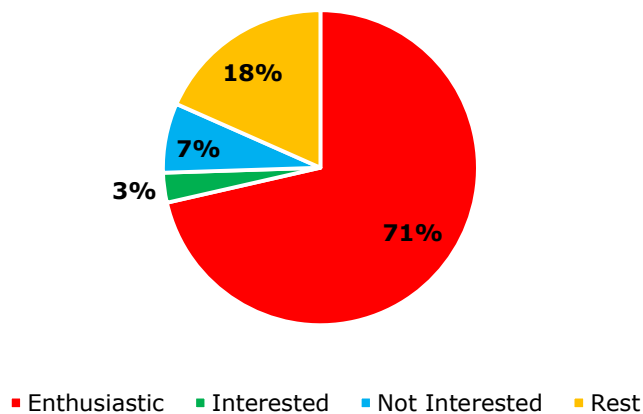
Description:
Paris-based radio and TV monitoring company.
Data:
Monitors France's main radio stations and TV channels playing music. Monitors also the main stations in Germany, UK, Switzerland, Belgium, Spain, and Italy. Provides the official airplay charts and data on airplay to the French music industry. Recently launched a platform to track music in podcasts. Set up consumer panels in France with a panel of 10,000-15,000 people to analyse what music is consumed, how music is consumed and where it is consumed. Plans to develop a similar panel for Europe if the market conditions are favourable.
Relevance:
Potential data supplier of radio airplay data.
European panel of consumers could provide in-depth and regular knowledge of consumer behaviour.
Access to data by EMO:
Subject to contractual agreement.
Relationship with EMO:
Interested in becoming a partner of the EMO.
Also ready to examine with EMO the creation of a pan-European panel of consumers.
Pillar:
Diversity & Circulation, Music & People

Annex 8: Views of stakeholders on the organisational basis for a future European Music Observatory

Survey

The majority of the respondents (86%) could imagine that they would use the EMO as a provider of data. More than 70% of the respondents were enthusiastic about the possible creation of a European music observatory. They showed interest in the data the observatory would be providing and indicated that it would be different from other current data providers. A further 3% showed to be interested in the EMO, meaning that they were interested in the data the EMO would be providing, but had some doubts about the uniqueness of the data compared to other existing sources. The remaining respondents are either not interested (7%) in a possible European music observatory or don't express a clear opinion on the matter (18%).⁵⁹

figure 31 Level of interest in a European Music Observatory as a provider of data from stakeholder survey



Source: Panteia, 2019

The results from the questions on data needs indicated that the EMO should cover a large number of topics in its data gathering, according to the respondents. Logically this meant that the respondents also suggested a wide variety of parties that they would like to see involved in the governance structure of the observatory, in order to have it representative of the whole sector and have people with expertise on all of those topics. One of the respondents suggested to at least separate administrative governance from expertise governance. This could be done by setting up advisory committees per topic/data needing to be analysed, combined with separate and broad scientific committee that is representative of the diversity of institutional, political, professional and societal organizations. Several respondents suggest that the parties involved in the governance structure should also include national associations even though there are EU entities that represent them. Other important/special recommendations regarding the governance of the EMO:

- Special attention should be paid to organisations, enterprises or projects that do not have the financial resources properly voice their opinion on a European level.

⁵⁹ The percentages don't add up to 100% due to rounding to integers.

- Representation of the music sector in Eastern and Southern Europe is of huge importance since data gathering from this part of Europe is lagging.
- Essential to make sure that representatives of independent stakeholders/SMEs are at the table, not just major labels or large data companies.
- All different music styles should be represented
- Sufficient representation of the younger generation in the governance structure of the EMO. This is because younger people consume music very differently than previous generations.

Interviews with stakeholders

Many stakeholders believe that a European Music Observatory, which is backed the European Commission, will allow for better data collection in the sector. During interviews with music sector stakeholders and policymakers, the authors of this study gave them the opportunity to provide input on several of aspects in relation to the organisational structure of a future EMO. The authors of this study asked stakeholders to provide input as to their expectations of a future European music observatory (based on the limited information provided to them on the subject), their thoughts on possible governance models, types of funding for the EMO as well as the types of products and services that an EMO should provide.

Stakeholders also have a number of varying expectations in relation to what a European Music Observatory would mean for the sector. Many believe that a European Music Observatory is essential to feed the narrative around the Music sector in Europe. A European Music Observatory would be the place to go if you want to find out about music life in Europe, and would function as a starting point for information. It was suggested by several persons that the European Music Observatory should be a '**clearing house**' for data, in consideration of the fact that a European Music Observatory would probably not have the mandate and resources to engage in all primary data collection needed. Therefore, it would be useful for a European Music Observatory to aggregate data in an agile manner that is sensitive to the changes in the sector, allowing it to adapt. There are currently agencies like Nielsen who know a lot more about what is going on within the music sector, so utilising this knowledge would be useful potentially.

Many within the sector are hoping for an organisation that not only dispenses information, data facts and figures, but also develops instruments and tools to establish cooperation between various data collection bodies. The European Music Observatory should also therefore be involved in **setting standards and developing common EU wide definitions** that are crucial to keep track of everything in a consistent manner. Other potential responsibilities that were suggested for the EMO were sharing tools and best practices, assisting with public/private partnerships and engaging in ad hoc projects.

It was also noted that a **European Music Observatory should be as broad as possible, dealing with all genres and types of music.** The persons working within the European Music Observatory should be people specialised in data, with a mix of languages in the team to allow for proper researching of data. The European Music Observatory should reflect the new realities in the music ecosystem, particularly in the creation of music as a product. For example, changes in the music creation process mean that songs/works are being created/produced/recorded across borders now and there is no way to collect data on this without some EU involvement.

Regarding the **governance** of a future European Music Observatory, many stakeholders agree that there should be an advisory committee made up of sectoral bodies (as is the case with the European Audiovisual Observatory), although there are also divergent opinions on this matter as many stakeholders feel this provides an option for certain players in the sector to lobby for very specific interests. It is clear that the decision-making process should not be dependent on a consensus or agreement with stakeholders. It was noted that currently, a large amount of music sector data provided is funded by very specific interests groups with the industry, which therefore does not provide a completely accurate picture of the sector. The industry has the financial capacity to collect data and carry out studies, through the likes of PwC and other large consultancy firms. This is expensive, and means only the industry can fund these types of projects, with some stakeholders believing that the resulting information has the potential to be biased, with data collected to serve industry interests. The European Music Observatory should therefore not be a tool to promote the industry's interests, and should be neutral and accurately reflect the current situation. Therefore, some stakeholders have suggested that a European Music Observatory needs an independent status from the industry, but should work more with national governments, where national agendas can be informed by what the European Music Observatory does. Other stakeholders feel that a mix of public and private representatives will ensure balance.

Some stakeholders advocated for there to be a board in which **the different parts of the music sector are represented** and come together as one: private commercial, private non-profit, public, professionals and non-professionals. Contrary to this, some suggested that within the European Music Observatory structure, it would be wise to clearly separate the commercial aspect of the sector from the non-commercial. However, most persons agreed that representation from all parts of the music sector is essential within the advisory body in some form. A strong steering group that is representative of the all parts of the music sector as will be required to help determine what kind of data is collected and thus what is "important" for the sector. Any advisory body should not control information, and must be strictly advisory.

Some stakeholders have been expressed reservations about the possibility of creating a successful advisory body, encompassing the whole music sector, due to diverse views about its priorities and the traditional divide between the various music sub-sectors. A potential risk, highlighted by some stakeholders, would be for such an advisory body to have organisations prioritise self-interests over collective interests. The music sector is structurally diverse, and other media industries (e.g. audiovisual) can appear to be more collaborative. This potentially leads to a catch 22 situation, with the need to create a broad involvement among stakeholders.

However, examples in countries that have created cross-industry organisations show that it is possible to get all stakeholders on board to focus on missions of general interest issues providing the missions are well defined and endorsed. By its own existence, the EMO will have a rather well identified mission that should find a wide support in the music community.

Another potential issue is the national representation of organisations participating within any advisory board. Having organisations like the members of the Advisory Board of this project are a good start, but many

countries are not represented within these organisations, or are recent additions and do not have so much influence. However, as these are key stakeholders within the European music ecosystem, it is good to start with these organisations.

The EMO could push for more countries to do better and be more involved within these pre-existing structures. Within the development of a governing structure for a future Observatory, not one particular body or organisation should be able to block the work of the Observatory, which would be an independent body with an advisory board made up of representatives of different parts of the sectors.

Stakeholders agree that the Observatory is something that is crucial for the sector, and given the contribution of the Music sector to European GDP, a **European Music Observatory should be adequately financed**, have a good team and have access to resources. Stakeholders noted that culture (and particularly the music sector) represents a massive contribution to EU GDP, and therefore, finance should be made available for such a body given its importance to the sector and policymakers. Therefore, there would be EU added value in investing in a dedicated body, in a decent location with the right professionals.

As to the means and **type of financing**, stakeholders hold a number of divergent opinions on this matter, ranging from including private actors in the funding of the European Music Observatory in order to ensure it is funded properly, to being 100% European Commission funded to ensure commercial neutrality and transparency. There are pros and cons to both of these funding methods, and involving the sector gives ownership and commitment, and if fully financed by the European Commission then there is more responsibility on public authorities.

According to several stakeholders, a mix of private and public funding would be ideal. Those who have worked on European projects (Creative Europe etc.) believe there is some need to put responsibility on the actors of the music scene, and therefore sharing the responsibility is desirable. In case of private funding, there should be rules governing the financial contribution of stakeholders, so that no imbalance/favouritism is created. The key factor that should be considered regarding the financing of the European Music Observatory is that it must be sustainable. Some stakeholders are against any form of private funding of the European Music Observatory. One solution is to start the EMO as a 100% EU funded body, with the opportunity for additional funding from the private sector once the value has been shown.

Regarding the types of **products** that a European Music Observatory should deliver, it is clear that there are different needs and requirements across the sector. It is generally agreed that a European Music Observatory should deliver regular/annual reports showing key figures and trends within the sector. The European Music Observatory should build up regular figures in order to be able to establish long term trends. However, depending on the types of data, other ways of disseminating data have been suggested, for instance, infographics and on-line tools. Some types of data should also be monitored regularly. Stakeholders would like a user friendly website with easy to locate data, which includes infographics and on-line tools, with also detailed reports to download. There should be access to some data that should show what is happening in real time, or within the last few weeks (in order to monitor trends accurately). Therefore it would be very interesting and crucial

to have on-line tools that should provide easy accessible information based on key indicators

Qualitative research and ad hoc studies also appear to be of importance. Some stakeholders have suggested that some raw data should be released to interested parties (for instance, academics and professionals) in order to go into depth and analyse differences between European countries. Some stakeholders suggested that all of the data should be free. Currently, networks are replicating research activities, but small scale research does not work, as a lot of data is needed. A future EMO can help with this in terms of coordinating European research activities in the music sector.

It was suggested to use Eurofound as a model, in that their mission is targeted in what they do (carry out studies, follow trends, and research using other data). There is also the possibility that a European Music Observatory could have an annual themes, topics or campaigns on particular issues as a focus for research.

Annex 9: Consultation with (cultural) observatories

During the inception phase of the project, it was determined that several cultural and non-cultural observatories would be consulted within the context of the project. Arranging interviews with all of these Observatories was a difficult process. Several Observatories did not respond to our initial requests for interviews, and in other cases, the interviews were not able to take place directly due to several factors. The following observatories were approached for interviews:

- EGMUS - European Group on Museum Statistics
- ENUMERATE
- Compendium of Cultural Policies and Trends in Europe
- Budapest Observatory
- Observatoire de la Culture et des communications du Québec
- UNESCO Institute for Statistics
- European Construction Sector Observatory
- European Union Intellectual Property Office Observatory
- DG AGRI Market Observatories
- European Market Observatory for Fisheries and Aquaculture (EUMOFA)

As a key component of the research into other Observatories, the authors of this study carried out three extensive web meetings with the European Audiovisual Observatory (EAO). The consultation took place in three stages as each meeting dealt with a different aspect of the EAO that demanded a sufficient amount of time to go into the necessary depth. The meetings mostly involved several members of the research team, and were carried out via WebEx.

The authors of this study experienced a productive and enjoyable working relationship with the European Audiovisual Observatory, whose representatives were very cooperative and accommodating. In addition, the European Audiovisual Observatory is open to the possibility of collaboration with a future European Music Observatory in areas of mutual interest.

This section provides information from the consultation with the EAO, along with some findings that can be applied to a future European Music Observatory from the consultation with other Observatories.

European Audiovisual Observatory (EAO)

The authors of this study have carried out three extensive web meetings with the European Audiovisual Observatory (EAO). This is considered a key component of the research. The consultation took place in three stages as each meeting dealt with a different aspect of the EAO, which demanded a sufficient amount of time to go into the necessary depth. The meetings mostly involved several of the research team, and were carried out via WebEx. In this section, an analysis of the key things that have been learned from these discussions is provided, and how these lessons could potentially be translated to a future European Music Observatory.

Background

The term "audiovisual" essentially refers to all the media except the press: cinema, television, radio, video and the various on demand services (such as Video on Demand or Catch-up TV), which are all sectors of the audiovisual industry. The information provided by the European Audiovisual Observatory is aimed at its members and professionals working within the audiovisual sector: producers, distributors, exhibitors, broadcasters and other media service providers, international organisations in this field, decision-makers within the various public bodies responsible for the media, national and European legislators, journalists, researchers, lawyers, investors and consultants. The budget of the European Audiovisual Observatory is mainly funded by direct contributions from its 41 Member States and the European Union, represented by the European Commission, and partly through revenues from the sale of its products and services. The EAO primarily gathers information on its members' audiovisual industries.

The idea for the Observatory originated at the European Audiovisual Assises in 1989, and was actively pursued by Audiovisual Eureka during the years 1989 to 1992. There was a lack of data on cross border regulation and the audiovisual market in Europe, therefore there were lots of thoughts about data collection.

An option to reply to the distinct lack of information and transparency concerning the audiovisual industry was to set up an observatory in the framework of the Council of Europe, under Article 10 of the European Convention on Human Rights, which provides the right to freedom of expression and information. A feasibility study was carried out to help with setting it up.

The then Mayor of Strasbourg, where the Council of Europe has its seat, was committed in developing European institutions in her city. Therefore the EAO benefited from excellent conditions when it was founded, including free hosting by the City of Strasbourg (in 2000, a modest rent was introduced). Attaching the Observatory to the Council of Europe meant also that it would share in the privileges and immunities that the Council of Europe enjoys.

The European Audiovisual Observatory was set up as an Enlarged Partial Agreement of the Council of Europe. Its legal basis is Resolution Res(92)70 of the Committee of Ministers of the Council of Europe of 15 December 1992, as well as Resolution Res(97)4 of 20 March 1997, in which the Committee of Ministers confirmed the continuation of the EAO. A founding member of the EAO, the European Union (EU, at the time European Community), represented by the European Commission, has been playing an active role since the EAO was established; however, it turned out in that the EU lacked the legal basis to fully act as a member. Therefore, following the Decision of the Council of the European Union No. 1999/784/CE concerning Community participation in the European Audiovisual Observatory, the Committee of

Ministers of the Council of Europe adopted, on 21 September 2000, Resolution Res(2000)7 concerning amendments to the Statute of the Observatory, which allowed the EU to confirm its membership in the Observatory. The activities of the Observatory concern both legal information and market information, as also reflected by its structure into two Departments (Legal and Market). There are three working languages within the Observatory, English, French and German.

Governance

The 42 members of the EAO are involved in the governing structure. The main body is the **Executive Council**, and every member (no matter how big or small) whose contribution is up to date has a right to vote. The Executive Council meets twice a year. It adopts Mid-term strategies (MTS), which cover a term of five years and lay out the development perspectives of the EAO and every year, action plans implementing ongoing strategies. The members are working within the audiovisual field and include delegates from the ministries of culture, communications or telecoms for example, film institutes, and regulatory authorities in the media field. The members use data the EAO produces in accordance with its mandate, as described in its Statute: The aim of the European Audiovisual Observatory [...] shall be to improve the transfer of information within the audiovisual industry, to promote a clearer view of the market and a greater transparency.

In order to fulfil its mandate, the EAO primarily addresses the needs of the industry; but it also targets users such as policymakers, researchers and academics, as well as the general public. The governing structure also consists of an **Advisory Committee, a Financial Committee and a Board of External Auditors**. The **Secretariat** has a staff of 25 employees (hired with different kinds of contracts) and is headed by an **Executive Director**. Its internal organisations consists of the two content-producing Departments mentioned above, the support units (Information Technology, Communication, Press and Public Relations, Office Management, Production and Distribution, Sales & Customer Service) and the traditional administration (human resources and budgetary matters).

Other governance models were considered during the creation of the EAO, and the EUREKA model was considered as an alternative. For the work of the Observatory and its acceptance as reliable, unbiased source of fact-based information, it is crucial to provide a structural setting that corresponds to this requirement of strict neutrality. Important aspects to also consider within the context of the governing structure are the geographic scope of the Council of Europe, which with its 47 Member States is wider than the EU. Also, the Council of Europe deals mainly with soft law and is not a legislator, contrary to the EU. As the EAO is an Enlarged Partial Agreement, membership is voluntary, based on good will and shared interests, and extends beyond the members of the Council of Europe (and includes even the EU as a member). As the EAO is a CoE body, there will be structural differences regarding the governance of an EMO.

Advisory Committee

One of the key points from the initial discussion is that the EAO does not work in an open space, and one of its first customers is the industry, which they serve well. The EAO is based upon networking and partnerships, and they utilise an **Advisory Committee** made of sectoral organisations at a European-wide level, whose members cover the entire value chain of the sector. Currently, 38 organisations are represented in the Advisory Committee. They include stakeholders as well as consumer representation, so the Advisory Committee covers very different standpoints. The Secretariat is regularly in contact with the members. In its annual meeting, the

Advisory Committee advises the EAO as to the activities it should carry out in order to fulfil its mandate, i.e. creating more transparency in the audiovisual industry. Therefore, in these meetings, the EAO presents its work to the members of the Advisory Committee, explains its work programme and consults them about their priorities in order to make choices and direction for the coming year.

The Advisory Committee provides advice, of which the EAO takes account to define its working programme. The Advisory Committee can propose topics at meetings or by means of surveys, which although not binding on the EAO, provide a clearer view on existing but also emerging information needs of the industry. It is in any case up to the Executive Council to take the final decision as regards the annual programme of activities and the mid-term strategies. The Advisory Committee does not have to vote on a working plan.

In cases where many people come forward on a particular topic, the EAO may provide workshops, and offer the opportunity to meet with data providers (Eurostat for instance). It is important that stakeholders consider the longer term process, and understand the need for sustainability of data collection. The Advisory Committee has recently shown interest in strengthening its participation in the programme of activities. Although there is an interest in lobbying for the data that they want, the stakeholders tend to **work in cooperation rather than competition**. The EAO also highlighted the fact that there is a strong preference for not duplicating efforts, and that what the EAO offers is unique information on the sector.

The EAO has a fair degree of **autonomy of research**, although the Executive Council determines the MTS and Action Plan. There are two meetings a year to determine the Action Plan and budget. The EAO receives suggestions and feedback from the Executive Council members on the working programme and discusses current and future tools to monitor trends. The Executive Council approves the proposals by the EAO, but it can also make proposals for new topics for research. It is of course difficult to determine all topics in the beginning of each year, so there may be adjustments through the annual programme. The formal adoption takes place at the autumn meeting. A lot of the work of the Department for Market Information is Commission driven. The European Commission also commissions work to the Department for Legal Information, and now there is also demand from the industry for legal studies.

A future European Music Observatory should also utilise an advisory committee. This has received strong support from stakeholders in the sector, and based on the consultation with the EAO, it appears to be a good means to involve the sector in discussions in relation to data collection at the European level.

Mandate

There is **no assessment or rule-making mandate for the EAO**, and no mandate to provide recommendations. The information provided by the EAO can help others to determine standards or to make recommendations by providing fact-based information and analysis. It is noted that within the audiovisual sector, national environments are more integrated than in the music sector. The EAO has no mandate to ask for data. This is not problematic for the Department for Legal Information, as law has to be public by definition. Data acquisition is harder for the Department for Market information, as it is not always possible to get information from private companies. The availability of legal information will be the same for a future EMO, and similarities exist in that data from private companies will be harder to obtain and will be subject to specific agreements.

Financing

The financing structure is largely based upon **funding by the members of the EAO**. The rates of compulsory contributions derive from Resolution Res(94)31 on the method of calculating the scale of Member States' contributions to Council of Europe budgets, which is based on Member States' population and GDP; besides, 6 members are "major contributors". Membership is voluntary, and the EAO emphasizes the benefits of working in the EAO, therefore it is based on goodwill. Aside from compulsory contributions and occasional voluntary contributions, the EAO also generates around 20% of its income itself. This takes the form of the provision of ad hoc services, studies and expertise, always taking into account the obligation to remain neutral and loyal to its mandate to enhance transparency through information whatever the findings of a given research may be.

This is also a possible model that could be applicable to a future European Music Observatory. Individual funding for specific projects is possible and then takes the form of contracts. Once a specific third party-funded project has been green-lighted by the Executive Council, the corresponding funding becomes part of the budget, as the members control the budget through the Executive Council. Clients have no impact on the content and the EAO remains neutral in its analysis and reporting.

The Financial Committee of the EAO adopts the annual budget after its approval by the Executive Council. The Financial Committee consists of permanent representatives of Member States to the Council of Europe – (The Council of Europe main governing body is the Committee of Ministers). Therefore there is a double approval, and it is positive that decisions on the budget have to be taken unanimously. Therefore, there is a long and intense consensus making process. The Board of External Auditors is in charge of auditing the EAO's annual accounts.

In regards to an EMO, there is currently no knowledge on what a potential budget will be. However, the authors of this study are considering the EMO develops its own funding mechanisms itself to a limited degree (through providing research services for instance).

Harmonisation

One of the interesting and relevant features of the EAO for a future of EMO is the role it plays in the **harmonisation of definitions**. As an example, the EAO works with the EFARN network of national film agencies researchers. EFARN is not a policy network, but a practical network, and they meet once a year to discuss the practicalities of data collections. They develop a proposal for a common methodology, which is adopted during a meeting from which they then proceed. Currently they are working on defining gender indicators, where they will send a request for information to the film agencies, and film agencies will then make a change to their own definitions. In this case, the EAO is very much in the driving seat to propose relevant indicators. Some larger states have better data than EAO at national level. However, they find value in the service the EAO provides in terms of benchmarking and exports. The EAO has managed to get several countries to change things (in terms of methodology), which must be sustainable (stats for a long time). Workshops are held to deal with the change in methodology with parties and the industry.

For the Legal Information Department, it is important to establish a **common methodology in regards to the determination of the terminology**, which can differ per country. This is due to the cultural diversity between the Member States. A glossary of definitions and national terms used is useful and provided within reporting. In developing the report, the EAO uses the original name of concepts used and funds

e.g. regional/autonomous /local, and the correct terminology is checked with national institutions (although names can differ, the concept is still the same). These differences are included as a footnote within reports. It is crucial to ensure the terminology used is correct to ensure the definitions mean the same thing. Because of this, reporting can take a long time.

A key point to take away from this topic is that a future EMO should be involved in harmonising data collection within Europe. This could be by being a 'standard' setting body for data collection in the music sector, as well as using its mandate to harmonise definitions, providing clarity to Member States and stakeholders. An EMO should aim to prove its value from the beginning in order to strengthen its public image and create an authority in relation to the ability to set standards at EU level.

Human resources

26 people work for the EAO, with 11 specifically on content (which is necessary to achieve the results). The IT Unit also benefits from the support of the Council of Europe's IT Department. The Administration is responsible for the budget and dealing with members, including the administration of projects, organising workshops and networking. After 27 years of working, the EAO has built up this structure, and therefore they need a team to administer the various networks and carry out the level of analysis. The staff do not just clean, collect and disseminate the data, but also enrich and enliven information, which is not technical process. This therefore requires sectorial analysis by experts, and it is therefore important to work together to achieve goals (both market and legal experts).

Checking the data is one of the biggest tasks, and is carried out by analysts. There is a small team that works closely together, which is very important, as using networks alone would not work in reality. The current model works as it helps the EAO to develop new projects. There were only 3 staff working on content 27 years ago (with back then a total of 10 staff), but there has been a great deal of consistency from the early days, and extra expertise has been acquired over time. Regarding skills, a lot of expertise is required, and they must be able to work in the three working languages. Recruitment must follow CoE procedures, and they can therefore only receive applications, and not directly approach people with relevant expertise.

The Department for Market Information is slightly bigger than the legal one, although the size of the Department for Legal Information has increased in recent years. The Department for Market Information consists of 8 staff, which includes 6 analysts (two work in the film industry, and four in European Television and On-demand Audiovisual Market). Within the Department for Legal Information there are 6 people. This includes three analysts and research assistants.

Due to the nature of the work carried out by the department, they could not cover the whole of the EAO's 41 Member States without national correspondents. These national correspondents consist of academics, consultants, national regulatory authorities or stakeholders related to the field, who intervene in their own name. These are the main data providers of the legal information that is analysed by the EAO. This is different to the Market Information Department, who purchases data if required. For few projects (namely mapping reports), the EAO provides a small fee to correspondents (otherwise not remunerated for their work). The real reward for assisting the EAO is being a part of the club and the prestige of working with the EAO, and it allows the correspondents to gain networking contacts, which is perceived as a value itself.

One of the main successes of the EAO in relation to their staff is that they do not make a distinction between analysts and data entry. This is not the case for some organisations, but for the EAO it is crucial that the people who work for EAO understand the sector. Therefore no separation in the processing and analysis of data.

Information provided by the European Audiovisual Observatory

The EAO decided to treat the topics within the scope of the Observatory's work to the extent possible from two perspectives, reflected in its organising the work in two departments. The two departments are market information and legal information. By doing this, the EAO was able to establish added value immediately. There are two key factors to consider in terms of what is offered by the EAO. Firstly, it is not just national material that is provided, but the comparison between European markets. This adds another layer, and provides a cross border element to the data already existing at national level. Therefore, there is added value in combining (such as looking at the circulation of works within Europe). Secondly, the EAO provides as much data as possible as a 'one stop shop'. Therefore, all relevant information for the industry and policymakers is in one place.

During the creation of the EAO, there were the options to carry out the data collection work in house, or to outsource. From the perspective of the EAO, the first choice was preferable, as what they do is very specific, and it is crucial to have an IT department that knows what they are doing and about the sector.

The Department for Market Information

The Department for Market Information provides statistical and economic analysis of the trends in the European cinema, television, video and internet sectors. It also produces intelligence on the means of financing of various sectors, including film, television, home video and VOD. They would also like to provide detailed employment data, but there are problems with feasibility. The EAO only looks to add value to existing Eurostat data. Within the context of Market information, there are multiple topics in relation to AV, and a sustainable analysis over time is required. The aim is to provide a snapshot analysis of certain data types. The EAO purchases certain market data (audiences for TV channels for example), and purchases data that are needed for given projects. For example, in relation to films that are shown on TV, they do not know how to collect this data, so therefore they buy it.

Regarding the way the sector has changed due to the digital service providers, the EAO has launched a new database on VOD. This database will be on the supply of films from streaming services such as Netflix and Amazon. There was strong policy support from Commission, plus some additional funding. There was a good degree of goodwill on both sides of the discussion, providing a nice political moment to do this (for the services).

The Department for Legal Information

The type of data collection carried out by the Legal Information department does not involve figures, but instead consists of an analysis of legal and regulatory developments that are taking place within the audiovisual sector at national and European/international level. Therefore, they give an overview of what exists (and the national correspondents provide this as they have direct access to sources). Legal updates do not take place every year, as it works in cycles (could be 5-10 years where changes occur). Therefore in the Legal Information Department, the same topics won't be addressed every year (due to these legal cycles). They will therefore pick topical or relevant themes that are subject to regulatory changes at that moment. They also

provide relevant information on how directives are implemented within EU Member States and about legal frameworks in the non-EU countries which are members to the EAO. This collection of legal frameworks of all EAO Member States is quite unique. Added value is offered in the way that the legal analysis is conducted, such as research on the implementation of a new directive. There is also a database on legal developments in the audiovisual sector taking place in the 41 member states of the EAO, which offers a rich source of information on 25 years of legal developments in these countries and which can be filtered by country/topic.

In reviewing legal and regulatory aspects, the Legal Information Department also looks into innovation and business models, industry practices, and judicial case law. The expertise of the Legal Information Department also extends to analysing legal requirements and criteria for the granting of funding by film funds and current trends.

The Legal Information Department works with several networks and partners. In particular, partner organisations include the EMR - Institute of European Media Law, in Saarbrücken, Germany and IViR - Institute for Information Law, in Amsterdam, The Netherlands. In addition, the Department for Legal Information has signed a Memorandum of Understanding with the European Observatory of the European Union Intellectual Property Office (EUIPO) to collaborate on main issues related to copyright and audiovisual, which are areas of common interest. The EAO is open to new collaborations and partnerships.

Products/tools

The European Audiovisual Observatory provides almost all of its information available for free as a public service organisation. This is published on their website and also made available via social network sites. Printed copies can be purchased for the price of the printing costs via the Observatory shop. The Observatory can, on an ad hoc basis, take on service contracts in order to provide consultancy or research services under the condition that it can share the results with the public. For example, it is in this context that the Observatory created the MAVISE database for the DG Communication of the European Commission. The Observatory has also undertaken the coordination and expertise of the data collection on 9 Mediterranean countries for the European Commission's Euromed Audiovisual III Project. Due to copyright restrictions only few of its information services are available only upon subscription.

There is a huge demand for tools amongst the client base of the EAO. In general there is a demand for easy to read information. This is something that has also become apparent in our discussion with music sector stakeholders. Databases are one of the useful products delivered by the EAO, and reflect the needs of the sector and policymakers. There is also a demand for quick and easy infographics that are answering typical questions.

EAO recommendations for a future EAO

It was noted that easy quick wins are key for success, and that a future European Music Observatory should identify areas in which it can provide value immediately. The research team have already taken this on board and developed some potential 'quick win' solutions (see section Annex 6). The EAO context however is different to the music sector and this should be factored in to our findings.

The research time invited the EAO to comment on the 'four pillar structure' that has been developed in the context of the potential scope of a future EMO. It was noted that the typology is relevant and is suitable to proceed with. It was noted that it is a useful way to define it from the beginning. On Pillar 4 (innovation and trends), it was

noted that this involves more qualitative studies, and that in audiovisual, there is no data on new business models. This also asks for a different job description than 'analyst'. EAO does not contribute to Impact Assessments and recommendations, but are strictly providers of data and analysis of data. It was also recommended to remain neutral of key data providers. Sustainability is a key point to take into consideration, and the EAO has had a lot of time to invest in the development of what is the EAO today. It is of importance that data is available for years to come. There is also the need for the EAO (and a future EMO) to be innovative, and have creative ideas of what to do with data.

Legal Information for a future European Music Observatory

One of the interesting conclusions that came out of the meetings with the EAO is that it would be relevant to include legal information within the context of a European Music Observatory. Within the context of the four pillar structure, the EAO was unsure why legal is included within the Economy pillar. Within the EAO, legal and market information have the same weight (equal importance and feed each other). The Legal Information Department looks into relevant regulatory aspects and reforms within the audiovisual sector, such as competition, copyrights, state aid (cinema for instance), cross border aspects, SatCab and licensing management. It was concluded that a lot of these aspects are also relevant for music. Due to this discussion, the authors of this study considered the potential role of legal information within the context of a future EMO, and have developed some preliminary points on this matter. It was noted that within our proposed pillar structure, legal aspects go across all four pillars.

Stakeholder consultation

The authors of this study have also had the chance to consult with stakeholders that have experience in working with the European Audiovisual Observatory. Regarding the Advisory Committee, it was noted that there have been attempts in the last few years to make the meetings with the stakeholders more dynamic, whereas previously the EAO just repeated what they were doing/had done. Now meetings focus on the fact that the committee is an advisory body, and there are attempts to make it more dynamic by allowing more opportunity for stakeholder's feedback and input. There is a split between the film industry and the broadcasting industry, and whilst some common interests exist, the reality is that there are two very different areas of expertise. The EAO tries to balance these interests and it has been stated that they do a very good job in managing this. There is a number of smaller, more independent stakeholders to also ensure there is balance within the committee.

The outputs from the EAO are perceived to be of good quality by all the stakeholders. Data is not challenged due to the resources available to the EAO and its mandate, and is therefore trusted to be reliable. Some of the data provided is not the most recent, but they do their best to provide the most recent statistics and data. The EAO has a strong 'brand' which is very useful for stakeholders.

The fact that the EAO sits outside of the European institutions (even though the EC is involved), gives it an element of neutrality. It is not a political body, and although the EAO benefits from EU funding, it is better because it sits outside EU frameworks. Since the EU is regulating more in the audiovisual sector than the music sector, the stakeholders do not want too much more interference, therefore it is good to have this separation.

Lessons from Observatories

The mission and scope of the cultural Observatories mentioned generally aim at contributing to better knowledge and understanding of the CCS with a view to serve policy-making and/or research objectives. Regarding the geographical and temporal scope, these differ per Observatory. Sectoral scope can be restricted to one domain (the audiovisual/cinema sector for UIS, museums for EGMUS, cultural heritage for ENUMERATE) or cut across various sectors (BO and Compendium with focus on policies, and OCCQ.).

One common organisational feature that is apparent from desk research is that the organisational structure of Cultural Observatories is often composed of three 'bodies':

- A **decision-making body**, normally a pluralistic body that may include representatives of member states (EAO) or regions (OCCQ), project's partners and/or associated national experts (EGMUS, ENUMERATE, Compendium/ERICarts, BO), or international experts (UIS). Members of the decision-making body are often members of the 'executive staff', in charge of implementing the organisational mission, suggesting that horizontal coordination is preferred over hierarchical control. Decision-making processes can be more or less linked to public bodies. In this sense it is possible to distinguish between "independent observatories" like Budapest Observatory, ENUMERATE, and EGMUS and observatories more or less formally attached to public institutions, namely Compendium and EAO (attached to the CoE), UIS (attached to UNESCO), and OCCQ (attached to the Québec Statistical Institute).
- An **advisory body**, where existing (EAO, ENUMERATE and OCCQ), is commonly composed of experts advising the Cultural Observatory on its research and data collection activities.
- A '**core team**' including the management and research staff.

Further lessons that can be drawn from the consultation with Observatories are as follows:

- It is important for stakeholders to **work in cooperation rather than competition**.
- An EMO should **not be duplicating efforts**, but offer unique information on the sector
- A future European Music Observatory should **utilise an advisory committee**. This offers a good means to involve the sector in discussions in relation to data collection at the European level
- A European Music Observatory could finance itself in some part through the provision of ad hoc services, studies and expertise. The EMO can develop its own funding mechanisms itself to a limited degree (through providing research services for instance).
- A European Music Observatory should **play a role in the harmonisation of definitions**. This could be by being a 'standard' setting body for data collection in the music sector, as well as using its mandate to harmonise definitions, providing clarity to Member States and stakeholders. A European Music Observatory should aim to prove its value from the beginning in order to strengthen its public image and create an authority in relation to the ability to set standards at EU level.
- It is crucial that the **people who work for the European Music Observatory understand the sector**. Therefore no separation in the processing and analysis of data.
- **Easy quick wins are key for success**, and that a future European Music Observatory should identify areas in which it can provide value immediately.

- A **more professional organization is needed to cope with the complexity of the music sector with many (commercial) interests**. An independent organization is a precondition to deal with commercial parties and to move them to deliver data.
- The **backing of the European Commission and of Member States is very important** to encourage parties to provide the necessary data (existing data or new required data).
- A **large circle of involved experts is required** to oversee the sector and also the involvement of all organizations as users/stakeholders.
- A **large circle of supporting organization** will contribute to the success.
- It is **important to seek comparability of data**, and to involve Eurostat
- It is **advisable not to collect all data if this data is incomplete**, and it is better to go for data that will be comparable.
- A **stable funding stream is necessary** in order to guarantee the stability of a future European Music Observatory.
- When Observatories contract out services, **consistency can be a big issue**. The tender specifications should therefore be precise. It is also important in a situation of an observatory contracting out work to have **close cooperation** with the contractor.
- If possible, **IT services should be hosted by external provider** from the EC. This allows for full control of the system and offers flexibility. It is important though to demonstrate that it is fully compliant with Commission corporate identity, security and GDPR.

Annex 10: About the authors

Martin Clarke



Martin Clarke holds a degree in International and European Law, where he specialised in European Union law. At Panteia, Martins area of work is relatively diverse due to the broad nature of the organisation's international activities, and therefore has experience in a number of policy backgrounds. As a native English speaker, Martin is also involved in the quality assurance process at Panteia. At Panteia, Martin has been involved in a variety of studies for international clients, mostly in the fields of social and economic research. In particular, he has carried out several studies in relation to European culture. Relevant to this study, he contributed to the Study to inform the Preparatory Action on Music in Europe 2018-2020 and has contributed to an impact assessment on the implementation of a 'sub-programme for culture' within a successor programme to the Creative Europe programme 2014-2020, of which issues surrounding the European music sector were heavily included. He is also involved in the European Expert Network on Culture and Audio-visual (EENCA), which was established on behalf of DG EAC of the European Commission. One of the several projects he was also involved in concerned an assessment of the European Union Youth Orchestra (EUYO). He has strong reporting and analytical skills and has contributed to various European projects in various capacities. Martin has a strong interest in the music sector, and prior to his studies in The Netherlands, he was a professional musician for several years, playing at several large British festivals, including Glastonbury festival.

Paul Vroonhof



Paul Vroonhof (1969) is an econometrician and has worked for Panteia since 1994. He is one of Panteia's Managers, who is responsible for international social studies. Paul participates in studies commissioned by governments, European Commission (including DG MOVE, Cedefop and JRC), World Bank, OECD, social partners, etc. and usually executes the projects he is involved in as Project Manager. He has about 15 years of experience managing EU wide projects involving large team of experts. In addition, he takes upon him the report writing task, leads the analysis and development of conclusions and recommendations, and is responsible for quality control and relations with the client (including conflict resolution). At least 50 projects managed by Paul were larger in size than the current study.

During the past few years, Paul built up substantial experience with studies on the cultural sector, mostly through the management of the European Expert Network on Culture and Audiovisual media, commissioned by DG EAC. Next to the network management, Paul contributed to multiple specific requests within this contract. Several concerned the music sector or included the music sector. Some examples are:

- Music support schemes
- Music sector infographic
- Evaluation EUYO
- Development of the PA for the music sector
- Impact assessment for the next MFF culture strand of Cultural Europe

During the past 25 years, Paul has been involved in an enormous number of studies and projects in which data played a central role. Some good illustrations are impact assessments for Eurostat on two statics (social statistics and Intrastat), the European Observatory of SME's (DG ENTR), the healthcare and welfare labour market research program (Dutch Ministry of health, welfare and sports), trends and prospects of jobs in the transport sector (DG MOVE/JRC), and skills anticipation and matching country reviews (Cedefop). All these projects included relevant data work relevant to the current study (big data analysis, identification of data, data gaps (and solutions), combining data, metadata description, etc.). In the studies for the Dutch Ministry and Cedefop, setting up a structural approach to data collection, data analysis, and dissemination of data and findings were key parts of Paul's contribution.

Next to a broad array of data collection and analysis instruments, studies Paul has been involved in included a wide scope of topics. To name but a few relevant examples: labour (various sectors of the economy), education & training (skills governance, VET), entrepreneurship and solo self-employed, and EU funds and policies (impact assessment Cultural Europe, evaluations Erasmus+, and ESF). He worked with data from Eurostat, EU-OSHA, Cedefop, Eurofound, ILO and OECD.

Jacqueline Snijders



Jacqueline Snijders studied international monetary economics at the University of Tilburg. She started at Panteia (former EIM Business & Policy Research) in 1988. At Panteia, Jacqueline is responsible for the international projects carried out in social and economic field. For more than 25 years Jacqueline. has managed and carried out a large number of national and international research and consultancy projects covering the European Union. Subjects included are entrepreneurship, SMEs, self-employment, employment and social security, finance, innovation, export, diversity and internationalisation.

During the last years she among others has worked on projects on working conditions and on projects on the cultural and creative sectors both for the European Commission including its agencies. In 2018 for example she supervised and participated in the Impact assessment 'sub-programme for culture' of the successor programme to the Creative Europe programme 2014-2020. She has finished the study on "The situation of the circus sector in the EU Member States", and at present she is project leader of the Feasibility study on a European Music Observatory. In 2019, she was one of the rapporteurs of the DG EAC Prague Platform on 'Cultural Heritage in the Digital Age, 2019 during which solution-oriented proposals were developed by local, regional, national and international stakeholders.

In 2013, 2016 and 2019, Jacqueline is appointed as Director of the European Network for Social and Economic Research (ENSR).The network consists of members in all EU Member States, together with members in Norway, Iceland, Switzerland (covering also Liechtenstein), and the United Kingdom.

Arthur Le Gall



Arthur Le Gall is director at KEA. He is responsible for coordinating KEA's research team and supervising studies, reports and projects. He also oversees sport-related activities. He is specialised in policies for the sport, audiovisual, cultural and creative sectors. He designs methodologies to assess the contribution of the cultural and audiovisual sectors to the wider society and economy.

Arthur engineers support programmes and policies for the cultural and creative sectors to nurture arts, culture and creativity across territories. Arthur also delivers strategic advice to local authorities on the role of sport, culture and creative industries for local and regional development.

He is the author or co-author of several research pieces on culture and creativity in Europe, including 'Mapping the creative value chains: A study on the economy of culture in the digital age' (DG EAC, 2017), a 'Study on the promotion of European works in Audiovisual Media Services (DG CONNECT, 2017), Creative Europe: Towards the next programme generation": evaluation of the Creative Europe program including the Culture and MEDIA strands for the European Parliament (2017-2018, or the longitudinal evaluation of Mons European Capital of Culture 2015 (Mons 2015 Foundation, 2012-2016).

Arthur's experience includes managing some key EU-funded projects, one looking into culture investment and strategic initiatives in 150 cities and regions across Europe ("Culture for cities and regions", 2014-2017), as well as another on developing an international platform for young creative entrepreneurs ("Creative Tracks", 2015-2017).

He holds a MA from Sciences Po Lille (FR) in European Affairs and obtained a BA in Politics & International Relations from Kent University (UK).

Fabien Miclet



Fabien Miclet is a French-Irish specialist in European cultural funding, policy and project management. He currently operates as an independent consultant, sharing his time between Lisbon, Brussels and Lille. From 2014 to 2017 he was in charge of the coordination of Liveurope, the first EU-supported platform bringing together some of the best live music venues from all around the continent. Fabien currently supports various organisations on a range of European policy initiatives, including the newly established "Music Moves Europe" Preparatory Action. He is a regular speaker and moderator in major music industry events and conferences such as Eurosonic, Reeperbahn, Midem, MaMA, ILMC and more. He is also a guest lecturer teaching "EU Interest Representation" at the Lille University of Science and Technology, and "European cultural cooperation" at the Lille Institute of Political Science, both at Masters level. Fabien's past experience include EU advocacy and policy-making positions in Brussels, including the management of the European Music Office. He holds a Master's degree in political science and is a College of Europe alumnus (Natolin Campus, Marcus Aurelius Promotion).

Emmanuel Legrand



Emmanuel Legrand is a Washington, DC-based freelance journalist, blogger and media consultant, specialised in the entertainment business and cultural trends. He is currently the US editor for British music industry trade publication Music Week.

From 2007 to 2013, he was the conference coordinator for the World Creators Summit, organised by CISAC (the International Confederation of Societies of Authors and Composers). Previously, he was the editor of Impact, a magazine for the music publishing community (2007-2009), the global editor of US trade publication Billboard (2003-2006), and the editor in chief of Billboard's sister publication Music & Media (1997-2003).

He is the author of the report "Music Crossing Borders -- Monitoring the cross-border circulation of European music repertoire within the European Union", a 120-page research on the circulation of European repertoire within the European Union, commissioned by the European Music Office and Dutch conference and festival Eurosonic Noorderslag. The 2012 report analysed the flow of repertoire between EU countries, based on statistical data on radio airplay and digital downloads.

He also co-penned the report "The Global Market for Neighbouring Rights", the first study on the global market for the collective management of neighbouring rights for performers and producers. The report was commissioned by French rights society Adami and published in 2015.

Elaine Price



Elaine Price MBA is a cultural sector management specialist with 25+ years' experience in a range of music sector, cultural management and strategic settings. Based in West Yorkshire, UK, she has held senior regional posts for national institutions (Arts Council England, Musicians' Union) as well as other leadership roles for third sector arts and community organisations throughout the north of England. Specialist knowledge includes the music industry, music and creative education, touring, intellectual property, creative sector governance, employment law, community development and local government. A Chartered Management Institute member, she works as a freelance management consultant specialising in organisational and business development, advising and mentoring on governance and strategic planning in the creative industries. She is adept at relating effectively with artists, musicians, venues, private employers, public funders, policymakers and governmental organisations at all levels.

Dr Jonathan Price



Jonathan Price is a researcher, lecturer and cultural consultant based in Huddersfield, UK. He has worked for over 25 years in the cultural sector including roles in music development, local authority arts management, national/international funding programmes, arts evaluation and higher education. He is currently Lecturer in Creativity & Enterprise at the University of Leeds (School of Performance and Cultural Industries), leading MA and BA modules on arts management as well as the University's professional programme on Arts Fundraising & Philanthropy. His academic research focuses on questions of cultural leadership, policy, governance and participation in the arts. A

respected cultural expert at European level, Jon was lead author for the EENCA study to inform the Preparatory Action on music in Europe 2018-2020 and has contributed to subsequent studies on music and theatre policy as well as impact assessment for Creative Europe. With significant knowledge of cultural policy and sector support mechanisms domestically and internationally, he has been a regular expert assessor for European Commission programmes such as Creative Europe and Horizon 2020 and for Creative Scotland in the UK.

Benoît Jacquemet



Benoît Jacquemet is a researcher and consultant at KEA in charge of the music related activities. He obtained a Bachelor as well as a Master in political sciences in a German double degree between the Albert-Ludwigs University of Freiburg and SciencesPo Aix, during which he focused on topics related to French and German cultural policies. He wrote his Bachelor thesis about the role of French cultural diplomacy in the country's branding after he completed an 8-month internship for the Berlin Office of BureauExport.

Alongside his Franco-German cultural background, Benoît has also gained significant experience in the cultural sector in Turkey, which led him to focus his Master's thesis on Turkish cultural policies, specifically, on the situation of Istanbul's private cultural actors after the 2016 coup attempt. Aside from the cultural policy focus of his studies, Benoît has further relevant experience in music management and production. He has collaborated regularly with the internationally renowned Freiburg Baroque Orchestra and the ensemble for new music Ensemble Recherche during 4 years and worked in the production and management team of the Darmstadt International Summer Courses for New Music. He now produces since 2019 the Festival Hironnelle, a Festival for the promotion of chamber music in a remoted and rural area in the center of France.

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