

## **The Canary in the Coal Mine: Spotify, Generative AI, and the Future of Cultural Labor**

Human-created music is increasingly used to train Artificial Intelligence (AI) systems without artists' consent, credit, or compensation. Existing United Kingdom (UK) and European Union (EU) laws lack safeguards to prevent AI models from training on human music without creators' consent. This undermines artists' ability to make a viable living and threatens music's essential role in democratic expression, cultural identity, and both artists and listeners' well-being.

### **Background**

*Economic Impact and Public Sentiment* - By 2028, AI-generated music is projected to reach €16B annually. AI-generated music could put 24% of music creators' revenues at risk, representing an annual loss of €4B by 2028. Over 200 prominent musicians signed a letter condemning the unlicensed training of AI models on copyrighted music, and 79% of listeners feel human creativity remains essential to music creation.

*UK Legislative Framework* - The Data Use and Access Bill (DUA), passed in June 2025, adopts an opt-out approach, which allows AI developers to use copyrighted material unless creators proactively restrict developers from using their works. Amendment 49B, which would have required transparency around the usage of copyrighted works in AI training, was rejected by the House of Commons despite broad support from artists.

*EU Legislative Framework* - The 2024 EU AI Act (AIA) classifies generative AI as "limited risk," requiring transparency mechanisms but explicitly allowing Text and Data Mining exceptions for general-purpose AI models without artist licensing. The 2019 Copyright Directive strengthened artist rights through Articles 18-22, but implementation varies across member states, with only seven of 27 states introducing statutory remuneration mechanisms.

*Spotify Market Dominance and AI Integration* - Spotify holds 56% of the European music streaming market share and 47% of the UK market, and between 2013-2022, Spotify acquired 6 AI companies, evolving from content host to AI content producer through features like AI DJ and AI Playlists.

### **Analysis**

#### **Creative Autonomy**

*Fair Use* - The AIA and DUA adopted opt-out models, but neither defines "fair use" boundaries for mass commercial AI training. AI training on music without transparency or consent undermines fair use, shifts the burden of enforcement onto artists themselves, and prevents artists from tracking how their work is used. Platforms like Spotify do not offer clear opt-out mechanisms, effectively excluding artists from the economic value generated by their work.

*Compensation* - Bot-streaming and AI-generated music distort Spotify's pro-rata royalty distribution, channeling revenue away from human artists while forcing them to compete against artificially-generated content trained on their work. Article 18 of the EU Copyright Directive broadly calls for remuneration, but has inconsistent implementation across member states, leading to a fragmented music market and the unequal treatment of artists across the EU.

*Collective Bargaining* - Artists' assignment of rights to intermediaries excludes them from platform negotiations in many countries, while legal barriers prevent collective challenging of AI training appropriation or advocacy for equitable revenue-sharing models. The 2020 European Commission study linked weak collective bargaining mechanisms for self-employed creative workers to precarious working conditions and irregular income.

### **Creative Democracy**

*Labeling & Transparency* - Recommendation algorithms promote unlabeled AI content, amplifying its streaming share, while current detection systems focus on bot streaming activity rather than identifying AI-generated music based on copyrighted works. The absence of citation requirements for AI training sources deprives artists of recognition and visibility, preventing audience building even when their work directly enables AI-generated content.

*Ethical Innovation* - Artists generate creative works that fuel AI development but remain excluded from economic rewards, while regulatory gaps leave platforms with unchecked discretion over compensation.

*Social Transformation* - Spotify holds the largest market concentration in both the EU and the UK. Artists depend on Spotify as a result of smaller platforms being unable to compete. Spotify Wrapped shapes culture and consumption patterns while normalizing AI outputs. As platforms evolve from content hosting to AI content production, this creates between financial interests and creative democracy principles.

### **Recommendations**

- The European Commission should issue a Code of Practice to guide the consistent application of Article 18.
- DG COMP should issue a supplement to its 2022 Guidelines on TFEU Article 101, and the UK Government should amend the Competition Act of 1998. The CMA should release guidance exempting musician collective bargaining from anti-collusion penalties.
- Mandate the labelling of AI-generated music across platforms.
- Create record-keeping and transparency obligations for AI developers and users.
- The EU Commission's AI Office should conduct robust economic, legislative, and cultural analyses on the status of existing transparency mechanisms and AI-generated music legislation.
- Establish a Music Information Sharing Analysis Forum as a Cross-Sector, EU/UK, Public-Private Partnership Network.

### **Conclusion**

Without the labeling of AI-generated music and proper remuneration for artists, we strip both consumers and creators of choice, limiting democracy. When AI systems, rather than humans, create music, we lose the authentic emotional connection and cultural understanding that have historically galvanized communities around shared experiences and social movements. The music industry is the canary in the coal mine for AI's implications on the labor force generally: how we handle the use of artists' work to train generative AI will set the precedent for whether human creativity becomes fuel for the algorithms that threaten to replace it.