

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

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Introduction

¹Human-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 individuals' ability to make a viable living as full-time artists and threatens music's essential role in democratic expression, cultural identity, and both artists and listeners' well-being.

By late 2025, small generative AI companies will be capable of replacing independent musicians using fully AI-generated music.² AI-generated music refers to the production of songs created autonomously by AI systems without direct human authorship.³ The music industry has largely embraced AI-assisted tools, such as automated background track composing or melody generators, but these tools still involve human decision-making at the creative stage.⁴ However, concerns have arisen around the nature of AI-generated music systems, which produce songs based on user prompts and are often trained by ingesting copyrighted music without the permission of the artists.⁵

Current UK and EU laws do not sufficiently protect artists from the use of human music to train AI models that can generate songs that compete with human work for compensation.⁶ When AI-generated music is published on streaming platforms, its publishers can earn the same revenue as human artists, despite spending only a fraction of the production cost.⁷ The production of AI-generated music is “almost instantaneous,”⁸ while a human-created song could take “days (or even weeks) worth of work” to produce.⁹ This disadvantages human artists, who are unable to keep up with the sheer speed of AI-generated music production.

The Velvet Sundown is a highly popular band on Spotify that has amassed over 850,000 monthly listeners on Spotify since its creation in June 2025.¹⁰ However, in July 2025, the self-claimed creator of the band revealed that the band is wholly AI-generated to *The Rolling Stones*, after

¹ The authors would like to thank Tift Merritt, Liz Sparacino, Merritt Cahoon, Ian Hitchcock, Prof. David Hoffman, and Michael Barbalat for their contributions to this paper.

²<https://www.forbes.com/sites/virginieberger/2024/12/30/ais-impact-on-music-in-2025-licensing-creativity-and-industry-survival/>

³<https://www.gov.uk/government/consultations/artificial-intelligence-and-ip-copyright-and-patents/artificial-intelligence-and-intellectual-property-copyright-and-patents>

⁴<https://www.forbes.com/sites/virginieberger/2024/12/30/ais-impact-on-music-in-2025-licensing-creativity-and-industry-survival/>

⁵<https://www.forbes.com/sites/virginieberger/2024/12/30/ais-impact-on-music-in-2025-licensing-creativity-and-industry-survival/>

⁶<https://www.forbes.com/sites/virginieberger/2024/12/30/ais-impact-on-music-in-2025-licensing-creativity-and-industry-survival/> <https://authorsocieties.eu/european-creators-led-by-bjorn-ulvaeus-abba-meet-top-eu-policy-makers-to-ensure-transparency-consent-and-remuneration-for-creators-in-ai-market/>

⁷ IFPI, “Music in the EU: AI, Streaming, and Artist Rights” Report (2024)

⁸ <https://arxiv.org/abs/2101.04785>

⁹ <https://zerohour.uk.com/blog/how-much-studio-time-do-i-need>

¹⁰<https://www.nbcnews.com/tech/tech-news/the-velvet-sundown-indie-band-spotify-ai-accusations-speculation-rna216728>

facing online speculation and pressure.¹¹ The band’s Spotify biography also includes what appears to be an AI-generated cover picture and a biography containing a fabricated quote from *Billboard* praising their music, pointing toward it being AI-generated text.¹²

It often takes between six months to a year, or longer, for a human artist to “begin to see results” on Spotify.¹³ However, in a few weeks, the Velvet Sundown was able to achieve close to 1 million listeners on Spotify.¹⁴ The disparity in time required to create music makes it difficult for human artists to compete with the speed of AI-generated artists.

Although The Velvet Sundown’s creator voluntarily disclosed that the band was producing AI-generated music,¹⁵ Spotify “does not require artists to disclose AI involvement.”¹⁶ Therefore, it is uncertain how many other Spotify profiles may also feature AI-generated artists, given the platform’s lack of disclosure requirements.¹⁷

Additionally, AI-generated music is currently not labeled as such on Spotify.¹⁸ This deprives consumers of the choice to opt out of listening to AI-generated music for ethical reasons.¹⁹ It also obscures the portion of the music streaming market that AI-generated music makes up.²⁰ These characteristics of AI-generated music—its speed of production, lack of labeling transparency, and cheapness—combine to create artificial music with which it is difficult for artists to compete. This is exacerbated by the fact that many AI-generated music systems are trained on copyrighted artists’ works without permission or compensation and thus take advantage of their original creations.²¹

The UK Government’s ‘Invest 2035’ Strategy names the creative industry as one of the top eight sectors it intends to invest in for national economic growth.²² The creative industry contributed around £124 billion to the UK economy in 2023—5% of total economic output.²³ The music industry alone contributed £7.6 billion in 2023.²⁴ The 2021 UK Innovation Strategy identifies the

¹¹<https://www.nbcnews.com/tech/tech-news/the-velvet-sundown-indie-band-spotify-ai-accusations-speculation-rca216728>

¹²<https://www.nme.com/news/music/seemingly-ai-generated-band-the-velvet-sundown-have-over-400000-monthly-spotify-listeners-3874381>

¹³<https://blog.dismakers.com/2025/04/how-long-does-it-take-to-make-money-on-spotify-disc-makers/>

¹⁴<https://www.nme.com/news/music/seemingly-ai-generated-band-the-velvet-sundown-have-over-400000-monthly-spotify-listeners-3874381>

¹⁵<https://www.rollingstone.com/music/music-features/velvet-sundown-ai-band-suno-1235377652/>

¹⁶<https://www.sfchronicle.com/entertainment/article/velvet-sundown-ai-band-spotify-500k-listeners-20400778.php>

¹⁷<https://www.sfchronicle.com/entertainment/article/velvet-sundown-ai-band-spotify-500k-listeners-20400778.php>

¹⁸<https://www.theverge.com/2024/11/14/24294995/spotify-ai-fake-albums-scam-distributors-metadata>

¹⁹<https://www.theverge.com/2024/11/14/24294995/spotify-ai-fake-albums-scam-distributors-metadata>

²⁰<https://apnews.com/article/ai-artificial-intelligence-music-deezer-spotify-01bb3ef5a344045a64a0a7004e88df5b>

²¹<https://www.theverge.com/2024/11/14/24294995/spotify-ai-fake-albums-scam-distributors-metadata>

²²<https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy>

²³<https://www.gov.uk/government/collections/dcms-sectors-economic-estimates>

²⁴<https://www.ukmusic.org/research-reports/this-is-music-2024/>

creative industry as “critical” to the government’s aspirations to make the UK a “global leader” in innovation.²⁵

Similarly, the EU Commission identifies music as “essential to Europe’s cultural diversity,” citing “diversity, competitiveness, and innovation” as the sector’s main assets.²⁶ The Commission has several music frameworks, including *Music Moves Europe*, which aims to promote “a sustainable European music ecosystem.”²⁷ The Commission’s previous *Creative Europe* programme (2014–2020) provided roughly €98 million of funding toward artist projects.²⁸ The commission also introduced a music sector-specific approach spanning 2021–2027, which seeks to promote diversity, creativity, and innovation in music by supporting repertoire distribution, training, audience development, and music-sector data gathering and analysis.²⁹

Online music streaming platforms have become the dominant way users listen to music globally, and all music is not streamed equally.³⁰ 73% of people listen to music through licensed audio streaming services.³¹ These streaming services rely on artists’ work to drive user engagement, train AI-recommendation tools, and attract advertisers.³² In the UK, just 0.4% of artists receive over 60% of streams.³³ Spotify is the most popular music streaming platform globally, and thus is an industry exemplar of how emergent issues like AI-generated music are treated.³⁴ However, Spotify does not label AI-generated content. Spotify further follows a compensation system that contains features that disadvantage small and emergent artists, such as their practice of only paying artists who reach 1,000 streams annually.³⁵

Even as streaming revenues grow, musicians continue to struggle more financially.³⁶ Data from the first-ever UK Musicians’ Census in 2023 show an average annual income of £20,700 from music work, with 43% earning under £14,000.³⁷ Comparatively, full-time musicians who rely solely on music average around £30,000 per year, which is still below the UK median salary of approximately £33,000.³⁸ Over half of these artists report needing additional jobs to sustain their music careers.³⁹ While musician-specific census data is not available for years other than 2023,

²⁵ <https://www.business.gov.uk/invest-in-uk/investment/sectors/creative-industries/>

²⁶ <https://culture.ec.europa.eu/cultural-and-creative-sectors/music/music-moves-europe>

²⁷ <https://culture.ec.europa.eu/cultural-and-creative-sectors/music/music-moves-europe>

²⁸ <https://culture.ec.europa.eu/cultural-and-creative-sectors/music/music-moves-europe>

²⁹ <https://culture.ec.europa.eu/cultural-and-creative-sectors/music/music-moves-europe>

³⁰ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

³¹ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

³² <https://culture.ec.europa.eu/cultural-and-creative-sectors/music/music-moves-europe>

³³ <https://www.gov.uk/government/news/music-streaming-report-published>

³⁴ <https://chartmasters.org/spotify-claims-60-percent-of-top-hits-global-streams/>

³⁵ <https://loudandclear.byspotify.com/#payouts>

³⁶ <https://www.ukmusic.org/wp-content/uploads/2024/11/TIM-Report-2024-reduced.pdf>

³⁷ <https://musiciansunion.org.uk/news/first-ever-uk-musicians-census-provides-unparalleled-insight-into-the-careers-of-the-uk-s-musicians>

³⁸ <https://www.theguardian.com/music/2023/sep/11/nearly-half-of-working-uk-musicians-earn-less-than-14000-new-census-finds>

³⁹ <https://internationalartsmanager.com/first-uk-musicians-census-reveals-challenges-faced-by-music-creators/>

the Musicians' Union found that 87% of musicians whose incomes were impacted by Brexit said their earnings fell in 2023.⁴⁰

This trend is not unique to the UK.⁴¹ A 2020 European Commission study found that across the EU, creative professionals, including musicians, often earn below national averages and frequently combine multiple income sources to make a living.⁴² One contributing factor is that musicians face structural barriers to earning revenue on platforms like Spotify.⁴³ The current compensation model disproportionately favors already-popular artists, while the 1,000-stream threshold disqualifies the majority of songs from receiving royalties on the platform.⁴⁴ Spotify's Discovery Mode, which offers algorithmic promotion in exchange for lower royalty rates, fosters a situation where emerging artists must make the hard choice of accepting reduced compensation or be placed at a significant visibility disadvantage.⁴⁵ These challenges are compounded by the rise of AI-generated music, produced at low cost using models trained on human-created songs, often without credit or compensation to the original artists.⁴⁶ This declining economic viability threatens the sustainability of full-time music careers, with potential repercussions for creative diversity and the future pipeline of musicians across Europe.⁴⁷

This paper uses Spotify as a case study to show how the implications of AI systems on the music industry undermine the ability of musicians to make a living from their creative output. It ultimately argues that the music industry could be the canary in the coal mine for the effect of AI trained on humans on the well-being of those same humans across all industries. We additionally posit that competing with AI-generated music is simply untenable for artists, especially those who are small or emergent. If human-created music is wholly replaced by artificial replicas, we will lose the fundamental ability of music to spark societal change, promote democracy, and encapsulate uniquely human experiences.

To protect artists in the age of AI, we propose the following categories of policy interventions to protect artists' economic and creative viability. Each section includes recommendations for the EU and the UK, respectively.

Creative Autonomy

1. Fair Use
2. Compensation
3. Collective Bargaining

⁴⁰<https://musiciansunion.org.uk/news/this-is-music-report-reveals-uk-music-industry-contributed-record-%C2%A37-6-billion-to-uk-economy>

⁴¹<https://www.eurofound.europa.eu/en/resources/article/2010/new-arts-council-study-reveals-poor-working-conditions-artists>

⁴²<https://www.fim-musicians.org/eu-status-and-working-conditions-in-the-creative-sector/>

⁴³ <https://www.sounds.co/en/post/royalties-streaming-pro-rata-model>

⁴⁴ <https://www.sounds.co/en/post/royalties-streaming-pro-rata-model>

⁴⁵ <https://www.sounds.co/en/post/royalties-streaming-pro-rata-model>

⁴⁶<https://www.wipo.int/web/wipo-magazine/articles/royalties-in-the-age-of-ai-paying-artists-for-ai-generated-songs-73739>

⁴⁷<https://creativesunite.eu/article/eu-study-unfair-remuneration-for-creators-and-threat-to-cultural-diversity-from-transfer-of-ip-rights-to-non-eu-streamers>

Creative Democracy

4. Labelling & Transparency
5. Ethical Innovation
6. Social Transformation

While generative AI tools offer new opportunities for artists, their benefits depend on meaningful safeguards, especially artists' consent for the use of their work in training datasets.⁴⁸ These policy reforms aim to re-center artists in the digital economy and ensure they retain creative and economic control over their work. We also seek to evaluate the implications of AI-generated music on human wellbeing, creative works as a mechanism of promoting free democracy, and the future of artistic creation.

Background

The Economic Impact of AI-Generated Music

Statistics show AI-generated music will have a significant economic impact, especially on artists. The International Confederation of Societies of Authors and Composers (CISAC) conducted a 2024 Global Music Market Study alongside PMP Strategy, estimating that by 2028, AI-generated music is projected to reach a value of €16 billion annually in the global music market, totaling €40 billion in cumulative value over five years.⁴⁹ These outputs are expected to account for 20% of streaming platform revenue and 60% of music library content by 2028.⁵⁰ AI-generated music could put 24% of music creators' revenues at risk, representing an annual loss of €4 billion by 2028 and €10 billion in total.⁵¹

CISAC Director General Gadi Oron called the results of this study “conclusions that point to a fundamental flaw opening up in the market. Creators’ works [are] being unfairly and unethically appropriated to boost the revenues of Gen AI providers, while leaving the creators themselves out of this growth.”⁵²

There is substantial evidence of artists being undermined by AI.⁵³ Over 200 prominent musicians signed an open letter from the global Artists Rights Alliance (ARA) condemning the use of human-created music to train AI without permission.⁵⁴ The letter argues that training of AI without artist consent “substantially dilutes the royalty pools paid out to artists” and could be “catastrophic” for working musicians trying to make ends meet.⁵⁵ The International Federation of the Phonographic Industry (IFPI) echoed these concerns, joining over 50,000 signatories and several MPs in calling the unlicensed training of generative AI “a major, unjust threat.”⁵⁶

⁴⁸ <https://a2im.org/ai-human-artistry/>

⁴⁹ <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>

⁵⁰ <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>

⁵¹ <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>

⁵² <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>

⁵³ <https://www.vox.com/culture/357907/spotify-sabrina-carpenter-espresso-chappell-roan-algorithm>

⁵⁴ <https://artistrightsnow.medium.com/200-artists-urge-tech-platforms-stop-devaluing-music-559fb109bbac>

⁵⁵ <https://artistrightsnow.medium.com/200-artists-urge-tech-platforms-stop-devaluing-music-559fb109bbac>

⁵⁶ <https://www.aitrainingstatement.org/>

Additionally, 76% of music fans believe musicians’ vocals and songs should not be used to train AI without consent.⁵⁷

Public Sentiment Toward AI-Generated Music

Generative AI tools are rapidly reshaping how people create and consume music, prompting fears from artists about the use of their music without their consent, concern from the public about the authenticity of the music they consume, and broader considerations of artistic integrity.⁵⁸ The IFPI published a 2023 *Engaging with Music* study, which surveyed 43,000 respondents across 26 countries, including EU Member States, finding that 79% of listeners feel that human creativity remains essential to the creation of music.⁵⁹ Meanwhile, 76% of listeners agreed that AI should not ingest or use an artist’s music or vocals without permission,⁶⁰ and 74% opposed AI systems that clone or impersonate artists without authorization.⁶¹ Artists have amplified this message through public campaigns including ‘Make It Fair’⁶² and a silent album featuring 1,000 UK artists titled *Is This What We Want?*⁶³

Consumption of music and generative AI-music tools are both increasing.⁶⁴ Generative AI tools in music are increasing in quantity: the World Intellectual Property Organization reported 13,400 patents filed related to generative AI in music, speech, and voice between 2014 and 2023.⁶⁵ Additionally, the IFPI study reports that music consumption is increasing, with listeners averaging 20.7 hours of streaming per week.⁶⁶ Listeners deem authorization for the use of music important, with 73% of listeners supporting the mandatory disclosure of all music used in AI training.⁶⁷ Listeners also rely on music—over 70% of listeners regard music as important to their mental health and an important stress reliever.⁶⁸

The Democratic Significance of Music

Music enables social movements to mobilize populations, overcome oppression, and achieve political outcomes ranging from legislative victories to national independence through collective identity formation and tactical organization.⁶⁹ The Civil Rights Movement provides a valuable example of music’s role in social transformation, with songs like “We Shall Overcome” fueling powerful protests like the March on Washington, where 300,000 participants chanted the lyrics

⁵⁷ https://www.ifpi.org/wp-content/uploads/2023/12/IFPI-Engaging-With-Music-2023_full-report.pdf

⁵⁸ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁵⁹ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶⁰ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶¹ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶² <https://newsmediauk.org/make-it-fair/>

⁶³ <https://www.isthiswhatwewant.com/>

⁶⁴ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶⁵ <https://www.wipo.int/web-publications/patent-landscape-report-generative-artificial-intelligence-genai/en/index.html>

⁶⁶ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶⁷ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶⁸ <https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

⁶⁹ <https://pmc.ncbi.nlm.nih.gov/articles/PMC4179700/>

in unity as they marched across D.C.⁷⁰ President Lyndon B. Johnson referenced the lyrics in his March 15, 1965 Congressional speech following Bloody Sunday, directly connecting the musical anthem to the passage of the Voting Rights Act.⁷¹

Music forges collective identity.⁷² “The Star-Spangled Banner” became an American symbol for unity in times of crisis.⁷³ Francis Scott Key’s composition spread to newspapers and homes all across the East Coast, boosting American morale and demonstrating how quickly songs can capture collective experience.⁷⁴ Across the globe, “la Marseillaise” spread from its April 15, 1792 composition by Claude Joseph Rouget de Lisle to become a call to the French Revolution, formally becoming recognized as France’s anthem on July 14, 1795.⁷⁵ Research analyzing 180+ national anthems shows that national anthems create shared national unity and consciousness among people who have never met.⁷⁶

Legislative Background: United Kingdom

The UK All-Party Parliamentary Group (APPG) on Music is a cross-party group of MPs and Lords that advocates for the interests of the music industry and provides a forum to discuss industry challenges.⁷⁷ The APPG recently published a detailed report following three multi-stakeholder conventions on AI in the UK music industry.⁷⁸

The APPG report found that UK adults are concerned about AI trained on human music.⁷⁹ 80% of UK adults agree that the law should prevent artists’ music from being used to train an AI application without their knowledge or permission, 77% of UK adults agree that AI-generated music that does not acknowledge the original music creators amounts to theft, 66% of UK adults are concerned about the risk of AI generation eventually replacing creativity, and 83% of UK adults agree that if AI has been used to generate a song it should be clearly labeled.⁸⁰ 55% of UK adults are concerned about listening to AI-generated music without realising it.⁸¹ The law is out of alignment with public opinion data on AI-generated music and copyright.⁸²

⁷⁰ <https://christiansforsocialaction.org/resource/we-shall-overcome-the-story-behind-the-civil-rights-song/>

⁷¹ <https://thesongbook.org/about/news-media/the-songbook-blog-items/musics-voice-in-the-american-civil-rights-movement/#:~:text=The%20civil%20rights%20protesters%20sang,the%20soul%22%20of%20the%20movement.https://www.npr.org/2013/08/28/216482943/the-inspiring-force-of-we-shall-overcome>

⁷² <https://www.sciencedirect.com/topics/social-sciences/national-anthems>

⁷³ <https://www.battlefields.org/learn/articles/star-spangled-banner>
<https://www.gilderlehrman.org/history-resources/spotlight-primary-source/%E2%80%9Cdefence-fort-mchenry%E2%80%9D-or-%E2%80%9C-star-spangled-banner%E2%80%9D-1814>

⁷⁴ <https://guides.loc.gov/star-spangled-banner>

⁷⁵ <https://www.britannica.com/event/French-Revolution>
<https://ageofrevolution.org/200-object/la-marseillaise/>

⁷⁶ <https://www.sciencedirect.com/topics/social-sciences/national-anthems>

⁷⁷ <https://www.ukmusic.org/about/all-party-parliamentary-group-on-music/>

⁷⁸ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁷⁹ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁸⁰ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁸¹ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁸² <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

The report underscores the importance of transparency across the AI development lifecycle, advocating for the implementation of record-keeping mechanisms that generate auditable logs of musical inputs used in training datasets.⁸³ The report also urged the government to “include a standalone obligation for AI developers and users of LLMs [Large Language Models] to comply with record-keeping requirements for all data sets used [for training].”⁸⁴

Data (Use and Access) Bill

The UK Data (Use and Access) Bill (“DUA Bill”) defines how AI developers and other entities can access and use data, including copyrighted works, with direct implications for artists’ control over their creations and the broader protection of creative rights.⁸⁵ The DUA Bill passed both Houses of Parliament in June 2025 and is currently awaiting Royal Assent, the final stage before it becomes law.⁸⁶ It will significantly modify the UK’s data governance framework, including parts of the UK General Data Protection Regulation (“UK GDPR”).⁸⁷

Debate over Amendment 49B to the UK’s Digital Markets, Competition and Consumers Bill reflects a broader policy tension between fostering innovation in AI development and ensuring transparency and copyright protection for artists.⁸⁸ Baroness Beeban Kidron, a member of the House of Lords, proposed Amendment 49B to the DUA Bill, which would have required AI developers to disclose when copyrighted works were used to train their models.⁸⁹ This amendment aimed to introduce transparency and safeguard the rights of creators whose works were used in training datasets.⁹⁰ However, the House of Commons rejected Amendment 49B,⁹¹ and several other iterations of the amendment were likewise dismissed.⁹² The final version of the DUA Bill includes language about “enforcement provisions for copyright protection in AI development,” but doesn’t require disclosure or consent to train on copyrighted material.⁹³

Notably, the current DUA framework adopts a default “opt-out” approach, where AI developers may use copyrighted material, including music, for model training unless creators proactively

⁸³ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁸⁴ <https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

⁸⁵ <https://bills.parliament.uk/bills/3825>

⁸⁶ <https://theodi.org/news-and-events/blog/data-use-and-access-bill-passes>

⁸⁷ <https://theodi.org/news-and-events/blog/data-use-and-access-bill-passes/>

⁸⁸ [https://hansard.parliament.uk/Lords/2025-05-19/debates/AD1D6032-D2DF-453B-B4A7-87FFE6ED1428/Data\(UseAndAccess\)Bill\(HL\)](https://hansard.parliament.uk/Lords/2025-05-19/debates/AD1D6032-D2DF-453B-B4A7-87FFE6ED1428/Data(UseAndAccess)Bill(HL))

⁸⁹ <https://digitalpolicyalert.org/event/31020-data-use-and-access-bill-requiring-inquiry-into-use-of-copyright-works-in-development-of-ai-systems-was-adopted-by-house-of-lords>

⁹⁰ <https://digitalpolicyalert.org/event/31020-data-use-and-access-bill-requiring-inquiry-into-use-of-copyright-works-in-development-of-ai-systems-was-adopted-by-house-of-lords>

⁹¹ <https://digitalpolicyalert.org/event/31020-data-use-and-access-bill-requiring-inquiry-into-use-of-copyright-works-in-development-of-ai-systems-was-adopted-by-house-of-lords>

⁹² <https://digitalpolicyalert.org/event/31020-data-use-and-access-bill-requiring-inquiry-into-use-of-copyright-works-in-development-of-ai-systems-was-adopted-by-house-of-lords>

⁹³ <https://digitalpolicyalert.org/event/31020-data-use-and-access-bill-requiring-inquiry-into-use-of-copyright-works-in-development-of-ai-systems-was-adopted-by-house-of-lords>

remove their works.⁹⁴ This default undermines meaningful consent and transparency, especially given the lack of robust enforcement mechanisms.⁹⁵ Representatives from the tech industry have defended this approach, arguing that “requiring permission from all copyright holders would kill the AI industry in this country.”⁹⁶ An AI-specific bill is expected in late 2025.⁹⁷

Copyright, Designs and Patents Act

The UK’s Copyright, Designs and Patents Act 1988 (“CDPA”) is the principal legislation protecting artists’ intellectual property, introducing 70 years of protection for “literary, dramatic, musical or artistic works.”⁹⁸ Legislators have since amended the CDPA’s text to adapt to the changing digital environment (up to June 2025).⁹⁹ Legislators have also introduced new initiatives addressing the use of artists’ copyrighted works in AI training.¹⁰⁰

The 2021 Copyright (Rights and Remuneration of Musicians, Etc.) Bill, which outlines new intellectual property rights for musicians, is an attempt to amend the CDPA.¹⁰¹ The Bill aimed to add “equitable remuneration” for artists with streamed music, protection “from the negative consequences of [artists’] unequal bargaining power,” and rights reclamation for artists.¹⁰² The Bill was developed in response to a 2021 Digital, Culture, Media and Sport Committee inquiry on the economics of music streaming, which identified “pitiful” artist remuneration and pay disparities between song and record rights holders as key issues (among others).¹⁰³ While the House of Commons tabled the Bill in December 2021,¹⁰⁴ debates surrounding the Bill amplified musician campaigns including *#FixStreaming* and *#BrokenRecord*.¹⁰⁵

Support for Trade Unions

In the UK, trade unions such as the Musicians’ Union (MU) are legally recognized under the Trade Union and Labour Relations (Consolidation) 1992,¹⁰⁶ and are permitted to negotiate collective agreements in traditional sectors such as broadcasting, live performance, and session work.¹⁰⁷ However, digital revenue streams—particularly royalties from streaming and the use of

⁹⁴<https://completemusicupdate.com/uks-data-bill-passes-without-creative-industries-demands-for-copyright-and-ai-safeguards>

⁹⁵<https://completemusicupdate.com/uks-data-bill-passes-without-creative-industries-demands-for-copyright-and-ai-safeguards/>

⁹⁶<https://www.bbc.com/news/articles/clyrgv2n190o>

⁹⁷<https://www.theguardian.com/technology/2025/jun/07/uk-ministers-delay-ai-regulation-amid-plans-for-more-comprehensive-bill>

⁹⁸https://copyrightservice.co.uk/copyright/p01_uk_copyright_law

⁹⁹<https://www.legislation.gov.uk/changes/affected/ukpga/1988/48>

¹⁰⁰<https://www.legislation.gov.uk/ukpga/1988/48/contents>

¹⁰¹<https://commonslibrary.parliament.uk/research-briefings/cbp-9385/#>

¹⁰²[https://committees.parliament.uk/publications/6739/documents/72525/default/](https://committees.parliament.uk/publications/6739/documents/72525/default;);

<https://committees.parliament.uk/work/646/economics-of-music-streaming/>

¹⁰³<https://committees.parliament.uk/work/646/economics-of-music-streaming/>

¹⁰⁴<https://bills.parliament.uk/bills/2901>

¹⁰⁵<https://bills.parliament.uk/bills/2901/stages/15367>

¹⁰⁶<https://www.legislation.gov.uk/ukpga/1992/52/contents>

¹⁰⁷<https://musiciansunion.org.uk/about-the-mu>

music in AI training—are often excluded from these agreements.¹⁰⁸ This exclusion stems from the structure of the UK’s copyright and licensing regime, where streaming royalties are typically determined through direct negotiations between music rights holders (e.g., record labels or distributors) and streaming platforms, not through collective agreements involving artists or their unions.¹⁰⁹ Most artists sign contracts that assign their rights to labels or publishers, so it is these entities who negotiate the financial terms with platforms like Spotify.¹¹⁰ This structure effectively prevents the MU from bargaining over AI-generated music terms.¹¹¹

As a result, the majority of modern music income is governed by private licensing agreements.¹¹² Because of these licensing agreements, music income is left outside the scope of enforceable collective bargaining frameworks.¹¹³ According to the International Federation of Musicians (FIM), this gap leaves many self-employed or freelance musicians having to negotiate individually for better digital pay.¹¹⁴ Addressing this deficiency could help to ensure that musicians are not excluded from emerging revenue streams, particularly those involving AI.¹¹⁵

Legislative Background: European Union

Similar to the UK, the EU has recently attempted legislative reform to protect musicians.¹¹⁶ The 2019 Copyright Directive serves as the principal legislation protecting artists’ intellectual property rights.¹¹⁷ EU legislators have built upon the Directive’s principles via a 2024 Author Conditions Bill and the 2024 EU AI Act, among other legislation.¹¹⁸

EU AI Act

The 2024 EU AI Act is the world’s first risk-based, comprehensive framework for AI, classifying AI systems on a range of “unacceptable” to “minimum” risk, and imposing specific industry requirements at each risk level.¹¹⁹ Much of the AI Act was intentionally left vague to preserve its applicability across rapid AI-innovation, and it does not name musicians or artists explicitly.¹²⁰ However, the Act does classify generative AI as “limited risk,” meaning transparency mechanisms are required for distributors of generative AI technology, which would

¹⁰⁸<https://musiciansunion.org.uk/working-performing/recording-and-broadcasting/musician-royalties/music-streaming-royalties>

¹⁰⁹<https://musiciansunion.org.uk/working-performing/recording-and-broadcasting/musician-royalties/music-streaming-royalties>

¹¹⁰<https://blog.tunedglobal.com/how-music-licensing-works-for-music-streaming-services>

¹¹¹<https://musiciansunion.org.uk/news/mu-joins-demo-to-highlight-creators-ai-concerns-ahead-of-parliament-debate>

¹¹²<https://www.theregreview.org/2024/05/30/stern-the-inequalities-of-digital-music-streaming/>

¹¹³https://www.aepo-artis.org/wp-content/uploads/2022/07/Performer-Payments-Streaming_20219131842.pdf

¹¹⁴<https://www.fim-musicians.org/eu-union-representation-for-freelances/>

¹¹⁵<https://www.theguardian.com/music/2024/dec/04/artificial-intelligence-music-industry-impact-income-loss>

¹¹⁶<https://eur-lex.europa.eu/eli/dir/2019/790/oj>

¹¹⁷<https://eur-lex.europa.eu/eli/dir/2019/790/oj>

¹¹⁸<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

¹¹⁹<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

¹²⁰<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

include music generated by AI.¹²¹ The AI Act also implements principles of the Copyright Directive, particularly the Text and Data Mining (TDM) exceptions, applied to AI training.¹²²

The AI Act explicitly describes that the TDM exceptions apply to general-purpose AI (GPAI) models, implying artists' creations can be used without licensing or explicit permission from the artist.¹²³ This means that artists' works can be used without their knowledge. The AI Act is being complemented by the GPAI Code of Practice with standards for compliance, which artist advocacy organizations deem insufficient to enforce basic compliance or prevent infringements on artists' intellectual property.¹²⁴

Copyright Directive

The EU's 2019 Directive on copyright and related rights in the Digital Single Market ("Copyright Directive") strengthened intellectual property rights for musicians by introducing rights to remuneration, transparency, and contract adjustment (among others), as outlined by Articles 18–22.¹²⁵ The Copyright Directive was fully incorporated by all EU Member States in 2024.¹²⁶

Despite these reforms, challenges remain in achieving fair remuneration for musicians in the EU. A 2024 International Artist Organisation survey of 9,542 artists in 19 EU Member States highlights widespread dissatisfaction among artists, particularly regarding remuneration and transparency.¹²⁷ While general dissatisfaction among artists has decreased from 2022 to 2024 (from 69.5% to 43.5% of artists surveyed), 69.1% of the 2024 artists surveyed were dissatisfied with their streaming income, and 87.6% believed that streaming revenues were not distributed fairly.¹²⁸ Additionally, 64.7% of signed artists reported a lack of transparency regarding how record labels use their music and streaming royalty calculations.¹²⁹

Cultural Diversity Conditions for Authors in the EU Streaming Market Report

In response to concerns about insufficient artist protection in the EU Copyright Directive, the Culture and Education Committee in the EU Parliament proposed the "Cultural diversity and the conditions for authors in the European music streaming market" Bill.¹³⁰ The EU Parliament adopted a non-legislative resolution in January 2024, calling on the Commission to promote a "fair and sustainable" ecosystem for artists.¹³¹ Section A notes the music sector as a "major pillar

¹²¹<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

¹²²<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

¹²³<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

¹²⁴<https://www.aepo-artis.org/aepo-artis-says-no-to-the-gpai-code-of-practice/>

¹²⁵<https://eur-lex.europa.eu/eli/dir/2019/790/oj>

¹²⁶https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

¹²⁷https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

¹²⁸https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

¹²⁹https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

¹³⁰[https://oeil.secure.europarl.europa.eu/oeil/en/procedure-file?reference=2023/2054\(INI\)](https://oeil.secure.europarl.europa.eu/oeil/en/procedure-file?reference=2023/2054(INI))

¹³¹<https://oeil.secure.europarl.europa.eu/oeil/en/document-summary?id=1772351>

of culture” and a vital component of the diversity of the Union, with “the widest public outreach of any cultural and creative sector (CCS).”¹³² Section H notes artists are frequently not fairly remunerated in a way that “reflects the true extent of contribution,” resulting in a “significant imbalance over time that needs to be addressed” for artists to sustain their careers.¹³³ Some of the Bill’s recommendations included creating a music observatory and industrial strategy to support artist diversity and smaller players, but implementation remains unclear.¹³⁴

EU Labor Laws

In the EU, musicians face significant legal barriers to collective bargaining. Article 101 of the Treaty on the Functioning of the European Union (TFEU) “prohibits agreements between two or more independent market operators,” to prevent infringements on free competition.¹³⁵ The Article is also meant to prevent price-fixing and market sharing.¹³⁶ Because of this law, independently-employed workers are not allowed to engage in collective bargaining.¹³⁷ Almost one-third (31.7%) of cultural workers in the EU are self-employed.¹³⁸ A significant portion of EU musicians are thus considered independent workers under TFEU Article 101 and prohibited from engaging in collective bargaining.¹³⁹

The European Union Directorate-General of Competition (DG COMP) has begun to evaluate ways to continue the consumer protection benefits of Article 101 while enabling independent workers to partake in collective protection.¹⁴⁰ In 2021, DG COMP launched an Inception Impact Assessment to obtain public feedback on ways to update Article 101 to protect independent workers.¹⁴¹ This consultation led to DG COMP’s September 2022 publication of its “Guidelines on the application of Union competition law to collective agreements regarding the working conditions of solo self-employed persons.”¹⁴² The Guidelines aimed to “clarify the circumstances in which persons without an employment contract...can negotiate collectively to improve their working conditions.”¹⁴³ The Guidelines stated that EU competition law does not apply to independent workers who engage in collective bargaining if they are “in a situation comparable to workers.”¹⁴⁴

¹³² https://www.europarl.europa.eu/doceo/document/TA-9-2024-0020_EN.html, Section A

¹³³ https://www.europarl.europa.eu/doceo/document/TA-9-2024-0020_EN.html

¹³⁴ Meeting Notes

¹³⁵ https://competition-policy.ec.europa.eu/antitrust-and-cartels_en

¹³⁶ https://competition-policy.ec.europa.eu/antitrust-and-cartels/overview_en

¹³⁷ <https://www.fim-musicians.org/eu-collective-bargaining-for-self-employed-workers/>

¹³⁸ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment

¹³⁹ <https://www.europarl.europa.eu/news/en/press-room/20231117IPR12106/status-of-the-artist-better-working-conditions-for-artists-and-cultural-workers>

¹⁴⁰ <https://www.fim-musicians.org/eu-collective-bargaining-for-self-employed-workers/>

¹⁴¹ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=intcom:C\(2021\)8838](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=intcom:C(2021)8838)

¹⁴² https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOC_2022_374_R_0002

¹⁴³ <https://eur-lex.europa.eu/EN/legal-content/summary/guidelines-on-applying-eu-competition-law-to-collective-agreements-regarding-the-working-conditions-of-solo-self-employed-persons.html>

¹⁴⁴ <https://eur-lex.europa.eu/EN/legal-content/summary/guidelines-on-applying-eu-competition-law-to-collective-agreements-regarding-the-working-conditions-of-solo-self-employed-persons.html>

Artists also face a lack of legal uniformity when navigating EU labor law, as the framework for collective bargaining is inconsistently applied across Member States.¹⁴⁵ Throughout the EU, self-employed individuals are allowed to be represented in trade unions in 16 of the 27 EU Member States.¹⁴⁶ The laws that determine trade union legality also differ across Member States.¹⁴⁷ For example, in eight EU Member States, the legal basis for collective bargaining is found in labor law.¹⁴⁸ Meanwhile, trade unions in the Netherlands are governed by competition law, and collective bargaining in Ireland is governed by trade union statutes.¹⁴⁹

Furthermore, 14 of the 27 EU Member States contain trade unions that are specifically for self-employed workers.¹⁵⁰ Three Member States—Estonia, Romania, and Slovakia—explicitly prohibit self-employed people from joining trade unions.¹⁵¹ The law does not address the issue in 7 other Member States.¹⁵² Only Poland allows self-employed people to engage in collective bargaining without any restrictions.¹⁵³ Nine Member States “allow collective bargaining for the self-employed in exceptional cases.”¹⁵⁴

Thirteen Member States have legislation around statutory minimum wages for the self-employed¹⁵⁵—an important measure in ensuring self-employed people are compensated fairly. Eleven countries only include minimum wages for certain groups of self-employed people, which is typically for the legal and medical professions.¹⁵⁶ There are 14 Member States without any statutory minimum wage or forms of minimum payment expectations for the self-employed.¹⁵⁷

Attempts on Statutory Remuneration: Paying Artists More

A minority of Member States have adopted additional mechanisms to improve artist pay—only seven of the 27 states have introduced statutory remuneration.¹⁵⁸ Spain’s model guarantees the most rights by expanding pre-existing statutory remuneration rights for artists to include online content-sharing service providers, who had previously refused to compensate performers.¹⁵⁹ Belgium is the only other Member State that has emulated Spain’s degree of statutory remuneration, through codification in the Belgian Code of Economic Law.¹⁶⁰ Although Belgium

¹⁴⁵ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁴⁶ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁴⁷ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁴⁸ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁴⁹ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁰ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵¹ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵² <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵³ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁴ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁵ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁶ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁷ <https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

¹⁵⁸ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

¹⁵⁹ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

¹⁶⁰ <https://rm.coe.int/iris-plus-2023-03en-national-case-studies/1680adce35>

faced legal challenges from industry, it has become a leading voice in the EU for extending these safeguards. During its 2024 EU Presidency, Belgium advocated for a unified framework across the EU and for extending this approach to cover the use of artists' works by AI.¹⁶¹ Statutory remuneration rights in Spain and Belgium ensure that authors and performers receive a minimum payment for uses such as streaming, regardless of contractual terms.¹⁶² Employment reclassification efforts, such as those under France's intermittent status, also offer more robust social protections.¹⁶³ Despite these efforts, most Member States have made few or no legislative changes, reflecting ongoing differences in policy priorities and a lack of harmonization across the EU.¹⁶⁴

Spotify as a Case Study: How The Use of AI Affects the Livelihood of Musicians

Spotify has the majority of both the EU and UK paid-subscribers music streaming market respectively.¹⁶⁵ Spotify holds approximately 56% of the European music streaming market share, making it the platform of choice for the majority of listeners in Europe.¹⁶⁶ As of Q1 2025, Europe accounted for 37% of Spotify's premium subscribers, and CEO Daniel Ek recently announced Spotify has reached 100 million paying users in Europe.¹⁶⁷ Spotify held a 47% market share of the UK music streaming in Q1 2024.¹⁶⁸

IFPI's 2025 Global Music Report found the UK to be the third-largest global market for music streaming.¹⁶⁹ The same report found the top five global music markets to be the USA, Japan, the UK, Germany, and China, with France following closely behind as the 6th largest market.¹⁷⁰ Midia Research previously reported the UK as the 6th largest global music market, indicating an increase in music consumption across the UK.¹⁷¹ IFPI's 2023 *Engaging with Music* Study reported the top five countries specifically engaged with paid music subscriptions were Sweden, Mexico, Germany, the USA, and New Zealand.¹⁷² Europe is the second-largest music streaming region, behind the USA and Canada, and each of the three largest European music markets saw an increase in music revenue growth: UK (+4.9%), Germany (+4.1%), and France (+7.5%).¹⁷³

¹⁶¹ <https://www.aepo-artis.org/belgian-presidency-puts-remuneration-back-on-the-agenda/>

¹⁶² <https://committees.parliament.uk/writtenevidence/15300/pdf/>

¹⁶³ <https://www.etui.org/publications/art-managing-intermittent-artist-status-france?>

¹⁶⁴ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

¹⁶⁵ <https://www.musicweek.com/digital/read/midia-spotify-secures-almost-half-of-uk-streaming-market-but-overall-subscriber-growth-slows/091682>

¹⁶⁶ <https://www.apple.com/benl/newsroom/2024/03/the-app-store-spotify-and-europes-thriving-digital-music-market/>

¹⁶⁷ <https://www.musicweek.com/digital/read/midia-spotify-secures-almost-half-of-uk-streaming-market-but-overall-subscriber-growth-slows/091682>

¹⁶⁸ <https://www.musicweek.com/digital/read/midia-spotify-secures-almost-half-of-uk-streaming-market-but-overall-subscriber-growth-slows/091682>

¹⁶⁹ https://www.ifpi.org/wp-content/uploads/2024/03/GMR2025_SOTI.pdf

¹⁷⁰ https://www.ifpi.org/wp-content/uploads/2024/03/GMR2025_SOTI.pdf

¹⁷¹ <https://www.musicweek.com/digital/read/midia-spotify-secures-almost-half-of-uk-streaming-market-but-overall-subscriber-growth-slows/091682>

¹⁷² https://www.ifpi.org/wp-content/uploads/2023/12/IFPI-Engaging-With-Music-2023_full-report.pdf

¹⁷³ https://www.ifpi.org/wp-content/uploads/2024/03/GMR2025_SOTI.pdf

The European digital music market saw a 27% annual growth rate as of March 2024.¹⁷⁴ Statista reported Spotify was the “most-used digital music provider in Germany” in 2024.¹⁷⁵ Spotify’s European Loud & Clear Report found Germany had 6.9 billion artist discoveries in 2024, with more than half of royalty revenue going to independent artists.¹⁷⁶ France saw an uptick in the percentage of French music listened to on Spotify, rivaling French streaming platform Deezer, with up to 70% of Spotify France’s Daily Top 50 being comprised of French artists.¹⁷⁷ Spotify premium subscription pricing varies across European countries: an individual plan costs €12.99 in the Netherlands and Luxembourg, €10.99 in Germany and Spain, 13.95 CHF in Switzerland, and €11.12 in France.¹⁷⁸

Spotify’s Acquisitions: How it Developed AI Technology

Between 2013 and 2022, Spotify acquired six companies to create innovative AI and music personalization features.¹⁷⁹ These acquisitions included Tunigo (2013) to power better music recommendations, music intelligence company EchoNest (2014), data science company Seed Scientific (2015), UK-based Sonalytic (2017), which utilizes Machine Learning for audio and music recommendations, and with Parisian AI firm Niland (2017).¹⁸⁰ Spotify most recently acquired Sonantic (2022), a company using AI to generate speech and voice-like qualities.¹⁸¹

AI in Spotify’s Recommendation Engines

Following these acquisitions, Spotify was able to create innovative personalization features using AI.¹⁸² Spotify first incorporated AI in their Discover Weekly (2015) feature, which is a personalized, AI-driven playlist using recommendation algorithms trained on a user’s listening history.¹⁸³ Discover Weekly’s algorithm gathers mass information of consumer music played, skipped, and saved, using “collaborative filtering” to analyze the data with similar consumer profiles.¹⁸⁴ The algorithm then uses natural language processing to contextualize information based on properties of the music listened to.¹⁸⁵ After creating the playlist, the algorithm seeks to learn from the behavior of the consumer, using reinforcement learning to enhance its future suggestions based on data collected from the individual’s song selection.¹⁸⁶

¹⁷⁴<https://www.musicweek.com/digital/read/midia-spotify-secures-almost-half-of-uk-streaming-market-but-overall-subscriber-growth-slows/091682>

¹⁷⁵ <https://www.statista.com/study/72679/digital-music-spotify-users-in-germany/>

¹⁷⁶<https://newsroom.spotify.com/2025-05-28/the-latest-spotify-data-shows-eu-artists-generated-a-record-breaking-e1-7b-in-2024/>

¹⁷⁷<https://newsroom.spotify.com/2025-05-28/the-latest-spotify-data-shows-eu-artists-generated-a-record-breaking-e1-7b-in-2024/>

¹⁷⁸ <https://www.apple.com/benl/newsroom/2024/03/the-app-store-spotify-and-europes-thriving-digital-music-market/>

¹⁷⁹ <https://www.marketingaiinstitute.com/blog/spotify-artificial-intelligence>

¹⁸⁰ <https://www.marketingaiinstitute.com/blog/spotify-artificial-intelligence>

¹⁸¹ <https://www.marketingaiinstitute.com/blog/spotify-artificial-intelligence>

¹⁸² <https://www.marketingaiinstitute.com/blog/spotify-artificial-intelligence>

¹⁸³ <https://www.marketingaiinstitute.com/blog/spotify-artificial-intelligence>

¹⁸⁴ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify>

¹⁸⁵ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

¹⁸⁶ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

In 2016, Spotify deployed AI-powered “Spotify Wrapped,” a feature that has become a key element of music culture on social media.¹⁸⁷ Wrapped collects data on users’ listening tendencies throughout the year, resulting in a personalized report.¹⁸⁸ The Wrapped algorithm uses predictive analytics to “forecast music trends and consumer preferences,” dividing consumers into listening tribes for shared music preferences, fostering community.¹⁸⁹ Spotify automatically generates Wrapped for every premium user, and the interactive report becomes animated when users participate in Wrapped by clicking a link within the Spotify app or going to the Spotify Wrapped website.¹⁹⁰ Consumers experience anticipation for the “yearly drop” of the report, which has grown increasingly popular: in 2017, 30 million users participated in Spotify Wrapped, compared to 120 million in 2021.¹⁹¹ In 2021, 60 million users saved or screenshotted their Spotify Wrapped reports and uploaded the report to their social media accounts.¹⁹² 2022 saw a similar increase, with 156 million participants of Spotify Wrapped.¹⁹³ Prominent officials like U.S. Senators and members of the Australian Federal Police even uploaded their Spotify Wrapped to their social media.¹⁹⁴

Every year, Spotify Wrapped increasingly shapes music culture.¹⁹⁵ In 2023, Wrapped gave users personalized “Sound Towns,” correlating their listening history to a real physical location.¹⁹⁶ Users were also given “listening personalities” and “audio auras.”¹⁹⁷ In early 2024, Spotify partnered with Google to transform the data from Wrapped into a personalized, AI-generated podcast.¹⁹⁸

Spotify partnered with Google’s Notebook LLM technology to deliver users AI-generated podcasts that take them through their music journeys throughout the year. Wrapped is a feature only offered to subscribers of the service, and it was “designed as a loyalty play.”¹⁹⁹

In December 2024, right before Wrapped was released, Spotify announced the decision to lay off 17% of its employees while simultaneously integrating AI increasingly into its features.²⁰⁰ Later in 2024, Spotify Wrapped received public criticism of a lower quality Wrapped report, and many attributed the reason for the differing quality to layoffs in the company and an overreliance on

¹⁸⁷ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

¹⁸⁸ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

¹⁸⁹ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

¹⁹⁰ <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹¹ <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹² <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹³ <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹⁴ <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹⁵ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

¹⁹⁶ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

¹⁹⁷ <https://time.com/6340656/spotify-wrapped-guide-2023/>

¹⁹⁸ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

¹⁹⁹ <https://time.com/6340656/spotify-wrapped-guide-2023/>

²⁰⁰ <https://www.cbc.ca/news/business/spotify-cutting-17-per-cent-workforce-1.7048124>

AI.²⁰¹ 2024 Spotify Wrapped included micro-niche genre titles, which many suspected to be AI-generated.²⁰² The internet was flooded with memes—images with lighthearted comments—criticizing Spotify’s “Music Evolution” lists.²⁰³ These lists assigned unconventional monthly genres to users like “Coastal Grandmother Fingerstyle Yacht Rock” or “Pink Pilates Princess.”²⁰⁴ Users took to social media platforms like X, publicly denouncing these niche genres for being strange and feeling less accurately personalized.²⁰⁵

In 2023, Spotify implemented the AI DJ feature.²⁰⁶ AI DJ’s algorithm uses OpenAI’s generative technology to personalize a playlist for users with a text-to-voice feature, including comments about the artist and “culturally relevant natural language.”²⁰⁷ AI DJ has a human-like voice, generated by Sonantic AI’s speech technology.²⁰⁸ The DJ responds in real time to user requests, replicating human interaction.²⁰⁹ In 2024, Spotify built on the generative technology used for AI DJ, expanding to AI Playlists.²¹⁰ AI Playlist generates personalized playlists based on consumer input using AI.²¹¹ It analyzes the user’s listening history, global trends, and user prompts’ meaning to interpret complex requests, generating playlists tailored to specific moods, activities, or themes.²¹² The AI engine for AI Playlists is driven by powerful large language models, which train on Spotify’s vast user data and 100 million song collections.²¹³ AI Playlists have been successful, quickly: In 2024 alone, 41% of all streaming on Spotify occurred from AI Playlists ‘Mood Music.’²¹⁴

Spotify’s Use of AI-Generated Music

While Spotify says it does not produce AI-generated music, it does recommend and serve users AI-generated music.²¹⁵ In a November 2024 interview with *The Big Technology Podcast*, Spotify Co-President and Chief Product and Technology Advisor Gustav Söderström said AI-generated music is welcome on the platform, as long as it doesn’t violate copyright rules, but that Spotify

²⁰¹ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

²⁰² <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

²⁰³ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

²⁰⁴ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

²⁰⁵ <https://www.forbes.com/sites/danidiplacido/2024/12/05/spotify-wrapped-2024-backlash-controversy-and-memes/>

²⁰⁶ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²⁰⁷ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²⁰⁸ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²⁰⁹ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²¹⁰ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²¹¹ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²¹² <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²¹³ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

²¹⁴ <https://www.cisac.org/services/reports-and-research/cisacpmp-strategy-ai-study>

²¹⁵ <https://aimresearch.co/market-industry/the-future-of-music-is-in-ai-thanks-to-spotify?ts=1749482885>

itself would not generate AI music.²¹⁶ Söderström distinguishes between music made partially with AI, such as AI for a background track or enhanced vocals, compared to music that is completely AI-generated.²¹⁷ There is no publicly available statistic on the percentage of AI-generated music on Spotify, but competing streaming platform Deezer estimates that every day, 18% of content uploaded to Deezer is AI-generated.²¹⁸ Deezer implemented AI tracking tools in January 2025 to identify and remove purely AI-generated content, usually from popular generative text-to-song models like Suno and Udio.²¹⁹

Spotify's terms of use do not explicitly reference AI or generative AI.²²⁰ However, the intellectual property section says users “promise that, with respect to any User Content you post on Spotify, (1) you own or have the right to post such User Content; and [that content]...does not: (i) violate these Terms...or the intellectual property or other rights of any third party.”²²¹ The content cannot “imply affiliation” with any other individual or entity without “proper express written consent from Spotify or such individual.”²²² In terms of monitoring user-uploaded content, the terms of use state that “Spotify may, but has no obligation to, monitor or review User Content.”²²³

Spotify has developed tools to detect artificial streaming activity on its platform, but currently does not screen for AI-generated music content.²²⁴ The term “artificial streaming”—also known as fraudulent streaming—refers to the use of bots or other automated tools to artificially inflate stream counts on songs or playlists.²²⁵ This often involves AI-powered “bot listening,” where non-human accounts repeatedly stream specific tracks to boost metrics such as popularity rankings or royalty payouts.²²⁶ Bot streams are becoming more common and make it harder for real artists with fewer listeners to get discovered.²²⁷ For example, uploads from Boomy, a company generating music from AI, were temporarily paused after Spotify detected suspicious streaming behavior linked to bots.²²⁸ In France, the Centre National de la Musique found that 1–3% of all music streams in 2021 across major platforms were artificial, equating to up to three

²¹⁶ <https://musictech.com/news/industry/spotify-will-host-ai-generated-music/>

²¹⁷ <https://musictech.com/news/industry/spotify-will-host-ai-generated-music/>

²¹⁸ <https://www.wipo.int/web/wipo-magazine/articles/how-ai-generated-songs-are-fueling-the-rise-of-streaming-farms-74310>

²¹⁹ <https://www.forbes.com/sites/johnkoetsier/2025/04/16/20000-ai-generated-songs-uploaded-to-deezer-every-single-day/>

²²⁰ <https://www.spotify.com/us/legal/end-user-agreement/>

²²¹ <https://www.spotify.com/us/legal/end-user-agreement/>

²²² <https://www.spotify.com/us/legal/end-user-agreement/>

²²³ <https://www.spotify.com/us/legal/end-user-agreement/>

²²⁴ <https://artists.spotify.com/artificial-streaming>

²²⁵ <https://www.forbes.com/sites/johnkoetsier/2025/04/16/20000-ai-generated-songs-uploaded-to-deezer-every-single-day/>

²²⁶ <https://musictech.com/news/industry/spotify-will-host-ai-generated-music/>

²²⁷ https://cnm.fr/wp-content/uploads/2023/01/2023_-CNM- Manipulation-des-streams_ENG.pdf

²²⁸ https://cnm.fr/wp-content/uploads/2023/01/2023_-CNM- Manipulation-des-streams_ENG.pdf

billion bot streams.²²⁹ On Spotify specifically, 1.1% of streams were determined to be fraudulent, with 96% of that fraud targeting new releases and 43% concentrated in the top 10,000 tracks.²³⁰

Spotify scans its content library to flag and remove bot-driven streaming and to detect AI-generated music that directly replicates artists without their consent.²³¹ While it allows AI-generated music on the platform as long as it complies with copyright rules, Spotify does not currently verify whether that music was trained on copyrighted material with the original artists' consent.²³² In other words, its AI-detection tools are limited to identifying bot activity and direct imitation of artists, leaving a grey area around AI-generated music that is based on copyrighted works but does not explicitly replicate specific artists.²³³ Bot streaming affects Spotify's business model by how much the platform pays in royalties.²³⁴ However, AI-generated music does not necessarily do the same.

Controversy Around Spotify and AI

Spotify has long received criticism for their streaming-based business model, which artists rights groups deem advantageous for large record labels while stifling small artists; however, CEO Daniel Ek also has received controversy for his €113M investment into AI-military defense company 'Helsing,' coupled with the recent leading of Helsing's €690M series D investment round.²³⁵ The funding comes from Ek's investment company Prima Materia, which had invested €1.2 billion in European technology companies as of 2021.²³⁶ Ek has long advocated for technological advancements he calls "Moonshots" that will be the "deep-technology necessary to make a significant positive dent."²³⁷ He pledged a \$1B personal investment to European technology innovation over the next decade.²³⁸ Ek received criticism from artists who disapproved of his personal profits from Spotify stock—around \$800M between mid-2023 and June 2025 alone—being invested in AI technology when Spotify's own model harvests user data to create software tools that many artists deem damaging.²³⁹

Artist Promotion on Spotify

Spotify's recommendation algorithm plays a critical role in whether or not an artist's song gets recommended, streamed, and as a result, monetized.²⁴⁰ Spotify recommends that artists work

²²⁹ https://cnm.fr/wp-content/uploads/2023/01/2023_-CNM- Manipulation-des-streams_ENG.pdf

²³⁰ https://cnm.fr/wp-content/uploads/2023/01/2023_-CNM- Manipulation-des-streams_ENG.pdf

²³¹ <https://artists.spotify.com/artificial-streaming>

²³² <https://www.bbc.co.uk/news/technology-66882414>

²³³ <https://www.bbc.co.uk/news/technology-66882414>

²³⁴ <https://www.bbc.co.uk/news/technology-66882414>

²³⁵ <https://www.musicbusinessworldwide.com/spotify-ceo-daniel-ek-leads-690m-funding-round-for-ai-drone-manufacturer-helsing/>

²³⁶ <https://www.vice.com/en/article/musicians-are-dragging-spotifys-ceo-for-funding-a-military-ai-company/>

²³⁷ <https://www.musicbusinessworldwide.com/spotify-ceo-daniel-ek-leads-690m-funding-round-for-ai-drone-manufacturer-helsing/>

²³⁸ <https://www.musicbusinessworldwide.com/spotify-ceo-daniel-ek-leads-690m-funding-round-for-ai-drone-manufacturer-helsing/>

²³⁹ <https://www.musicbusinessworldwide.com/spotify-ceo-daniel-ek-leads-690m-funding-round-for-ai-drone-manufacturer-helsing/>

²⁴⁰ <https://dittomusic.com/en/blog/6-tips-for-promoting-your-music-on-spotify>

with a distributor to get music on Spotify.²⁴¹ Successful artists tend to already have dedicated label teams or distributors that handle uploads and optimize promotion strategies, giving them an advantage in playlist placements and visibility; however, traditionally, independent artists upload their music to Spotify by pitching one unreleased song at a time through the Spotify for Artists platform, without the use of generative AI tools.²⁴² Artists can select up to three target audience categories or ‘clusters’ for their song, which Spotify’s algorithm uses—along with the song’s metadata—to recommend it to listeners.²⁴³ Music Tomorrow, an organization dedicated to helping artists understand the algorithm of music recommendations, found that 50% of music discovery is through recommendations from algorithms, and 70% of tracks with weak early traction “get buried by the algorithm fast.”²⁴⁴ Spotify’s recommendation-driven platform has made algorithmic visibility a critical factor in music promotion, especially for independent artists.²⁴⁵

Spotify’s Artist Compensation System

Spotify operates under a pro-rata compensation model, meaning royalties are distributed based on streaming revenue and revenue generated from subscriptions and ads.²⁴⁶ For artists under record label or distributor contracts, Spotify pays the rights holder—the label or distributor—monthly based on the number of streams the artist receives across the platform.²⁴⁷ The rights holders then distribute artists and songwriters’ compensation based on their previous agreements.²⁴⁸ The pro-rata model functions proportionately: if an artist receives 2% of all total streams on the platform, they receive 2% of the revenue generated.²⁴⁹ 2% of the royalties generated by every subscription go to the artist, even if the subscribers never actually listened to them.²⁵⁰

However, streams only count when a user listens for 60 seconds or longer, and Spotify on average pays artists between \$0.003–\$0.005 per stream.²⁵¹ Additionally, Spotify recently stopped paying artists any royalties for tracks that earned less than 1,000 streams each year.²⁵² Spotify’s Discovery Mode²⁵³ program offers artists algorithmic promotion in exchange for accepting royalty rates approximately 30% lower than standard.²⁵⁴ This arrangement requires absorbing

²⁴¹ <https://support.spotify.com/us/artists/article/getting-music-on-spotify/>

²⁴² <https://dittomusic.com/en/blog/6-tips-for-promoting-your-music-on-spotify>

²⁴³ <https://help.music-tomorrow.com/en/articles/10243176-first-things-first-how-to-identify-relevant-audiences-to-target-with-your-spotify-meta-and-google-campaigns>

²⁴⁴ <https://www.music-tomorrow.com/>

²⁴⁵ <https://dittomusic.com/en/blog/6-tips-for-promoting-your-music-on-spotify>

²⁴⁶ <https://trolley.com/learning-center/so-how-exactly-do-streaming-services-calculate-royalties/>

²⁴⁷ <https://support.spotify.com/us/artists/article/royalties/>

²⁴⁸ <https://support.spotify.com/us/artists/article/royalties/>

²⁴⁹ <https://trolley.com/learning-center/so-how-exactly-do-streaming-services-calculate-royalties/>

²⁵⁰ <https://trolley.com/learning-center/so-how-exactly-do-streaming-services-calculate-royalties/>

²⁵¹ <https://dittomusic.com/en/blog/how-much-does-spotify-pay-per-stream>

²⁵² <https://loudandclear.byspotify.com/#payouts>

²⁵³ <https://web.archive.org/web/20241221144306/https://harpers.org/archive/2025/01/the-ghosts-in-the-machine-liz-pelly-spotify-musicians/>

²⁵⁴ <https://www.theguardian.com/music/2025/feb/19/spotify-discovery-mode-payola-playlist?utm>

reduced fees, creating particular challenges for smaller musicians who have yet to establish themselves as breakout stars.²⁵⁵

Examples of AI Tools in the Music Industry

AI is playing an increasingly prominent role in the music industry as record labels are incorporating AI tools to expand artists' creative possibilities and improve access to music creation.²⁵⁶ Beyond the ability to completely generate songs, other key applications include AI-assisted background track creation, voice isolation, generating songs from deceased or aging artists, editing tools for restructuring song composition, and virtual reality (VR) technology for enabling immersive virtual performances.²⁵⁷ Travis Scott recently utilized VR technology to host a virtual performance, allowing fans to access a seemingly-live show without having to travel.²⁵⁸ Additionally, artists are able to streamline music creation by generating background tracks from AI, decreasing reliance on session musicians and studio availability.²⁵⁹ Other uses of AI in the music industry include lower licensing costs for music developers, quick idea development and implementation, and the opportunity for non-musicians or lower-skilled individuals to create music without having to invest time or resources into learning to play instruments.²⁶⁰

The rise of accessible AI music-generation tools like Mureka and Artificial Intelligence Virtual Artist (AIVA) are dramatically lowering the cost of music production.²⁶¹ Mureka, which allows users to train personalized AI models with their own uploaded music, generates songs that match a user's unique style and taste.²⁶² Mureka offers multiple methods of music creation, including advanced editing capabilities.²⁶³ Artificial Intelligence Virtual Artist (AIVA) also allows users to upload their own examples for the AI model to train on and generates music in seconds, seeking to provide users with "ultimate" customizability.²⁶⁴

There are also some AI models developing tools to track AI training inputs, although they are not yet fully deployable.²⁶⁵ The Prorata model, for example, was designed to transform how AI-generated content is labeled, calculating proportional compensation for individuals whose work was used in training.²⁶⁶ The Prorata AI model was founded in 2024 by former executives from Google and Meta, and it has received backing from the Daily Mail, Universal Music Group, and other stakeholders interested in tracking AI training inputs.²⁶⁷ It does so by analyzing AI output

²⁵⁵ <https://www.vox.com/culture/357907/spotify-sabrina-carpenter-espresso-chappell-roan-algorithm>

²⁵⁶ <https://www.forbes.com/sites/davidhenkin/2023/12/05/orchestrating-the-future-ai-in-the-music-industry/>

²⁵⁷ <https://www.forbes.com/sites/davidhenkin/2023/12/05/orchestrating-the-future-ai-in-the-music-industry/>

²⁵⁸ <https://www.digitalocean.com/resources/articles/ai-music-generators>

²⁵⁹ <https://www.forbes.com/sites/davidhenkin/2023/12/05/orchestrating-the-future-ai-in-the-music-industry/>

²⁶⁰ <https://www.forbes.com/sites/davidhenkin/2023/12/05/orchestrating-the-future-ai-in-the-music-industry/>

²⁶¹ <https://www.aiva.ai/>

²⁶² <https://www.mureka.ai/>

²⁶³ <https://www.mureka.ai/>

²⁶⁴ <https://www.aiva.ai/>

²⁶⁵ <https://www.universalmusic.com/prorata-invents-generative-ai-attribution-technology-to-compensate-and-credit-content-owners-while-facilitating-fairness-and-fact/>

²⁶⁶ <https://prorata.ai/>

²⁶⁷ <https://prorata.ai/> *Note: The Prorata AI model is not affiliated with Spotify's pro-rata compensation model.

to determine both the value and volume of “contributing content from contributing sources.”²⁶⁸ Prorata states their mission is to “protect all creators,” and it is one of the first AI-tools with a strong use case for generative-AI attribution.²⁶⁹

Suno and Udio

Suno and Udio are the two most prominent AI-generative music models, and they have evolved from experimental demos to “near-production-level” toolsets.²⁷⁰ Suno and Udio were both trained on large, scraped data sets before copyright debates ensued.²⁷¹ As a result, it’s difficult to differentiate which commercially released songs were used without permission and whether it’s even possible to identify all the training data in order to compensate artists.²⁷² Suno claims its models are not memory-driven and don’t reproduce or memorize music, but evidence introduced in lawsuits against the company indicates that, when prompted, “they’ve generated lyrics and melodies identical or nearly identical” to protected, copyrighted songs.²⁷³ These lawsuits came in June 2024, when the “Big Three” record labels—Universal Music Group, Sony Music, and Warner Music Group—accused the AI companies of copyright-infringement.²⁷⁴ Suno is estimated to be worth over \$500M, and is only continuing to grow.²⁷⁵

How Record Labels are Engaging with AI Companies

However, a shift has occurred in the relationship of record labels to AI companies. Rather than filing lawsuits, in 2025, the Big Three music labels have instead entered partnerships: licensing agreements with AI music companies, aiming to establish ground rules that permit these startups to train on the labels’ copyrighted content in exchange for compensation.²⁷⁶ Although the payments go to the labels, artists are expected to receive a share of the licensing revenue through their contracts, though the portion of revenue is controversial.²⁷⁷ Most licensing deals are being negotiated under the condition of implementing a “fingerprinting and attribution later modeled after YouTube’s content ID system.”²⁷⁸ Labels want systems that can detect “stylistic

²⁶⁸ <https://prorata.ai/>

²⁶⁹ <https://prorata.ai/>

²⁷⁰ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷¹ <https://www.musicbusinessworldwide.com/files/2024/08/SUNO-response-to-copyright-suit.pdf>

²⁷² <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷³ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷⁴ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷⁵ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷⁶ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷⁷ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁷⁸ <https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

derivations” as well as “direct sample reuse” of generative music outputs.²⁷⁹ The initiative behind negotiations is the push for embedded attribution systems, which are more powerful than traditional content ID systems and allow for growth alongside rapid content creation and development of AI, rather than surface-level similarity detection systems.²⁸⁰

However, current licensing negotiations don’t account for the scraping of underlying data, such as compositions and lyrics, which labels do not possess ownership of.²⁸¹ These sets of data are typically managed by collective management organizations (CMOs), who are currently not included in the licensing agreements or negotiations.²⁸² Gadi Oron, CEO of CISAC, states, “to use music lawfully, especially for training or generating new content, AI companies also need to obtain rights to the underlying compositions and lyrics... Without separate agreements with CMOs for the compositions and lyrics, AI companies would infringe the rights of music creators, which is the current situation in the market.”²⁸³

Advocates for music rights ranging from the General Secretary of the U.K. Musicians Union and the Chair of Ivors Academy, to representatives of CISAC and of the German authors society (GEMA), and others have publicly announced concern over these licensing agreements, arguing their permanence might be replicating historical pattern of record labels acting on “short-term financial gain rather than long term protections for artists and the industry as a whole,” without any sort of opt-out or opt-in for artists, and affording the creators a small portion of the income.²⁸⁴ GEMA even filed a lawsuit against Suno in January 2025, citing copyright infringement, including underlying data such as composition and lyric development.²⁸⁵

Beyond licensing agreements, some labels have also announced partnerships with companies for ethical AI integration.²⁸⁶ UMG recently announced strategic partnerships with multiple AI companies like KLAY and SoundLabs, aiming to integrate AI into music without infringing on copyright, image, voice, or likeness of artists.²⁸⁷ The investment indicates industry shifts from opposition to AI to working alongside AI companies.

²⁷⁹<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸⁰<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸¹<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸²<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸³<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸⁴<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸⁵<https://www.forbes.com/sites/virginieberger/2025/06/06/what-suno-and-udios-ai-licensing-deals-with-music-majors-could-mean-for-creators-rights/>

²⁸⁶<https://www.universalmusic.com/universal-music-group-enters-into-a-strategic-collaboration-with-ethical-ai-music-company-klay/>

²⁸⁷<https://www.universalmusic.com/universal-music-group-enters-into-a-strategic-collaboration-with-ethical-ai-music-company-klay/>

Analysis

Creative Autonomy

Fair Use

The training of AI systems on human-created music without artists' consent or compensation undermines artists' rights in their content, voice, image, and likeness.²⁸⁸ In both the EU and the UK, existing frameworks such as the EU AI Act and the DUA adopt opt-out models, which allow copyrighted material to be used for AI training unless creators explicitly opt out, meaning withholding permission.²⁸⁹ However, the current opt-out models place the burden of enforcement onto artists, many of whom lack the information or resources necessary to assert their right to opt out.²⁹⁰ Additionally, the mass-scraping of copyrighted music often occurs without permission in the first place, generally violating the opt-out principles.²⁹¹

The lack of transparency surrounding AI training data effectively undermines any meaningful exercise of the opt-out right. Artists are not informed when or how their work is used, making it nearly impossible to trace revenue streams, advocate for compensation, or opt out ahead of time. The EU AI Act and DUA do not explicitly label the boundaries of "fair use," which traditionally applies only to limited, non-commercial purposes such as education or criticism, not the mass training of AI for a commercial purpose like music streaming.²⁹²

Spotify also currently offers no clear opt-out mechanisms or compensation frameworks for artists whose music is used to train AI models, reinforcing a gap in access to consent and communication.²⁹³ With neither meaningful opt-out opportunities on the Spotify website itself nor clear definitions of the legal scope of fair use in music, EU and UK opt-out mechanisms for artists legitimize a system where artists are excluded from the economic value derived from their own work.²⁹⁴

Compensation

Spotify's compensation system structurally disadvantages niche and early-career artists by restricting access to payments and disproportionately rewarding already-popular songs.²⁹⁵

²⁸⁸<https://techpolicy.sanford.duke.edu/wp-content/uploads/sites/4/2025/04/Version-0.5-AI-Music-Streaming-Draft.pdf>

²⁸⁹<https://www.thetimes.com/uk/technology-uk/article/amazon-uses-ai-company-to-allow-alexa-users-to-make-music-08g5cckcq>

²⁹⁰<https://www.thetimes.com/uk/technology-uk/article/amazon-uses-ai-company-to-allow-alexa-users-to-make-music-08g5cckcq>

²⁹¹<https://www.thetimes.com/uk/technology-uk/article/amazon-uses-ai-company-to-allow-alexa-users-to-make-music-08g5cckcq>

²⁹²<https://www.forbes.com/sites/virginieberger/2025/02/28/how-the-uks-ai-copyright-exception-hands-creators-work-to-big-tech-for-free/>

²⁹³<https://techpolicy.sanford.duke.edu/wp-content/uploads/sites/4/2025/04/Version-0.5-AI-Music-Streaming-Draft.pdf>

²⁹⁴<https://techpolicy.sanford.duke.edu/wp-content/uploads/sites/4/2025/04/Version-0.5-AI-Music-Streaming-Draft.pdf>

²⁹⁵<https://www.theguardian.com/commentisfree/2023/nov/30/spotify-smaller-artists-wrapped-indie-musicians>

Roughly two-thirds of songs on Spotify receive less than 1,000 streams per year, meaning they don't qualify for royalty payments.²⁹⁶ Although the creators of these songs will not receive compensation, the songs will continue to accrue revenue under Spotify's pro-rata model, which pools all platform revenue and distributes it based on an artist's share of total streams.²⁹⁷ This revenue will instead be given as extra compensation to larger artists.²⁹⁸ Industry estimates suggest that this policy has resulted in around \$47M in royalties payments being diverted from lower-streaming artists.²⁹⁹

Under the pro-rata system, songs from popular artists earn a larger amount of revenue compared to the same number of streams from less popular artists.³⁰⁰ Both the royalty threshold and pro-rata payout system make it difficult for smaller artists to receive compensation that can sustain a living wage. If artists cannot make a living wage, their production of music will decrease.

The use of AI-generated music and bot-streaming has exposed significant flaws in Spotify's pro-rata compensation model, reinforcing public and industry concerns about the exploitation of artists' work without consent or fair remuneration. AI complicates the pro-rata model in multiple ways: bot-streaming, which can account for billions of artificial streams, significantly distorts royalty distribution by channeling revenue away from legitimate rights holders and toward fraudulent accounts. This distortion is compounded when bot activity targets AI-generated music, allowing malicious actors to monetize inauthentic content that is often derived from copyrighted works.³⁰¹ Under Spotify's pro-rata payment model—which allocates royalties based on an artist's share of total streams—these artificially inflated streams directly reduce the revenue available to real, human artists. Because the model does not distinguish between AI-generated and non-generated content, every fraudulent play of AI-generated music diminishes the proportional share of royalties for human artists. In effect, artists not only lose compensation to synthetic content trained on their own work, but they are forced to compete in a system that structurally rewards manipulation over creativity.

User-centric payment models offer a better structural alternative to Spotify's current pro-rata system and have already been tested by platforms such as Deezer and SoundCloud.³⁰² Unlike the pro-rata model, the user-centric model would allocate a user's subscription fee strictly to the artists they actually listen to.³⁰³ For example, if a listener pays \$10 per month and exclusively streams Artist A, then Artist A would receive the full portion of that user's royalty-contributing

²⁹⁶<https://www.theguardian.com/commentisfree/2023/nov/30/spotify-smaller-artists-wrapped-indie-musicians>

²⁹⁷<https://www.sounds.co/en/post/royalties-streaming-pro-rata-model>

²⁹⁸<https://www.theguardian.com/commentisfree/2023/nov/30/spotify-smaller-artists-wrapped-indie-musicians>

²⁹⁹<https://blog.discmakers.com/2025/02/how-much-money-is-spotify-stealing/>

³⁰⁰<https://weareumaw.org/un-report>

³⁰¹<https://www.wipo.int/web/wipo-magazine/articles/how-ai-generated-songs-are-fueling-the-rise-of-streaming-farms-74310>

³⁰²<https://help.soundcloud.com/hc/en-us/articles/31405399950619-How-Does-SoundCloud-s-Fan-Powered-Royalties-Work>

³⁰³<https://musicbusinessresearch.wordpress.com/2024/09/23/the-music-streaming-economy-part-15-pro-rata-versus-user-centric/>

activity, regardless of Artist A’s overall streaming share.³⁰⁴ This model avoids the dilution of royalties across the most-streamed artists globally and prevents revenue from smaller artists being redirected to top performers the user did not listen to.³⁰⁵ An evaluation of SoundCloud’s user-centric payment model found that 1 in 5 artists doubled their earnings compared to pro-rata models.³⁰⁶ By tying revenue directly to individual user behavior, user-centric payment models mitigate the structural disadvantages faced by niche or early-career artists who struggle under the current pro-rata model.³⁰⁷

Cost Comparison of AI-Generated Music vs. Conventionally Produced Music

Producing a simple demo without AI typically involves costs for studio time, music producers, session musicians, and mixing and mastering, all of which vary widely by experience and location.³⁰⁸ Altogether, a single demo may cost \$100–\$500, while a full-length album can run from \$10,000 to over \$100,000, not including additional expenses like equipment rentals or promotion.³⁰⁹

For example, a subscription to AIVA Pro costs just €33 (approximately \$38 USD as of July 2025) and allows the creation or download of up to 300 songs per month, each up to five and a half minutes long.³¹⁰ If a human artist were to create 300 demos manually at even the lowest estimated cost (\$100 per track), they would spend around \$30,000—a stark contrast to AIVA’s \$38.³¹¹

There is, increasingly, an economic incentive to train and use generative AI for creation of music, and the pace at which individuals are able to produce music using these tools outcompetes human, independent musicians who need significantly more time and resources to make music without AI. This gap in production cost highlights the financial incentive for users to engage with AI-music generation models—and this incentive will only continue to grow as AI tools become cheaper and more advanced.

Paradoxically, these tools cannot function without training on human-produced, expensive-to-make, music. The use of generative AI models therefore both depends on human production and also makes it more difficult for that production to occur.

As production costs decrease, displacement of human artists will increase. Small independent artists may be unable to finance thousands of dollars for music production if their songs are displaced by the vast quantity of AI-generated content on platforms like Spotify. Understanding

³⁰⁴<https://www.igroovemusic.com/blog/user-centric-distribution-model-a-revolution-in-streaming-revenue-payment.html>

³⁰⁵<https://www.musicbusinessworldwide.com/user-centric-new-study-of-50k-indie-soundcloud-artists-shows-1-in-5-could-double-income-under-streaming-model/>

³⁰⁶<https://www.musicbusinessworldwide.com/user-centric-new-study-of-50k-indie-soundcloud-artists-shows-1-in-5-could-double-income-under-streaming-model/>

³⁰⁷<https://vi.be/files/2022-08/soundcloud-x-midia-building-a-fan-economy-with-fan-powered-royalties.pdf>

³⁰⁸<https://www.twine.net/blog/music-production-cost-and-prices/>

³⁰⁹<https://www.twine.net/blog/music-production-cost-and-prices/>

³¹⁰<https://www.aiva.ai/>

³¹¹<https://www.twine.net/blog/music-production-cost-and-prices/>

compensation is not just contingent on remuneration for trained work, but also on the impact of AI flooding cheap material into streaming platforms that diverts streams, and therefore money, away from real artists.

EU Legislation on Artist Remuneration

The inconsistent implementation of Article 18 of the EU Copyright Directive across Member States weakens its goal of fair artist compensation, creating disparities in remuneration, negotiating power, and treatment of AI-related use of creative works. Article 18 broadly states that artists should receive “appropriate and proportionate remuneration,” but it leaves these terms undefined, allowing each Member State to use different mechanisms to determine a “fair balance” of remuneration and their interests.³¹² Consequently, Member States adopt divergent approaches, reflecting varying priorities and levels of investment in their creative sectors.³¹³ These differences fragment the internal music market and lead to unequal treatment of artists across the EU.³¹⁴

Belgium and Spain

Belgium and Spain operate some of the EU’s most progressive streaming compensation systems. Artists are statutorily granted non-transferable, unwaivable remuneration rights across all streaming platforms, with remuneration managed by collective management organizations (CMOs).³¹⁵ However, because attitudes towards CMOs—who act as remuneration intermediaries and retain a portion of the income generated—vary across EU Member States, few have adopted similar policies that guarantee remuneration through CMOs.

Even in Spain, CMOs face criticism for monopolistic behavior. The Sociedad General de Autores y Editores (SGAE)—Spain’s primary CMO—collected €456 million and distributed €396.5 million to over 75,000 members in 2024.³¹⁶ The same year, SGAE was fined €6.4 million for anti-competitive practices. SGAE had already been removed from the International Confederation of Societies of Authors and Composers (CISAC) in 2019 following concerns about discriminatory royalty distribution.³¹⁷ Broader skepticism toward CMOs has shaped how other Member States have implemented Article 18.

France

France’s transposition of Article 18 reflects a regulatory preference for collective bargaining over statutory intervention, reflecting the country’s strong trade union traditions. France transposed Articles 17–23 of the EU Copyright Directive via Ordinance No. 2021-580

³¹² https://eur-lex.europa.eu/eli/dir/2019/790/oj#ntr9-L_2019130EN.01009201-E0009

³¹³ https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

³¹⁴ https://www.iaomusic.org/wp-content/uploads/2024/06/STREAMS-AND-DREAMS_PART-2.pdf

³¹⁵ <https://www.saa-authors.eu/articles/follow-belgium-and-implement-authors-rights>,
<https://www.iaomusic.org/artists-welcome-the-remuneration-right-for-streaming-adopted-in-belgium/>

³¹⁶ <https://www.digitalmusicnews.com/2025/04/24/sgae-revenue-2024/>, <https://www.cisac.org/Newsroom/news-releases/sgae-distributes-354-million-euros-among-more-83000-members-and-administered>,
<https://www.cisac.org/Newsroom/society-news/2022-sgae-achieved-its-highest-revenues-previous-fifteen-years>

³¹⁷ <https://www.musicbusinessworldwide.com/spanish-collecting-society-sgae-fined-7m-for-anticompetitive-practices/>, <https://www.musicbusinessworldwide.com/court-rules-that-spanish-authors-society-sgae-abused-its-position-in-the-market-in-victory-for-rival-unison/>

of 12 May 2021,³¹⁸ which came into effect on 7 June 2021.³¹⁹ Unlike Spain and Belgium, the accompanying Decree enforced a literal transposition with no additional mechanisms regarding Article 18.³²⁰ However, the 2021 Ordinance granted industry stakeholders 12 months to collectively negotiate a new agreement on streaming remuneration involving authors, performers, and phonographic producers.³²¹ This negotiation included artist trade unions and collective management organizations.³²²

These negotiations culminated in a final-day agreement released in May 2022, which introduced a minimum royalty rate of 10–11% for featured performers, a guaranteed minimum advance of €1,000 (paid before revenue is generated), a success-based profit-sharing clause, and enhanced lump sums (fixed remuneration) for session musicians.³²³ Additionally, the original Ordinance introduced a “best-seller” clause for authors, strengthening their contractual protection by allowing for remuneration adjustment during unexpected success through both lump sum and proportional remuneration.³²⁴ However, this agreement applies only to income generated in France and to contracts with French labels, leaving gaps in protection for session performers (without contracts) and cross-border earnings.³²⁵ Despite this gap, France’s measures appear to have promoted the growth of its music industry. The music industry contributed €2.8bn to France’s economy in 2024—50% more than its contribution in 2019, and “a growth rate 14 times faster than that of the French GDP.”³²⁶

Poland

Poland was the last Member State to transpose the Copyright Directive, implementing it in July 2024—over three years past the EU’s mandated deadline of 7 June 2021, and five years after the EU Copyright Directive was initially enforced.³²⁷ The final legislation guarantees an unwaivable right to remuneration for audiovisual authors with mandatory collective management for the online use of their works.³²⁸ This framework aligns with similar systems in Belgium and Spain.

Poland’s delay was marked by debates over rights holders’ versus platforms’ interests and the authority of collective management organizations, resulting in three readings by the Sejm (the lower house of the Polish Parliament) followed by amendments from the Senate (the upper

³¹⁸ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043496429>

³¹⁹ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

³²⁰ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043496429>

³²¹ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

³²² <https://www.aepo-artis.org/policy/transposition-tracker/#info>

³²³ <https://www.fim-musicians.org/wp-content/uploads/french-agreement-streaming.pdf>

³²⁴ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043496429>

³²⁵ <https://www.fim-musicians.org/wp-content/uploads/french-agreement-streaming.pdf>

³²⁶ https://www.dropbox.com/scl/fi/0dkgefwn1zid9hovpmot/EY_Weare_Economic-impact-of-the-music-sector-in-France_June-2025.pdf

³²⁷ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

³²⁸ <https://www.saa-authors.eu/articles/press-release-poland-secures-fair-remuneration-for-audiovisual-authors-online-under-eu-copyright-law>

house).³²⁹ Additionally, Poland had initially challenged the legality of Article 17 of the Copyright Directive to the CJEU which requires online content-sharing service providers (OCSSPs) to obtain licenses from rights holders and demonstrate their “best efforts” in obtaining authorization.³³⁰ Poland ultimately amended its national Copyright and Related Rights Act and its collective management act to strengthen protection for authors and performers in audiovisual recordings.³³¹ Article 43(2) in Poland’s Act explicitly requires that remuneration be fair in proportion to rights transferred, usage scope, and generated profits.³³² Articles 70, 21, and 86 introduce residual remuneration rights—ongoing payments when authors’ works are used—for audiovisual and on-demand uses, with these rights enforceable by CMOs.³³³ Similar to France, Poland also reinforced its “bestseller clause” to guarantee remuneration rights for artists in instances of unexpected success.³³⁴ The Polish Minister of Culture has announced plans for further action—including on AI—beginning with Poland’s Copyright Forum in September 2024.³³⁵ Poland’s complex transposition process highlights ongoing challenges in balancing stakeholder interests and ensuring effective enforcement—factors contributing to inconsistent implementation across the EU Member States.

Policy Recommendation: To address this disparity, the paper recommends that the European Commission issue a Code of Practice to guide the consistent application of Article 18.

This Code should offer concrete benchmarks for what constitutes fair and proportionate compensation, including in the context of AI training and music streaming. Such harmonization would reduce legal uncertainty, promote equitable treatment of artists, and better align national implementation with the Directive’s core objective—fair remuneration for all artists.

Given Spotify’s financial incentive to preserve profit and reduce financial costs, there is little motivation to prioritize artist protection without external intervention. Policymakers should address these challenges to ensure the music industry respects the rights and contributions of all creators. Without clear legal protections and fair compensation mechanisms, the industry actively sidelines artists in an increasingly automated ecosystem.

Collective Bargaining

Collective bargaining legislative systems are currently unworkable for most musicians in the UK and EU due to limited protections, outdated legal classifications, and the rise of AI systems trained on artists’ work. Under UK and EU laws, independent musicians and songwriters

³²⁹ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

³³⁰ <https://eur-lex.europa.eu/eli/dir/2019/790/oj/eng>

³³¹ <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp>

³³² <https://www.tgc.eu/en/publications/a-revolution-in-polish-copyright-law-the-sejm-passed-an-amendment-to-the-law/>

³³³ <https://www.tgc.eu/en/publications/a-revolution-in-polish-copyright-law-the-sejm-passed-an-amendment-to-the-law/>

³³⁴ <https://www.twobirds.com/en/insights/2024/poland/the-dsm-directive-finally-implemented>

³³⁵ <https://www.aepo-artis.org/policy/transposition-tracker/#info>

generally have very limited ability to negotiate licensing or usage terms with platforms like Spotify.³³⁶ This is because most artists assign their rights to intermediaries such as record labels or distributors, who control licensing negotiations with platforms.³³⁷

Existing UK and EU collective bargaining laws offer minimal recourse to protect artists' rights in the digital age.³³⁸ Artists face legal and structural barriers to collectively negotiating with streaming platforms, particularly when they are self-employed.³³⁹ Under current EU competition law, self-employed workers are generally classified as “undertakings,” which prohibits them from engaging in collective bargaining on the grounds that such activity may distort market competition.³⁴⁰ This has the effect of preventing many musicians, especially independent performers and songwriters, from forming unions or negotiating collectively with powerful platforms like Spotify.³⁴¹

Artists and other creative professionals are disproportionately likely to be self-employed, freelance, or working under hybrid models that combine employment and self-employment.³⁴² A 2020 study commissioned by the European Commission found that weak collective bargaining mechanisms for such groups were correlated with “precarious working conditions, including lack of regular income...and less access to social security.”³⁴³ In recognition of this, the Commission issued guidelines in 2022 that allow certain exemptions for collective bargaining by solo self-employed workers with weak market power, but implementation varies by country.³⁴⁴

Meanwhile, in the UK, trade unions like the Musicians' Union (MU) are legally recognized and permitted to negotiate collective agreements under the Trade Union and Labour Relations (Consolidation) Act 1992.³⁴⁵ However, these powers are limited to live performance and certain broadcasting contexts.³⁴⁶

There are currently no enforceable bargaining frameworks covering royalties from streaming or the use of music in AI training, but countries like Spain and Belgium, which have introduced alternative labor protections, could serve as models for policy reform.

³³⁶<https://thewash.org/2024/12/06/playing-for-pennies-how-streaming-royalties-leave-independent-artists-struggling/>

³³⁷<https://www.curveroyaltysystems.com/royalties-101-recorded-music/lesson-4-what-a-record-label-deal-looks-like>

³³⁸<https://competitionlawblog.kluwercompetitionlaw.com/2021/01/13/european-commission-invites-comments-regarding-collective-bargaining-for-the-self-employed/>

³³⁹https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5796

³⁴⁰<https://eur-lex.europa.eu/EN/legal-content/summary/guidelines-on-applying-eu-competition-law-to-collective-agreements-regarding-the-working-conditions-of-solo-self-employed-persons.html>

³⁴¹https://www.lavorodirittieuropa.it/images/GARCIA_MUNOZ.pdf

³⁴²<https://culture.ec.europa.eu/sites/default/files/2024-09/eenc-2020-status>

³⁴³<https://culture.ec.europa.eu/sites/default/files/2024-09/eenc-2020-status>

³⁴⁴<https://competitionlawblog.kluwercompetitionlaw.com/2022/10/07/rethinking-collective-bargaining-for-the-self-employed-european-commission-publishes-guidelines-on-exemption-and-non-enforcement/>

³⁴⁵<https://researchbriefings.files.parliament.uk/documents/CBP-9785/CBP-9785.pdf>

³⁴⁶<https://musiciansunion.org.uk/working-performing/recording-and-broadcasting/recording-agreements-rates-of-pay-and-consent-forms/streaming-live-performances-rates>

Because most artists assign their rights to intermediaries, such as record labels or publishers, these entities negotiate directly with platforms, excluding unions and artists from the conversation.³⁴⁷ Without enforceable collective structures, artists remain unable to challenge the appropriation of their work for AI training or advocate for equitable revenue-sharing models.³⁴⁸ Additionally, due to the uneven application of collective bargaining laws across the EU, this “patchy framework creates confusion...those who might subscribe to a collective bargaining agreement are unsure about the legality.”³⁴⁹

From 2021 to 2023, the European Foundation for the Improvement of Living & Working Conditions (Eurofound) carried out a pilot study on ways to improve minimum wages for self-employed people.³⁵⁰ The resulting report describes ways to improve working conditions for self-employed people throughout the EU.³⁵¹ This paper’s priorities for legislative action align with the priorities listed in the Eurofound report, including ensuring access to trade union representation, rights to collective bargaining, statutory minimum wages and collectively agreed minimum wages.³⁵²

Ireland as a Model for Collective Bargaining

Ireland can serve as a promising model for policy reforms aimed at expanding collective bargaining access for musicians and other creative professionals.³⁵³ Ireland is one of only two EU Member States that includes competition law exemptions for specific categories of self-employed workers.³⁵⁴

The term “false independent workers” refers to self-employed workers who are in a similar power dynamic with their employers as an employee would have.³⁵⁵ For example, this describes self-employed workers who are in a subordinate relationship to their employers or are “obliged to follow instructions.”³⁵⁶ The term “fully dependent workers” refers to self-employed workers who obtain their income from up to two sources.³⁵⁷

In May 2017, Ireland passed an amendment to its Competition Act that allowed certain freelance workers to engage in collective bargaining.³⁵⁸ Previously, Irish laws prevented self-employed musicians from unionizing.³⁵⁹ Now, self-employed musicians are allowed to unionize if they can

³⁴⁷<https://www.indiemusicacademy.com/blog/music-royalties-explained>

³⁴⁸<https://committees.parliament.uk/writtenevidence/15144/pdf/>

³⁴⁹<https://www.filmdirectors.eu/statements/collective-bargaining-rights-of-self-employed-creatives/>

³⁵⁰<https://www.eurofound.europa.eu/system/files/2022-11/ef22064en.pdf>

³⁵¹<https://www.eurofound.europa.eu/system/files/2022-11/ef22064en.pdf>

³⁵²<https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

³⁵³<https://www.eurofound.europa.eu/system/files/2022-11/ef22064en.pdf>

³⁵⁴<https://www.eurofound.europa.eu/system/files/2023-04/ef22064en.pdf>

³⁵⁵<https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁵⁶<https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁵⁷<https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁵⁸<https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁵⁹<https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

prove that they are “false independent workers” or “fully dependent workers.”³⁶⁰ The intent of the amendment is to recognize that many self-employed workers face situations similar to employees, and thus should receive legal protections given to employees.³⁶¹

Ireland presents an example of collective bargaining policy that incorporates anti-collusion protections for consumers while still including exemptions for vulnerable self-employed workers. Irish collective bargaining exemptions go a step further than the current supranational EU 2022 Guidelines on the application of Article 101 of the TFEU.³⁶²

Policy Recommendation: Create EU & UK Policies Furthering the Ability of Artists to Collectively Bargain

The European Commission’s DG COMP should issue a supplement to its 2022 Guidelines, which clarified how EU labor laws apply to solo independent artists. We recommend that the supplemental guidelines:

- 1. Recognize musicians as a distinct category of at-risk self-employed workers.** Identify musicians, composers, and other cultural professionals as a priority category entitled to protections under Article 101 TFEU exemptions.
- 2. Affirm the right to collective bargaining for self-employed musicians across the EU.** Clarify that self-employed musicians, especially those operating under economically dependent relationships or working primarily with one or two organizations, may lawfully negotiate collective agreements. Further clarify that these agreements may include topics like minimum per-stream compensation standards and transparent use of copyrighted content for AI-generated music.
- 3. Protect the publication of recommended rates.** Allow musicians’ unions or artist collectives to publish non-binding recommended rates for artists to follow without fear of violating competition law. These recommended rates serve as an important reference point during negotiations.
- 4. Encourage Member State-level legal reform.** Acknowledge the fragmented application of collective bargaining rights across the EU, and urge Member States to align national labor and competition law with the 2022 Guidelines. Highlight best practices, such as Ireland’s 2022 Competition Amendment Act, which legally recognizes self-employed musicians’ bargaining rights.

The UK Government should amend the Competition Act of 1998 to exempt collective bargaining by self-employed creators. Introduce a legislative carve-out, similar to Ireland’s 2022 Competition Amendment Act, that explicitly allows self-employed cultural workers to collectively negotiate pay, terms of use, and licensing agreements. The Department for Business and Trade should direct the CMA to publish formal guidance that reassures trade unions and collectives that non-binding recommendations (e.g., suggested minimum per-stream rates) do not automatically constitute anti-competitive behavior. The CMA guidelines should also clarify that

³⁶⁰ <https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁶¹ <https://www.fim-musicians.org/ireland-right-to-cba-restored-for-freelancers/>

³⁶² <https://competitionlawblog.kluwercompetitionlaw.com/2022/10/07/rethinking-collective-bargaining-for-the-self-employed-european-commission-publishes-guidelines-on-exemption-and-non-enforcement/>

musicians' organizing to improve pay and working competitions serve a public interest and will not face enforcement action.

Creative Democracy

Labelling & Transparency

Music streaming platforms' failure to label AI-generated music deprives listeners of the ability to choose whether they consume human or artificial content.³⁶³ Spotify offers AI features that users interact with automatically by opening the app, meaning consumers can easily engage with AI-generated music unknowingly. Democracy is about choice. 83% of UK listeners believe AI-generated music should be clearly labeled.³⁶⁴ 79% of listeners globally feel that "human creativity remains essential to the creation of music."³⁶⁵ Without labelling AI-generated content, platforms ignore the majority consumer opinion on AI-generated music. Consumers also lose choice in deciding whether or not they want to listen to artificially-generated music. Ignoring majority consensus and restricting consumer choice threatens democratic decision-making for society as a whole.

Recommendation algorithms further compound the issue by distributing AI content to users without transparency. This amplifies AI models' streaming share and displaces human-made music. Clearly labeling AI-assisted content and AI-generated content on music streaming platforms would protect consumer choice, and therefore creative democracy, while giving artists credit where it is due.

Policy Recommendation: Mandate Labelling of AI-Generated Music Across Platforms

The EU should support the implementation of labelling provisions under the EU AI Act, which also becomes enforceable in August 2025.³⁶⁶ This paper supports the Cultural Diversity and the Conditions for Authors in the European Music Streaming Market's recommendations of forming a European Music Observatory to boost small players and promote artist diversity. The EU AI Committee should ensure the music observatory is implemented and create a team within the observatory to track labelling implementation across music platforms.

For the UK, this paper supports the APPG on Music's *AI Report* recommendation to ratify AI-generated content labelling under the Consumer Rights Act 2015.³⁶⁷ Platforms like Spotify should be required to label AI-generated content and provide transparency reports showing the percentage of AI-generated music distributed on their platforms. Existing bodies like the British Phonographic Industry should build on their existing role in labelling music by overseeing the labelling of AI-generated tracks.³⁶⁸

³⁶³<https://techpolicy.sanford.duke.edu/wp-content/uploads/sites/4/2025/04/Version-0.5-AI-Music-Streaming-Draft.pdf>

³⁶⁴<https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

³⁶⁵<https://www.ifpi.org/music-fans-worldwide-believe-human-creativity-essential-in-time-of-ai/>

³⁶⁶<https://digital-strategy.ec.europa.eu/en/policies/ai-code-practice>

³⁶⁷<https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

³⁶⁸<https://www.bpi.co.uk/>

Policy Recommendation: Record-Keeping and Transparency Obligations for AI Developers and Users

By August 2025, the GPAI section of the EU AI Act will become enforceable.³⁶⁹ This means companies using generative AI—categorized as ‘limited risk’ under the Act—will be officially required to implement transparency measures through record-keeping and labeling obligations.³⁷⁰ The Commission should issue a Code of Practice or set of guidelines of expectations for developers to implement the broad transparency requirements for generative AI models. These guidelines should urge distributors of AI, such as Spotify, to implement “automated content recognition software” that “provides an easy, reliable, long-established means” for AI providers to ensure they have not used copyright-protected materials unlawfully.³⁷¹

These guidelines should align with record-keeping mechanisms recommended by IFPI in their *2024 Music in the EU Report*: developers should be encouraged to maintain and provide records of materials used in AI model training and development.³⁷² In the UK, the Competition and Markets Authority should issue similar sector-specific guidance regarding record-keeping and transparency implementation for AI developers. The UK government should also consider establishing a national observatory tasked with monitoring the impact of AI on the UK music sector.³⁷³ We also recommend that AI developers in both the EU and UK be mandated to publish an “ingredients list” on their website of artists’ work used to train their models, so that record-keeping of music model training data is publicly accessible. In the EU, the ingredients list can be listed in the guidelines for implementing the AI Act’s transparency requirements, and in the UK, the ingredients list can be mandated by the CMA.

Ethical Innovation

As AI becomes increasingly prevalent in the music industry, ensuring ethical innovation requires recognizing AI’s creative potential while addressing imbalances that exclude artists from the value of the technology they help generate. This paper does not advocate for avoiding all use of AI in the music industry—there is substantial evidence of AI for good in moderation—but advocates for transparency in training and clearer obligations for platforms and developers regarding the use of copyrighted works.³⁷⁴ We propose two recommendations to further ethical innovation. These recommendations should be implemented if the content distributed by the model is available in the EU or UK markets, regardless of where the model was trained.

Policy Recommendation: 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.

³⁶⁹<https://digital-strategy.ec.europa.eu/en/policies/ai-code-practice>

³⁷⁰<https://digital-strategy.ec.europa.eu/en/policies/ai-code-practice>

³⁷¹https://www.ifpi.org/wp-content/uploads/2024/09/Music-in-the-EU-2024_IFPI.pdf

³⁷²https://www.ifpi.org/wp-content/uploads/2024/09/Music-in-the-EU-2024_IFPI.pdf

³⁷³<https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

³⁷⁴<https://www.ukmusic.org/wp-content/uploads/2024/04/APPG-AI-Report-Low-res.pdf>

These analyses could include impact assessments of specific regulations, research reports on the status of labelling and recordkeeping, or targeted studies of compliance levels of platforms across the music industry, such as Spotify, Deezer, Apple Music, etc. Such assessments would provide accountability alongside innovation. Conducting impact assessments and publishing transparency reports offers a way to make use of existing legislation without having to go through the years-long process of creating new legislation. As the AI Act begins to be implemented in August 2025, it will be crucial to track accountability for implementation.

In parallel to this research, the AI Office should monitor whether Spotify meets the threshold to count as a Very Large Online Platform (VLOP), which would subject it to higher scrutiny under the AI Act.³⁷⁵ The EU Commission's AI Office should also ensure the implementation of the Cultural Diversity and the Conditions for Authors in the European Music Streaming Market's call for an industrial music strategy, which would help quantify results of research to promote and strengthen diversity of artists in the EU sector, boost smaller players, and provide more exposure for artists.³⁷⁶

Policy Recommendation: Establish a Music Information Sharing Analysis Forum as a cross-sector, EU/UK, public-private partnership network.

The forum would be comparable to an Information Sharing Analysis Center (ISAC), which exists globally as a cybersecurity multi-stakeholder convening of industry professionals and government officials in secure communication networks, as well as in-person conferences to share best practices, crisis response strategies, and tips across industries.³⁷⁷ This Music Information Sharing Analysis Forum (MISAF) could share generative-AI detection technology, data sharing mechanisms, and incident response between platforms (Spotify, Deezer, Apple Music), regulators (UAI Office, UK CMA), and industry groups (IFPI, APPG on Music, UMG, etc). The APPG on Music and Culture and Creativity sector of the Commission should take the lead in forming the group. Modeled after existing ISACs in energy and cybersecurity, this forum would track AI training practices, detect copyright misuse, and assess risks to cultural diversity. It would also support the enforcement of transparency and labeling standards and generate policy recommendations informed by real-time market communication. This forum supports ethical innovation by setting benchmarks across industry for ways to implement technology that can better detect AI-generated content, while also providing stakeholders an opportunity to use AI for good in their respective industries.

Social Transformation

Human creativity in music is critical to the functioning of democracy. Music has always played a role in galvanizing social transformation—mobilizing protest, sustaining resistance movements, and creating the psychological and social conditions necessary for political change.³⁷⁸

³⁷⁵<https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence>

³⁷⁶https://www.europarl.europa.eu/doceo/document/A-9-2023-0388_EN.html

³⁷⁷<https://www.nationalisacs.org/about-isacs>

³⁷⁸<https://pmc.ncbi.nlm.nih.gov/articles/PMC4179700/>

During the 1963 Selma protests, Bettie Mae Fikes adapted “This Little Light of Mine” by inserting the names of local oppressors—“Tell Jim Clark, I’m gonna let it shine”—transforming the song into a direct act of political resistance.³⁷⁹ Fikes’ lived experiences are what prompted her to change the lyrics—something that AI cannot replicate nor can be equivalently trained on.

Beyond symbolism, human creativity also enabled music to serve practical functions in civil rights efforts.³⁸⁰ Music also impacted civil rights fundraising, with artists like Mahalia Jackson, Harry Belafonte, and others raising substantial funds for the civil rights movement through concert performances, demonstrating music’s practical contributions to social transformation.³⁸¹

The rise of AI, algorithmic content generation, and digital surveillance challenges existing frameworks for protecting fundamental rights. As digital systems increasingly mediate creative production and knowledge formation, policymakers must address a critical question: How do we protect the right to create, think, and contribute meaningfully in democratic societies?

Epistemic Rights

One integral way to protect artists is to protect epistemic rights—the rights to know, contribute to knowledge systems, and have intellectual contributions recognized and protected.³⁸² Musicians draw on their beliefs, imagination, expertise, and abilities to produce artistic works.³⁸³ Upholding artists’ epistemic rights is essential to protecting their creativity.³⁸⁴ However, many generative AI music tools extract and recombine creative content which undermine epistemic agency where artists’ sounds, lyrics, and styles are often mimicked and used for AI production without credit or consent.

When AI systems automate music production, they erase the connection between lived experience and artistic expression, removing the nuanced understanding and emotional engagement that comes from art.³⁸⁵ This weakens music’s power to inform, mobilize, and transform.³⁸⁶ Protecting musicians’ epistemic rights ensure that human creativity—not algorithmic replication—continues to drive cultural innovation.

Mental Integrity, Thought Privacy, and Data Rights

³⁷⁹ <https://www.npr.org/2018/12/24/679895682/how-the-civil-rights-movement-transformed-this-little-light-of-mine>

³⁸⁰ <https://kinginstitute.stanford.edu/songs-and-civil-rights-movement>; <https://snccdigital.org/inside-sncc/sncc-national-office/fundraising-new-york-office>

³⁸¹ <https://kinginstitute.stanford.edu/songs-and-civil-rights-movement>; <https://snccdigital.org/inside-sncc/sncc-national-office/fundraising-new-york-office>

³⁸² https://www.researchgate.net/publication/377132199_Why_We_Need_Epistemic_Rights

³⁸³ <https://eprints.whiterose.ac.uk/id/eprint/125507/3/>

³⁸⁴ <https://guides.lib.usf.edu/c.php?g=1315087&p=9690822>

³⁸⁵ <https://businesscasestudies.co.uk/how-ai-is-challenging-our-understanding-of-creativity/>

³⁸⁶ <https://ora.ox.ac.uk/objects/uuid:60f862f2-9e60-4228-a1ed-0ac6965ac752/files/m52c69af1a86aa78a57a240a0ca44560f>

The EU’s AI Act introduces “mental integrity” as a protected value, signaling recognition that digital tools increasingly shape belief systems, thought patterns, and attention.³⁸⁷ Through algorithmic targeting, content curation, and data-driven personalization, AI technologies can subtly steer how individuals interpret the world around them, and even how they understand themselves.³⁸⁸ The impact on individuals creates epistemic asymmetries—situations where tech companies control access to behavioral data—undermining individual autonomy.³⁸⁹ When people cannot trace how their views are being shaped or participate meaningfully in the systems that influence them, core democratic values like deliberation, dissent, and cultural self-determination begin to erode.³⁹⁰

To preserve creative democracy, we must guard not just expression, but the epistemic rights that make human expression possible. This includes ensuring users’ rights to cognitive liberty, which encompasses a complex array of human rights such as freedom of thought, self-determination, and mental privacy.³⁹¹

Creative Expression as a Democratic Right

The intersection of creativity and digital social innovation shapes humans’ understanding of innovation and its impact on society.³⁹² Creativity is not limited to artistic output—it includes political discourse, civic storytelling, and collective problem-solving.³⁹³ Democratic societies depend on the ability of individuals to produce, exchange, and contest ideas.³⁹⁴ To preserve the integrity and impact of musical artistry, policymakers, industry stakeholders, and technology developers should prioritize the recognition and protection of musicians’ epistemic rights.

Today, Spotify, holding over 50% of market share in the EU and UK, is normalizing AI-generated music because they are not labeling it. Spotify’s vast data and personalization tools create a competitive disadvantage for smaller platforms and limit artist autonomy. Artists are dependent on Spotify as a result, even though they are disadvantaged by the lack of clear labeling of AI-generated content. If artists depend on Spotify but cannot adequately make a living, we risk the creativity they provide being replaced by AI models.

Spotify has a cultural impact, and its actions matter. Every year, Spotify Wrapped increasingly shapes music culture online through user-grouping, social media presence, and a model

³⁸⁷ <https://www.cambridge.org/core/journals/cambridge-forum-on-ai-law-and-governance/article/cognitive-freedom-and-legal-accountability-rethinking-the-eu-ai-acts-theoretical-approach-to-manipulative-ai-as-unacceptable-risk/45F379C0707D7A415C042BB08088F88F>

³⁸⁸ <https://lifestyle.sustainability-directory.com/question/how-can-individuals-recognize-algorithmic-bias-in-daily-life/>

³⁸⁹ <https://journals.sagepub.com/doi/full/10.1177/26317877221129290>

³⁹⁰ <https://pmc.ncbi.nlm.nih.gov/articles/PMC9685050/>

³⁹¹ <https://voicesofvr.com/1184-battle-for-the-brain-author-nita-farahany-on-establishing-cognitive-liberty-as-a-human-right-for-limits-on-neurotechnologies-xr/>

³⁹² <https://zenodo.org/records/8052835>

³⁹³ <https://www.itnicethat.com/features/priya-khanchandani-st-judes-primary-school-creativity-isnt-a-commodity-its-a-fuel-for-community-art-creative-industry-opinion-280621>

³⁹⁴ <https://standtogether.org/stories/free-speech/why-free-speech-is-essential-in-a-democracy>

algorithm for other companies.³⁹⁵ Spotify Wrapped alone has shaped user culture, encouraging people to subscribe to fit into the social media culture of Wrapped, and perpetuating a cycle of showing new subscribers more recommended music, which includes works of unlabeled AI. As AI and music continue to be integrated, protecting creative authenticity is not merely a matter of artistic preference—it is a democratic imperative.

Conclusion

AI music generating tools are built on and benefit from creative labor without redistributing value back to content creators and without obtaining artists' permission to use their work.³⁹⁶ Current laws do not require AI developers to obtain artist consent or fairly compensate musicians for AI training. Article 18 of the EU Copyright Directive is interpreted inconsistently across Member States. In the UK, the DUA Bill permits the use of copyrighted music under an opt-out standard, and past attempts to update copyright law have stalled. Collective bargaining rights are not extended to many self-employed artists, and streaming revenue remains concentrated among a small number of high-earning creators.

Upholding equitable participation isn't just a legal necessity; it sustains the rich diversity and creativity essential to the music ecosystem, safeguards artists' livelihoods, and fuels the innovation that drives human culture forward. Without the labeling of AI-generated music and proper remuneration for artists, we strip both consumers and creators of choice, limiting democracy. If human creative expression is replaced by robot replication, we risk losing more than just artistic diversity. We also endanger music's ability to inspire collective action, foster emotional connection, and serve as a catalyst for democratic dialogue. 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 consumed by the algorithms that threaten to replace it.

³⁹⁵ <https://time.com/6340656/spotify-wrapped-guide-2023/>

³⁹⁶ <https://composeralliance.org/advocacy/advocacy-priorities/artificial-intelligence>

Appendix A

Recommendations

1. Compensation

1.A. The European Commission should issue a Code of Practice to guide the consistent application of Article 18.

1.A.1. This Code should offer concrete benchmarks for what constitutes fair and proportionate compensation, including in the context of AI training and music streaming. Such harmonization would reduce legal uncertainty, promote equitable treatment of artists, and better align national implementation with the Directive's core objective— fair remuneration for all artists.

2. Collective Bargaining

2.A. Create EU and UK policies furthering the ability of artists to collectively bargain.

2.A.1. The European Commission's DG COMP should issue a supplement to its 2022 Guidelines, which: 1) Recognize musicians as a distinct category of at-risk self-employed workers, 2) Affirm the right to collective bargaining for self-employed musicians across the EU, 3) Protect the publication of recommended rates, and 4) Encourage Member State-level reform.

2.B.1. The UK Government should amend the Competition Act of 1998 to exempt collective bargaining by self-employed creators. Introduce a legislative carve-out, similar to Ireland's 2022 Competition Amendment Act, that explicitly allows self-employed cultural workers to collectively negotiate pay, terms of use, and licensing agreements. The Department for Business and Trade should direct the CMA to publish formal guidance that reassures trade unions and collectives that non-binding recommendations do not automatically constitute anti-competitive behavior. The CMA guidelines should also clarify that musicians' organizing to improve pay and working conditions serve a public interest and will not face enforcement action.

3. Labelling & Transparency

3.A. Mandate the labelling of AI-generated music across platforms.

3.A.1. The EU should support the implementation of labelling provisions under the EU AI Act, which becomes enforceable in August 2025. Follow the Cultural Diversity and the Conditions for Authors in the European Music Streaming Market recommendations for forming a European Music Observatory. The EU AI

Committee should ensure the music observatory is implemented and create a team within the Observatory to track labelling implementation across music platforms.

3.B. Create record-keeping and transparency obligations for AI developers and users.

3.B.1. The Commission should issue a Code of Practice or set of guidelines of expectations for developers to implement the broad transparency requirements for generative AI models.

4. Ethical Innovation

4.A. 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.

4.A.1. These analyses could include impact assessments of specific regulations, research reports on the status of labelling and recordkeeping, or targeted studies of compliance levels of platforms across the music industry. In parallel to this research, the AI Office should monitor whether Spotify meets the threshold to count as a Very Large Online Platform (VLOP), which would subject it to higher scrutiny under the AI Act. The EU Commission's AI Office should also ensure the implementation of the Cultural Diversity and the Conditions for Authors in the European Music Streaming Market's call for an industrial music strategy.

4.B. Establish a music Information Sharing Analysis Forum as a cross-sector, EU/UK, public-private partnership network.

4.B.1. The forum would be comparable to an Information Sharing Analysis Center (ISAC), which exist globally as cybersecurity stakeholder convenings of industry professionals and government officials in secure communication networks as well as in-person conferences to share best practices, crisis response strategies, and tips across industries.