Good morning and thank you for inviting creators to share their views on copyright and the digital agenda for Europe. My name is Alfons Karabuda and I am the President of ECSA, the European composer & Songwriter Alliance.

A word of introduction about ECSA, before moving on to the matter at hand.

ECSA is the European voice of music writers. ECSA has 43 members active in 22 European countries. Our members are national organisations of music writers of all genres.

To avoid any confusion, let me put things very clear: ECSA does not represent European collecting societies, nor the music industry. We are merely the reason for their existence. The voice of the authors, or creators if you prefer.

Where do music writers find themselves standing today? **Well, most certainly at the centre of a landscape that has been transformed tremendously for the past ten years.** Music writers have not sailed through quitter waters. The mass digitization of music has had a massively disruptive effect on the music industry – both in good and in not so good ways. It is also fair to say that music is one of the very reasons for this changing landscape.

Over 300 online service providers are active in the EU today with a digitized catalogue of 13 million tracks – and I observe that these service providers emerged and developed in a European context where authors' rights are taken seriously. On the other hand, we have not yet reached our shared goal to see a significant re-aggregation of rights and repertoire, and therefore we are probably not making the best of the opportunities offered by the online environment.

So I have come here to apologize. I would like to apologize for not having been better over the years in explaining the obvious. In these turbulent times, we need to reassess what actions have and have not delivered value. And why we keep taking the creativity in the creative industries for granted.

Maybe it is because it is difficult to see something so enjoyable as the major economic asset for Europe it is? It also has the potential to contribute to Europe's growth even more than it does today. The contribution of the creative industry to the EU GDP is higher than the contribution of the food, beverage and tobacco manufacturing sector – its turnover roughly 2.5 bigger than that of the car manufacturing industry.

These figures tell a powerful story: the story of the economic benefits of a thriving creative sector in Europe. Our collective responsibility is to harness this potential and turn it into greater opportunities for everyone: authors, industry and consumers.

How do we turn this immense potential into even more growth and opportunities?

Well, let me start by stating the obvious: music is the very reason why a whole industry, including the 300 online music service providers I mentioned, exists. So when your content is the very reason why you have a value chain, you should make sure the content itself is given true value. And by this promoting best possible conditions for future creativity.

I find that sometime it is easy to lose sight of our European values and principles in the discussions on the big hoopla of the digital single market. Culture has helped build our European countries, but our countries and the EU is not always helping to build necessary frameworks for culture. Yes, we are seeing new distribution channels, new content, new tools and the diamonds in the rough always come from diversity. Without the cultural and musical diversity, no blockbusters nor quality local content. Without the right to your expression through secured authors' rights, including both economic and moral rights, the multiple originals will have to give way for short-term trends and followers rather than leaders and new inventions.

Strong rights for the individual creator is key.

So, how do we move forward? We the creators, will in particular support initiatives with creators in governance, because we encourage the aggregation of repertoire, we encourage the consolidation of systems and operations, multi-territorial licensing and transparency. The initiatives exist with our own collecting societies, and they are the vehicle we want to face future challenges with. We are used to work globally with the "products" we create and this we do with a long-term perspective and without having to choose from big business or the solidarity in equally representing the whole repertoire.

Big words… I know, so let us get down to the nitty gritty. In moving forward, how do we secure the same, or better conditions for music writers?

For an educational and informational purpose, I would like to share with you the income received by a songwriter last year, for the 2nd quarter of 2013, from streaming and webcasting services. He has published this on his website. You can see for instance that there were 1.5 million streaming audios – it is called a "spin" – of his songs on Pandora. These 1.5 million spins translated into a total income of 49 euros. That is not much, is it? Some scary examples from the USA, but unfortunately we are not spared from similar unbalanced business models in our European Union.

Again, my point here is to call on policy-makers to be vigilant regarding the conditions faced by music writers in the future. If you care about those at the heart of the creative industry, let us make sure we have the right framework in place, a framework that will make authors thrive, the value chain thrive, and the European economy thrive. If not for the authors themselves then for the economy, the jobs and for a EU with a musical diversity as multi facetted as Europe itself.

Thank you for your time and attention, and I look forward to your thoughts and questions on the creators' perspective.

ecsa european composer & songwriter alliance

COPYRIGHT AND THE DIGITAL AGENDA FOR EUROPE

FIRST SESSION:

Making Content Accessible in a Digital Single Market

6 June 2014

ecsa european composer & songwriter alliance

THE EUROPEAN COMPOSER & SONGWRITER ALLIANCE

ECSA

- 43 organisations in 22 European countries
- A unified European voice of composers and songwriters
- All genres

ecsa european composer & songwriter alliance

MUSIC CHANGING THE LANDSCAPE

- Mass digitisation
- Fragmentation of repertoire
- > 300 online services in EU with digitised catalogue of 13M tracks

ecsa european composer & songwriter alliance

CREATIVE EUROPE – THE ASSET

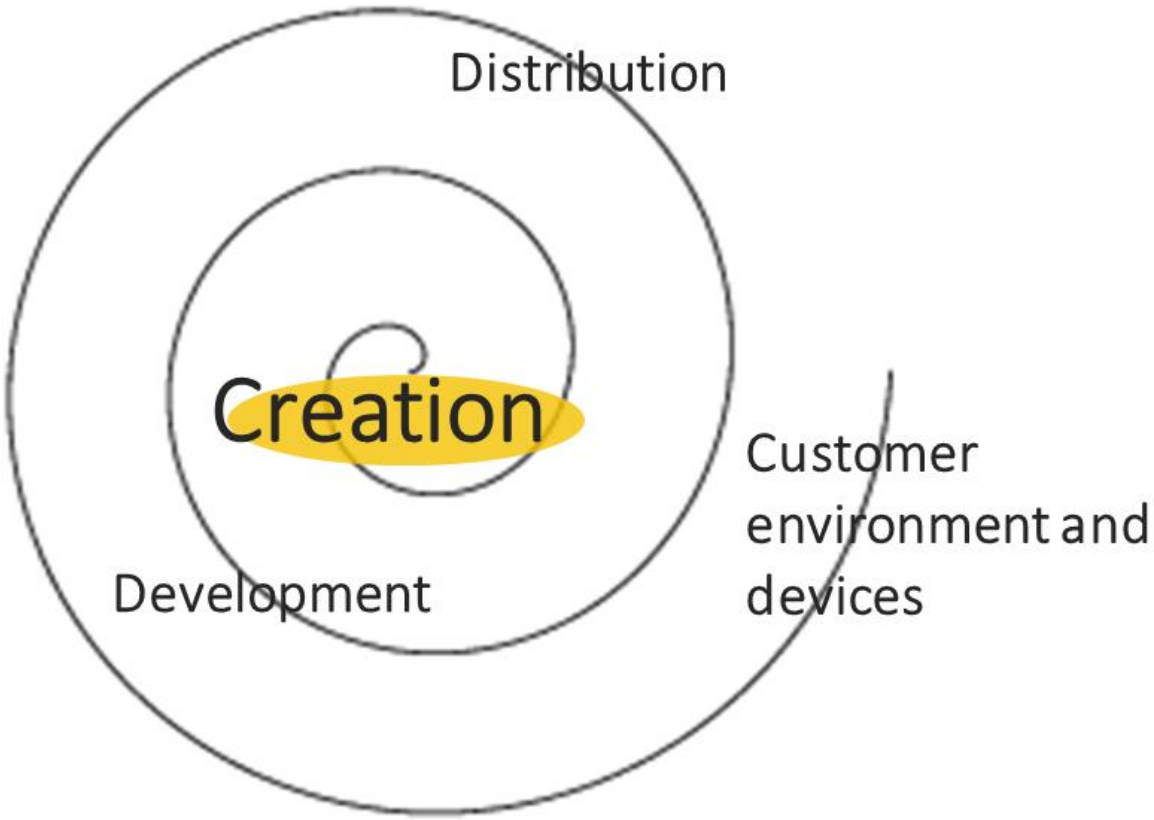
- **5,8 million** jobs in EU
- When total employment in EU decreased, employment in the cultural sector **increased**
- **Value added** to EU GDP: **2.6 %**
- Turnover **> € 650 bn**
- Sector's **growth** in 1999-2003 was **12.3 %** higher than growth of economy

Source: KEA study for the European Commission, The Economy of Culture in Europe, 2006

ecsa european composer & songwriter alliance

THE CREATORS

ORIGIN OF THE VALUE CHAIN



ecsa european composer & songwriter alliance

THE CREATORS

ORIGIN OF THE VALUE CHAIN

- Authors' Rights:

"All individuals have the right to benefit from the protection of the moral and material interests resulting from any (…) artistic production of which s/he is the author."

Universal Declaration of Human Rights

→ UGC and moral rights.

- Cultural diversity:

"The vitality of artistic creativity is necessary for the development of vibrant cultures and the functioning of democratic societies." *UN*

UN Report on The right to freedom of artistic expression and creativity, March 2013

ecsa european composer & songwriter alliance

MOVING FORWARD

Cooperation + Market-led solutions

- Aggregation of rights
- Licensing on a multi-territorial basis
- Consolidation of systems, operations and investments
- Standardisation
- Transparency

ecsa european composer & songwriter alliance

WHAT ARE CONDITIONS FOR FUTURE CREATIVITY ?

David Lowery's Songwriting Performance Income from streaming Services , Q2 2013

Summary	Spins	$	Per Spin in Cents!!!
YouTube	551,275	$30.57	0.00555
Pandora	1,499,396	$67.20	0.00448
Spotify	400,955	$113.92	0.02841
Rhapsody	61,235	$30.14	0.04923
All other internet services	1,000,915	$15.96	0.00159

1.5 million spins on Pandora = 49 € for songwriters

Source: http://thetrichordist.com/2014/03/13/sxsw-david-lowerys-songwriting-performance-income-from-streamingwebcasting-services-2nd-quarter-2013/

ecsa european composer & songwriter alliance

Alfons Karabuda

President of ECSA

European Composer & Songwriter Alliance

alfons.karabuda@composeralliance.org

info@composeralliance.org