MUSIC IN THE DIGITAL AGE

INTERNATIONAL CONFERENCE | DIGITAL TECHNOLOGIES AND ARTISTS' RIGHTS

ATHENS, OCTOBER 22-24, STAVROS NIARCHOS FOUNDATION CULTURAL CENTER

KEYNOTES

Music in the Digital Age: Streaming & Artificial Intelligence has been a three-day international forum organized by APOLLON (Greek CMO for musicians' neighboring rights) and FIM (International Federation of Musicians). Against the backdrop of **AI-generated content and the dominance of streaming platforms**, the conference examined how **revenue models, legal frameworks and artistic labor are being reshaped** in a digital economy that prioritizes scale over sustainability.

Bringing together artists, journalists, industry professionals, legal experts, academics, policy makers and technologists, the event focused on three core questions:

- How to build **sustainable and equitable compensation** models in a saturated streaming market?
- How to protect creators' rights when **AI is trained on and competes with their work?**
- What role should legislation play in **securing ethical AI and fairer digital markets** without stifling innovation?

APOLLON Secretary General Dinnos Georgountzos exposes the "streaming paradox": record industry profits vs. shrinking artist income. He breaks down how the shift from music ownership to rental has devalued the art form, leaving creators with fractions of a cent. The digital revolution requires urgent legislative reform to save professional musicianship.

KEYNOTES | DINNOS GEORGOUNTZOS

The Economic Realities For Artists

Athens, October 22, 2025
Stavros Niarchos Foundation Cultural Center

Dear esteemed guests and distinguished colleagues

I'm delighted to be here at the Music in the Digital Age conference. My sincere thanks goes to Apollon and FIM for creating this space and opening the floor to such vital conversations about where the music ecosystem stands and where it's headed. I believe that conferences like this one brings us together to learn from one another, to challenge our assumptions, and to build a more informed path forward.

By way of introduction, I'm Dinnos Georgountzos. My background spans philosophy, computer engineering, and music, disciplines that have shaped how I see the creative industries. And for the past 36 years, I've been working professionally in music. So, it's time to move on to my keynote, which will last only two and a half hours. Hopefully less than this one.

So, it's time to move and see how things are in the streaming ecosystem today. In 2024, the recorded music industry achieved record revenues for the first consecutive year, 29.6 billion. Is this a lot? Is this a little? Just a perspective here.

About 70% of the industry's revenue comes from streaming, with over 100 platforms serving over 600 million subscribers. This digital revolution promised democratization of music distribution and fair compensation for creators, but has it delivered?

In the past, listeners would buy a CD once, own it, and the and the income for the artist remained the same whether the CD was played once or 100 times. In contrast, in the streaming ecosystem, listeners own nothing. They rent songs monthly. If they don't pay their subscription, their rent, they lose access. Now, recorded music is no longer a product but a service, one that it is centrally controlled by providers and record label/publisher groups. Culture has been digitized but on corporate terms.

This revenue windfall benefits a closed club of intermediaries to which artists don't belong anymore. They depend on how many times each song is played and receive fractions of cent per stream. The promise of digital democracy has fundamentally reshaped music's form and content, yet paradoxically, at the cost of all its aesthetic depth, symbolic richness, and ultimately, its social purpose. This consumption model has transformed the musical experience for both creators and listeners alike. It raises a fundamental question. How can we honor the principle that art should be free and artists should be paid? Beyond economics, there's a deeper cultural concern, the fragmentation of audience to isolated "aesthetic cells" and the marginalization of artistic communities.

What toll does this take on our cultural landscape? And can a model focused on profit over artistry truly serve either? The reality is far more complex. While streaming platforms celebrate record revenues, a critical examination reveals a system inherently structured to exclude many of its essential contributors. Let's explore how the system works, who it serves, and most importantly, who it leaves behind.

Just a historical context. The music industry has always been shaped by technology, but never has the transformation been so profound. In the '70s, vinyl dominated, and music publishing was highly profitable. The '80s saw CDs maximize profits through catalog re-releases. The record companies could risk funding new artists because one success could cover 10 failures and still generate profit. So, what could go wrong?

Well, as it turned out, quite a lot. Two technologies changed everything in the '90s, the World Wide Web and MP3 compression. For the first time, mass consumption was truly controlled by the masses. Digital piracy spread like a virus along with the culture of free music distribution. Its supporters, including many artists, of course, saw it as a blow to corporate oligopoly and a defense of culture as a public good. This wasn't unprecedented. The music industry had always experienced technological innovations as crises. It had always overcome them by adopting and adapting. This time, it resisted. Claiming control over online music distribution, companies fought the medium in every way possible, suing anyone downloading music, and locking their CDs.

The perfect storm hit. Physical media became devalued. Music sales halved, record stores vanished, and traditional artist development collapsed. Artists were

pushed into self-production, DIY, taking on business risks themselves, while companies turned to management services (the famous 360 deals), and primarily to acquiring old catalogs and rights. From then on, technology companies would drive the digital age.

In 2003, alongside The Pirate Bay, the original and longest-lasting pirate platform, the iTunes Store emerged. However, online sales didn't go well. Downloads never compensated for physical sales. And so, in 2006, the same year that Google acquired YouTube, Daniel Ek founded Spotify, which officially launched in 2008. His goal was to offer a legal alternative to piracy by providing immediate access to a huge music catalog at a price, a free music service that shared advertising revenue with record labels and publishers. However, the companies demanded and ultimately got what they wanted: significant advances, guaranteed minimum payments per stream, and company shares. That same year, Daniel Ek made it clear to shareholders that Spotify doesn't sell music but subscriptions and access. So music is an operating cost. This led to a freemium model that Spotify maintains to this day, two tiers: free with ads and subscription.

Let's now examine how money flows in this new ecosystem. Platforms pay between one to eight thousandths of a dollar per stream, but the final revenue artists receive depends on multiple factors like subscriber status, listening country, label arrangements, and play counts. According to an AEPO-ARTIS research, only about 10.6% of generated revenue actually reaches recording artists. It makes more than 200,000 streams per month to earn a basic salary, which is shared with the publisher. Tidal pays triple what Spotify does, but Apple Music, launched in 2015, generated 10.5 billion in streaming revenue, accounting for only 6.4% of Apple revenue. If for Spotify, music is a vehicle to sell access and subscriptions, for Apple it's a means to sell phones and operating systems. For Amazon, music is advertisement for their electronic marketplace, and for Amazon Music and YouTube, it's a medium that increases platform traffic and advertising revenue. Pandora pays less than half, but they all share the same philosophy. The ideal listener is the one who doesn't listen to music at all and doesn't load their servers or the one who listens to the playlist created by the company.

On the other hand, Spotify has been operating at a loss every year since its founding. Last year, it showed 1.40 billion in profits from total revenue of 15.6 billion. It appears, therefore, that what we now call recording revenue is actually the

turnover of technology companies who have no commitment to a thriving music scene or a healthy culture.

The distribution system known as pro rata works like this. The platform, Spotify for example, tracks monthly streams by country, calculating percentages for each producer or distributor. In a typical scenario, 45% goes to the producer, 11% goes to the featured artist, 4% goes to the publisher, 10% to the creators, and 30% to the platform. The problem with pro rata distribution is that streaming services pay based on market share. Even if someone streams let's say exclusively my music, only a small fraction of their subscription reaches me. The majority goes to famous artists, even if that subscriber never listens to them. A user-centric system would send all of that fan subscription to me. Deezer and SoundCloud are promoting this fairer alternative, but only time will tell if it succeeds.

However, the most common reason artists receive crumbs from streaming is platform saturation. This system creates stark inequalities. Of Spotify's 11.2 million artists, 99.5% share just 10% of all streams, while only 0.55%, about 57,000 artists, receive 90%. Even for more troubling, about 80% of artists have fewer than 50 monthly listeners, and recently Spotify stopped paying royalties for tracks with fewer than 1,000, sorry, yearly streams. The music... The music community grew by 1.3 million artists at the rate of three 3,642 new artists per day, and 1.8 million new tracks are uploaded to the platform monthly.

A study of 184 million codes, ISRCs, found that 43% had 10 or fewer plays in '23, and half of those had zero. Only 436,000 tracks were played one million times or more. Furthermore, calculating percentages, as you can see here, is complex. Contracts are opaque, many are confidential, and compensation goes through numerous hurdles before reaching the rightful recipients. Many works have five or more creators, each of whom may belong to a different CMO, collective management organization, or have different publishers. Meanwhile, platforms charge audiences more while paying artists less. This is not a mathematical paradox, it's a profit maximization which audiences also pay for. Additionally, platforms increasingly fill with cheaper AI generated content, virtual artists and subscribers who rarely listen.

The implications extend far beyond economics. We are witnessing the complete commodification of music reduced to background content for playlists. As Daniel Ek tweeted in 2024, "Today, when content production cost is nearly zero, people can share an incredible volume of content." Well, allow me to say that this statement reveals a fundamental misunderstanding. Conflating music with content ignores that

while content can be cheap, genuine musical creation is both expensive and invaluable. Alternative platforms offer limited hope though. SoundCloud was devalued from one billion dollars to $100 million, and Bandcamp after changing owners let go 50% of staff. Without structural interventions and regulatory frameworks, artists simply jump from one sinking ship to another.

But there is an even more fundamental problem here. The complete exclusion of non-featured musicians, session players, orchestra members and backing vocalists from streaming revenues. This is particularly paradoxical given that these same musicians are "illegally" entitled to remuneration for public performance and broadcasting under our own convention, WPPT, and various national laws that recognize these rights. Well, how did this happen? Streaming is categorized as the "making available" right, rather than as broadcasting. It's an on-demand service, so it kind of bypasses traditional remuneration rights in most legislations. While a featured artist might get fractions of a cent, the professional musician who created the musical texture receive nothing.

Major opposing stakeholders defend the system, arguing that session musicians are already compensated through one-time fees. Additional rights would reduce investment capacity. Current contracts adequately compensate performers, and mandatory collective management would interfere with market flexibility. However, these arguments ignore the fundamental transformation of music consumption these days. When streams replace sales and broadcast, shouldn't the remuneration system adapt accordingly? Is there not a value gap here? It's a basic principle. If your effort makes someone else rich, you should share in those profits. It's almost absurd that we've created systems where this fundamental fairness does not exist, but that's the world we live in right now.

Spain offers a compelling alternative. Under Article 108 of Spanish copyright law, performers have non-waivable right to equitable remuneration from streaming services. This right applies when artists transfer rights to record companies, establishes a presumption of transfer of the exclusive right in favor of the performer and producer or audiovisual performer when both the performer and the producer enter a contract in this regard; guarantees a right to an equitable remuneration that cannot be signed away in contracts when the performer has transferred the exclusive right to the producer; operates independently from label arrangements; and it is managed through mandatory collective license management.

Major composers' organizations and artists unions strongly support broader creators rights and fair remuneration across all categories. They recognize that quality music requires professional musicians. All contributors deserve fair compensation. The current system undermines professional musicianship, and sustainable ecosystems must serve all creators. AEPO-ARTIS, representing performers across Europe, proposes solutions like statutory right to an equitable remuneration for streaming, mandatory collective management, direct non-transferable payments from platforms, and recognition of algorithmic radio as broadcasting.

As I bring my keynote address to close, I'd like to leave with these final thoughts. Musical cultures would be far richer if artists didn't have to abandon their craft for basic social security. The solution isn't just technological. It's about reimagining how we value art and artists in our society. We must think beyond changing music technology. We need to envision the world we want and how music fits within it. Let us be reminded this is not just about fair compensation. It's about preserving the future of professional music-making.

It appears that no technological innovation will solve musicians' problems. Not piracy, not downloads, not streaming. Like all problems facing our societies today, they are not technological. They are problems of labor and power. Platforms' agreements with companies don't seal artists' fate. Technologies and formats come and go. Justice and sustainability are not on-off switches. They are values that are created and destroyed, claimed and defended. To fix what's wrong with music, change in the music industry is not enough. Without addressing these fundamental inequities, we risk not just the impoverishment of musicians, but the gradual erosion of musical quality itself. The future of music depends on the decisions we make today about how to value and protect those who create it.

Thank you for your attention. I hope this keynote provides fruitful ground for the panel discussion and raises questions we can explore together in the Q&A session to follow. Thank you very much.

Dinnos Georgountzos,
Secretary General Of CMO APOLLON