Feasibility study for the establishment of a European music observatory (EMO)
Summary of the final report - Published: 2020-11-11

The specific objective of the study was to **analyse different scenarios for the set-up and operation of the Observatory** (a core strategic resource to drive relevance and value for future policy actions in the music portfolio), taking into account the specific characteristics and requirements of the European music sector.

The benefits of a European music observatory (EMO)

As **data collection in the field of music is fragmented, scarce and poorly-harmonised**, a European Music Observatory would help fill data gaps, contribute to a better knowledge of the sector and help inform music sector policy within Europe.

At a general level the following benefits were identified: **Set better data standards / incorporate new and more granular standards / incentivise music industry organisations / set of best practices in terms of data collection** / help achieve **greater transparency** in the sector.

For European and national policymakers, a European Music Observatory would provide additional specific benefits: **pave the way for targeted evidence-based policies** and solutions for the sector / **monitor quantitative indicators on the sector**, in order to measure the impact of public policies / **greater insight and understanding of the importance of music for society.**

For the music sector, the benefits would be as follows: There would be a **European structure focusing on collecting and producing data and intelligence about the sector** / it would be a **tool to research gaps, barriers and challenges** / it would **foster a culture of transparency** in the sector.

The main data needs

The backbone of the proposed data collection structure should be **EU-added value**. The suggested **four-pillar model** would categorise data-collection and analysis as follows (p. 11):

The economy of music in Europe	Music diversity and circulation	Music, society and citizenship	Innovation and future trends
• **A) Macro-economic patterns and trends** • employment, revenue, competition • **B) Value chain mapping and analysis** • characteristics of music companies, copyright collection, collective management, remuneration of artists, spill-over effects • **C) Legal aspects** • tax, labour laws, social security, contracts, case law • **D) Business regulations** • live music regulations, consumer protection, licensing, anti-piracy rules	• **A) Cross-border circulation of works/repertoire** • building common definition and indicators, mapping of cross-border access, sales and consumption flows • **B) Cross-border mobility of artists and professionals** • cross-border live performances, mobility of professionals, international music events • **C) Cultural diversity aspects** • languages, genres, types of productions • **D) Legal aspects** • freedom of movement, state aid, etc.	• **A) Education, training, personal development** • **B) Audiences** • music consumption, interaction, participation to music events • **C) Music and society** • not-for-profit sector, associations, social inclusion, amateur music, heritage • **D) Normative and legal aspects** • broadcasting quota rules, diversity promotion schemes, freedom of speech rules • **E) Environmental aspects** • Environmental impact of the sector	• **A) Technological evolutions** • A. I, Blockchain • **B) Future business models** • distribution platforms, branding, monetisation, fair remuneration, authors rights collection mechanisms, legal innovations • **C) New policies, support schemes and legislative responses** • policy "think-tank" department

The structure should encompass the most important topical issues on the policy agenda discussed between EU institutions and representative music sector organisations at EU level (copyrights for example).

Zoom on some issues identified in the report

Copyrights (Pilar 1, Business regulations)

Issue: Although many copyright laws applicable in Europe originate from the Commission, there are few instruments available to monitor the state of copyright regulation across the EU.
Solution: Set up an ad hoc group with stakeholder to determine the scope of the EMO's research framework in the field and identify a series of themes to be researched by the EMO.

Artificial Intelligence (Pilar 4, Innovation and future trends)

Issue: No authoritative assessment of the impact of AI and machine learning on the music sector and of the EU-powered initiatives linking AI and music.
Solution: Commission a report to assess the impact of AI on the music sector and map the EU-powered initiatives linking AI and music.

The different options for a future EMO

A European Music Observatory that is run on the basis of **separate tenders** for data driven research projects issued by the Commission.	A **dedicated team** working on music data projects within a competent service **in the Commission.**	An autonomous **fully-fledged European Music Observatory**, based on the model of the European Audiovisual Observatory.
• The simplest to implement • Would require additional resources • Possibility of a lack of consistency • Example: European Market Observatory for Fisheries and Aquaculture Products (EUMOFA),	• For more consistent data collection • Need human resources' implications that can realistically not be projected in the current context • Can be perceived as not independent enough	• Ideal solution – most effective form • Would require more staff • Would allow efficiency gains • Would need a strong political support (significant allocation of funds, beyond Creative Europe) at national and at EU level which cannot be guaranteed

Having an independent, fully-fledged EMO would allow for a more inclusive governance structure and ensure that the needs of stakeholders and policymakers are met.

While feasible in principle, given the current circumstances and resources' implications, **the implementation of an independent EMO is not realistic in the short to mid-term**. Furthermore, this option could only be implemented if it receives the Council and the Parliament's backing in terms of objectives and actions, as well as a funding commitment from Member States in the negotiations on the next Multiannual Financial Framework.

Also, the **study cannot conclude whether the Member States interviewed would be willing to finance or co-finance a possible EMO.** However, while there is no full consensus on the nature of a future European Music Observatory, its permanence or funding, **six of the eight representatives of Member States that were interviewed stated that they were in favour of a consistent approach for a data collection and analysis effort at EU level,** with five of the Member States interviewed specifically pointing to a more permanent, EU-funded structure. Member States were mostly positive about the Creative Europe Programme being the most appropriate and reliable source of funding for a European Music Observatory.

The most feasible option: a 'scale up' approach

A number of approaches for scaling-up have been presented in this study, and the authors can conclude that a structure housed and coordinated within the Commission that conducts a number of activities in parallel, working with a number of different interested partners could serve this goal in the short-term. The most feasible option would involve starting on a modest scale with the view of increasing the scope of the Observatory over a period of time, potentially reaching a fully-fledged independent structure in the future. Indeed, in order to **function effectively and provide the potential added value** (country comparable data collected in a structured way) the Observatory would need to have a **long-term perspective**.

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