



PERFORMER REMUNERATION IN THE DIGITAL AGE - JULY 2021

- Why equitable remuneration isn't equitable
- Why it is not in the 2019 EU copyright directive

- Independents are pioneers in this field with our [Fair Digital Deals Declaration](#), but we do not support a new right for performers as we believe it is not equitable. It undermines revenues, risk and sustainability.
- This question has been examined in detail many times, most recently in the EU copyright directive. A new right was dismissed by all three institutions. Trying to introduce it at national level would go against the directive and defeat its aim - harmonising copyright to foster the digital single market.
- The rights are already covered in contracts with labels who license these to platforms. A new right for performers wouldn't create any new income, but would redistribute income away from labels and featured artists to session musicians who already get paid via union agreements. **The model on which equitable remuneration is based pays up to 200 times lower than streaming and is administered via collecting societies, with extra admin and fees, and less transparency. The system would be far from equitable, particularly for emerging artists. Proper royalty deals is the answer, plus differentiation by streaming services to reallocate revenues meaningfully. Streaming is core business, not radio!**
- Seeking a new unwaivable right for online exploitation is like asking high-street record stores to pay extra money directly to performers, on top of what labels pay. If that seems odd, that's because it is.
- A new right would impose a new licensing burden on music services to negotiate with collecting societies when the rights are already paid for. Any new payment would end up deducted from music companies.
- The European copyright directive already reforms performer rights in a balanced way and reflects years of review and negotiations. It is important to adopt the new rules and not open them up again.
- A new right would hit smaller companies harder as we account for the majority of contracts. It would drastically impact our members' ability to invest and reduce the number and diversity of artists able to make a living. It would also limit our ability to deliver solutions such as the Fair Digital Deals Declaration.

The covid-19 crisis and concerns about streaming revenue have led some groups to raise the question of equitable remuneration. Some groups claim performers are not remunerated online, which is false - online exploitation is paid for in the same way as offline. In addition, some of the numbers put forward in the debate look through the narrow lens of a single release or a single artist. This ignores the reality that successful releases make it possible to take risks with new artists - the solidarity or rising tide model.

The independent sector has trailblazed with our commitments to artists under the WIN Fair Deals Declaration for online exploitation. IMPALA's proposals [to reform streaming](#) call on all labels to pay modern digital royalty rates. We have called for [proper crisis support](#) including performers and other music workers. We also ask platforms to pay properly and [promote different streaming models](#) to change revenue allocation.

We support the EU copyright directive's sweeping reforms for authors and performers - the principle of appropriate and proportionate remuneration (Article 18, which rejected a new right), transparency obligations (Article 19), a contract adjustment mechanism (Article 20) and right of revocation (Article 22).

Our support for performers and artists is progressive, yet we cannot support a new right! Why? Instead of being "equitable", it would hurt upcoming artists. All artists should receive a proper royalty rate. That's the answer, along with differentiation by streaming services to reallocate revenues. It is important to understand how risk works in the music sector. Independent music companies account for over 80% of all new releases. That means 80% of the risk in music, 80% of the investment, as well as 80% of the contracts. Our members are solicited today more than ever by artists looking for partners, yet a new right cuts through that.

Current remuneration models for digital and physical exploitation tend to reflect the variety of contractual options in the market and the risk taken by the respective parties. Without changing risk, we cannot justify remuneration changes which would hurt new artists. Risk and solidarity depend on revenues and being able to reinvest profits and take risks with new artists. A new equitable remuneration right is far from equitable, especially for younger artists. Our job is to maximise revenue for featured artists, take risks with new artists and innovate with new practices like the [Fair Digital Deals Declaration](#) and [optimal streaming models](#).