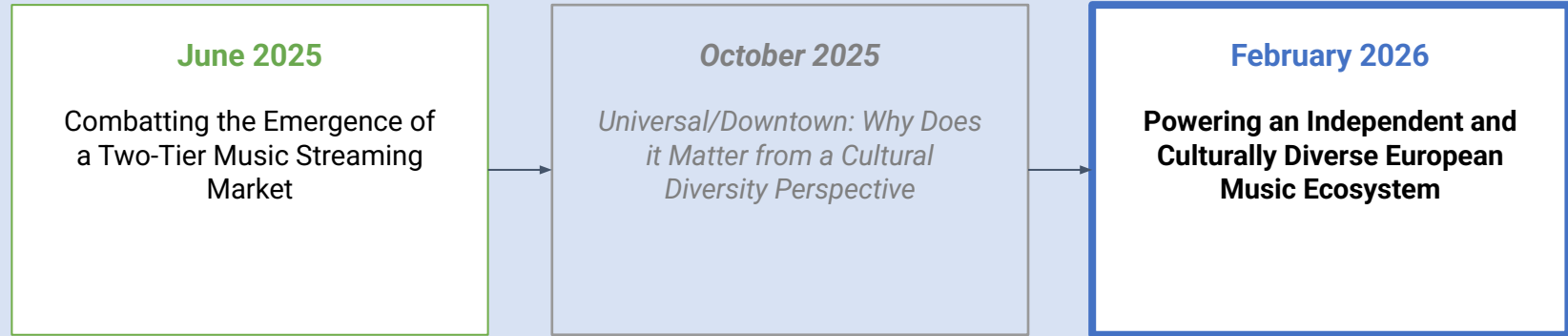


Powering an Independent and Culturally Diverse European Music Ecosystem

The importance of strengthening Europe's music economy through fair markets and a sustainable independent sector.

This report builds on our previous work with IMPALA and sits within the wider context of diversity and streaming reform advocacy



It explores the challenges and opportunities that we face as an independent industry and a champion of diversity; clearly underlining that independence and cultural diversity are synonymous

The Independent Sector as the Engine of Europe's Cultural Diversity

Economic contribution, language & genre diversity, reinvestment in culture, and sustainable leadership

Key Conditions for Growth

Free and open market access, collective negotiation, and support for discoverability and visibility

Structural Barriers

Capital access, market concentration, data asymmetries, infrastructure inequality, generative AI, and other dilution

Recommendations

Financing, market access, collective negotiation, digital frameworks, data/measurement, and industry collaboration

Call to Action: The ecosystem that powers independence and cultural diversity is under threat from multiple directions, we need to build pressure towards structural remedies

- **The value independents create represents a significant untapped source of leverage;** despite driving the majority of new releases and genre diversity across Europe, independent companies face a structural imbalance in market power, data access, and infrastructure control that undermines sustainability.
- **Market concentration and infrastructure control are narrowing the playing field;** Major & PE acquisitions threatens key independent routes to market. Consolidation raises fundamental questions about ownership, sovereignty and who controls Europe's cultural infrastructure.
- **Generative AI is accelerating the dilution challenge at an alarming rate;** there has been an explosion of fully AI-generated submissions to DSPs, which is stress-testing the mechanics and economic foundation of the streaming industry.
- **Collective negotiation is under direct pressure;** TikTok's refusal to engage with Merlin at the end of 2024, targeting labels directly instead, shows clear intent to undermine the structures that protect independent music's value.
- **This is a question of sovereignty and democracy;** who owns and controls Europe's cultural assets, infrastructure and routes to market are fundamental questions at a critical point in history. The Culture Compass for Europe and EU merger regulation review provide timely opportunities to act.

Recommendations: Financing, market access and collective negotiation

1

Increasing focus on a wider range of financing options

Options outside of Major acquisition or PE / Sovereign Wealth Fund investment that support creation, risk-taking, long-term artist development and independent European infrastructure. Public-private partnerships, blended finance models, and innovation funds. Assess measures to boost access to culture such as reduced VAT rates.

2

Guaranteeing independent European infrastructure and fair access to markets (digital and other

Treat digital access as a condition for cultural diversity, not purely commercial. Address control of infrastructure, excessive concentration and discriminatory practices. Ensure distribution pathways, data availability and visibility mechanisms are fair.

3

Reinforcing voluntary collective negotiation

The right to choose collective options for licensing must be protected as it remains the most effective way to ensure small and independent rightsholders can monetise their works in a global market.

Recommendations: Digital frameworks, measurement and collaboration

4

Embedding cultural diversity and plurality in digital market frameworks

Diversity must be explicitly recognised within digital services, platform governance and AI framework regulation, as well as competition regulation and other essential oversight tools.

5

Making diversity a measurable, trackable priority

A European Music Observatory could gather data on performance and ownership, functioning as an evidence base for an industrial strategy, built in concert with wider cross-border initiatives with the UK and other 3rd countries.

6

Supporting industry collaboration and standards to protect independence

Industry-led collaborative action to build an optimal ecosystem, agree on terminology such as “independent”, and more, will deliver enhanced clarity and trust without the need for further regulatory oversight

Independence is synonymous with cultural diversity. It is a huge strategic opportunity for Europe, and the whole music sector.

Decisions taken right now and in the coming years will determine our future. As the wider, global, political landscape continues to change radically, we face a critical point in history that necessitates an urgent rethink by regulators and the sector.