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# UK Music before and after Covid-19

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**ABSTRACT**

This article analyses the statistical reporting of UK Music, the umbrella organization that provides a collective voice for British music industry trade bodies. It documents changes in methodology from the organization's earliest reports, which provide financial data for each industry sector and use the prosperity of the business as a platform from which to lobby, to the reports for the years of the COVID-19 pandemic, which turn away sectoral information to argue that the industry is an ecosystem and music is beneficial for national well-being. In the process, UK Music submerges evidence that record companies and music publishers fared well during the pandemic while music creators and live music industry workers suffered greatly. As well as uncovering this information, this article considers why it has been neglected. It has enabled UK Music to lobby for actions that work across the industry and sidestep arguments that music creators should receive a greater share of remuneration. It has also helped to keep UK Music intact.

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## Introduction

UK Music is an umbrella organization that provides 'the collective voice of the UK's world-leading music industry' (UK Music 2023). It is comprised of member organizations that represent the diverse needs of music creators, managers, record companies, music publishers, live music companies and collecting societies. The purpose of this article is fourfold. First, it looks at reasons why the different sectors of the UK music industry combined to form this organization. Second, it assesses the methodology and rationale behind UK Music's statistical reports for the years 2013–2020. These documents provide domestic revenue, export and employment figures for different sectors of the industry, which have been utilized by UK Music to lobby for governmental support. Third, it uncovers sectoral information that is obscured in UK Music's statistical reports for 2020 and 2021. Doing so indicates that record companies and music publishers fared well during COVID-19 pandemic, while music creators and live music industry workers bore the brunt of the economic downturn. Fourth, it considers why this information has been withheld. It is suggested that it suits the lobbying purposes of UK Music. The organization had previously argued for government support on the basis of the music industry's prosperity, but the pandemic provided a more complex economic picture. It has therefore been politic for UK Music to argue beyond economics and suggest that support is required because music is good for national well-being. Additionally, the reduction of statistical information has helped to keep UK Music intact. Given the combative nature of its constituent members, it has made sense for the organization to lobby for actions that work across the music industry's ecosystem, rather than actions that favour one sector at the expense of another. In particular, the reduction of sectoral information has enabled UK Music to sidestep contentious arguments about the economics of streaming.

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## The collectivization of UK Music

The UK music industry is home to many trade bodies and collective organizations. Among the groups that represent music creators there is the Musicians' Union (MU), which lobbies government on 'issues of relevance' to its members (MU 2023). Recording artists with exclusive recording contracts can also join the Featured Artists Coalition (FAC), which is 'formed by artists, for artists' and places this ethos 'at the centre' of all it does (FAC 2023). British songwriters and composers have the Ivors Academy (formerly the British Academy of Songwriters, Composer and Authors (BASCA), whose mission is to 'represent' its members and protect their rights (Ivors Academy 2023). There is also an organization for recording studio personnel, the Music Producers' Guild (MPG), which lobbies government on matters that affect this sector (MPG 2023).

Separately, there are organizations that represent music companies and creator representatives. The recording industry has the British Phonographic Industry (BPI), which 'champions' the interests of British independent recording companies and the domestic wings of the major labels (BPI 2023). Independent recording companies and rightsholders also have the Association of Independent Music (AIM), which 'exists to level the playing field for UK independent music businesses' (AIM 2023). Music publishers have the Music Publishers' Association (MPA), which promotes 'the value of publishing to the wider music industry, creative industry, government and the general public' (MPA 2023). The live music industry is represented by Live music Industry Venues and Entertainment (LIVE), a federation of 14 music industry associations that ensures 'the interests of live music in the UK are understood and communicated to Government' (LIVE 2023). Managers of music creators have the Music Managers Forum (MMF), which 'engages, advises and lobbies industry associates and wider industry on issues that are relevant to managers' (MMF 2023).

In addition, there are collecting societies that license and administer music rights on behalf of their members. Phonographic Performance Ltd (PPL) looks after the performing rights of recording companies and recording artists. PRS for Music does the same for composers and publishers. MCPS administers the reproduction rights of composers and publishers. All three organizations have boards that include rightsholder and creator representatives.

These organizations have had their differences. In 2008, Robert Ashton of the trade journal *Music Week* noted that 'on many occasions, the industry has been less than harmonious', and cited differences in relation to 'piracy, publishers' royalty rates, the artists' cut and major mergers' (2008, 16). One example of discord occurred in the mid-2000s, when the recording industry campaigned to extend the term of sound recording copyright from its 50-year duration. Performer organizations agreed in principle, but insisted on changes to the proposals to recognize their needs (Osborne 2023, 168–9). The organizations for songwriters and publishers did not lend support. *Music Week* suggested they did not want to 'prompt a review of copyright which they fear might see parity achieved across the board, in the form of downward harmonisation' ('As MW Campaign' 2006, 13). Although the term of sound recording copyright was eventually extended to 70 years and performers gained measures in the legislation, the campaign was not readily embraced by a British government that wanted the music industry to present 'a united front' (Ashton 2006, 5). Ashton noted that 'Ministers only need to whiff infighting and they will turn their attentions elsewhere' (16).

It was against this background that UK Music was formed. The organization was originally headed by Feargal Sharkey and Andy Heath, who met when applying for senior roles at British Music Rights (BMR). Formed in 1996, BMR acted as a 'common voice' for Britain's composers, songwriters, publishers and their collecting societies (Anderson 2004, 202). The candidates believed the remit of BMR could be expanded to include other organizations. This idea led to the dissolution of BMR and its replacement with UK Music, whose initial members were AIM, BASCA, BPI, MCPS-PRS Alliance, MMF, MPA, MU and PPL. Sharkey was the first CEO and Heath served as chair. Speaking at the launch of UK Music in September 2008, Sharkey said it would provide a 'collective vehicle to reflect and express [. . .] common ground'; Heath said the organization would give 'a clear and coherent voice' (BMR 2008).

There were concerns, however, that UK Music was not representative of the whole industry (Ashton 2008, 16–17; Williams 2008, 4). Notably, in its original incarnation, it did not include the MPG or any trade organization representing live music. Heath argued it was enough of a challenge to start with the smaller coalition of organizations, who between them had endured 'incredibly spikey relationships' (Ashton 2008, 17). It should also be noted that the initial members of UK Music were focused on the protection and expansion of copyright, but the live music industry is a licensor of copyright works and hence could view the others as 'bounty hunters' (Williamson and Cloonan 2013, 21). Heath was nevertheless correct in envisioning that the constituency of UK Music would expand. The MPG joined in 2010, and the live music industry became an associate member in 2011, when it was represented by the Live Music Group (UK Music 2011). With these partners on board, UK Music proclaimed that the UK's 'entire commercial music industry' was represented by 'one umbrella body' (UK Music 2011).

This umbrella has covered some parts more than others. FAC did not become a member until 2015, at which point its chief executive officer became a director of UK Music. The live music industry, in contrast, has never had a director representative. It has also had a looser affiliation than other members. The Live Music Group became a full member in 2013, but at the end of the decade it was replaced by LIVE, which only has an 'informal association' with UK Music (UK Music 2013, §2.5; 2021, 51). Moreover, although UK Music has been owned in matching shares by its full members, it has not been a coalition of equals. The funding for the organization has been divided between PRS for Music and PPL. The former collection society is a membership organization, which is controlled by its writer and publisher members; PPL was founded by the EMI and Decca and continues to be owned by record companies. This funding may explain why UK Music's 'manifesto' has retained a focus on 'music businesses who rely on a strong copyright regime' and consequently why the live industry has been less involved (Heath 2015).

UK Music's political orientation has meanwhile grown stronger. The initial CEO and chairperson had music backgrounds. Sharkey had been the lead singer with the Undertones; Heath was a music publisher who served on the council of the MPA and the boards of PRS and MCPS. When Sharkey left UK Music in 2011, he was replaced by Jo Dipple, whose career had spanned journalism and advisory work for the British government. Dipple served until 2018, when Michael Dugher, a former Labour Party MP, became CEO. The latest incumbent, serving from 2020 to present, is Jamie Njoku-Goodwin, another former special advisor to government. Heath served as chair until 2020, when he was replaced by Tom Watson, the former Labour Party deputy leader and shadow secretary of state for Digital, Culture, Media and Sport (DCMS).

## UK Music reports 2013–2020

### *Methodology*

At its launch, UK Music proclaimed it would act as the 'industry unit' for 'research and analysis', 'external awareness and public opinion', 'public policy and lobbying' and 'industry-relevant education and skills' (BMR 2008). Its annual reports have served the first three of these aims. UK Music first provided statistical information in 2013, via its report *The Economic Contribution of the Core Music Industry*. Between 2014 and 2018, it issued annual reports under the title *Measuring Music*. The series was rebranded *Music by Numbers* for the years 2019 and 2020, and *This is Music* for reports from 2021 onwards. The changes of name reflect a shifting emphasis.

*The Economic Contribution of the Core Industry* was prompted by a desire to reorient government thinking about the music industry's worth. The Office of National Statistics (ONS) has documented its financial results via Standard Industrial Classification (SIC) codes, but UK Music has found the results problematic on several grounds. First, the ONS groups music with the visual and performing arts; thus, its individual contribution is obscured. Second, many music industry occupations are not listed under the visual and performing arts; thus, their contribution is lost. Third, many music occupations are incorrectly coded and so their contribution is missing too. UK Music feared this 'imperfect data' was used 'for policy purposes by the Government' (§1.2, §2.45). Therefore, it sought to rectify the information by providing its own classification of music industry trades and calculating their economic contribution.

There have been many attempts to define the constituent parts of the music industry, which have all differed and each have their biases (Cloonan 2007, 67–102; UK Music 2013, §4.2). In the case of UK Music, it is the activities of its members that characterized what it regarded as the 'core' of the industry and were documented in its initial report. *The Economic Contribution of the Core Industry* provides separate tallies for recorded music, live music, music publishing, music representatives, studio producers/recording studios, and music creators, with the latter defined as 'musicians and singers, composers, songwriters and lyricists' (2013, §7.4). It employs Gross Value Added (GVA) figures to measure each sector's contribution to the domestic economy, taking their revenue totals and subtracting 'the cost of bought in goods and services' (§3.10). Because music creators are classified as a distinct sector, the money they make from recorded music, live music and music publishing is subtracted from the totals for these other sectors. In turn, the payments that music creators make to managers and agents is subtracted from their own GVA contribution and placed under the heading of 'music representatives'. The fees that recording artists pay for studio work are placed under the GVA for 'music producers, recording studios and staff'.

The results helped UK Music to boost the music industry's standing. The DCMS had used SIC codes to assess the economic contribution of the entire performing and visual arts sector, calculating its worth in 2009 at £4.6bn (UK Music 2014, 11). UK Music's assessment provided an economic contribution figure of £3.5bn in 2012 for the music industry 'alone' (2014, 11). The GVA methodology has subsequently been employed for all of UK Music's statistical reports, enabling the organization to 'make year-to-year comparisons' and 'analyse trends' (2014, 13). From 2012 to 2019, there was continual growth, with GVA rising from £3.4bn to £5.8bn (2013, §1.12; 2020, 7).

The reports have also amassed figures from UK Music's sectors in respect of export revenue and employment. These too have shown repeated increases. Between 2012 and 2019, exports rose from £1.4bn to £2.9bn, and employment numbers rose from 101,680 to 197,168 (2013, §1.12; 2020, 7). This data helped UK Music to 'accurately tell Government and policy makers just how important [the music] industry is to the UK economy' and indicate years when it outperformed other industries in terms of growth (2015, 1).

These increases were nevertheless aided by an expansion in the number of sectors tallied. The *Music by Numbers* reports of 2019 and 2020 wished to provide a 'definitive insight into the health of the British music industry' (2019, 5). To that end, they incorporate figures for 'music retail', which is given its own sectoral heading. They also include the economic contribution of music lawyers and accountants, which is added to the 'music representatives' sector. The heading for 'music producers, recording studios and staff' is meanwhile removed and the contribution of studio producers and sound engineers is grouped with 'music creators', while the data for recording studios is incorporated under 'recorded music' (32).

The sectoral results in each report have varied in accuracy. This is because they have been gathered from surveys conducted within each sector, some of which have been more comprehensive than others (UK Music 2013, chapter 6). The choice of GVA reporting has also meant that figures are approximate. GVA contributions are not calculated by analysing the accounts of individual companies. Instead, a ratio is developed, which is applied to all companies operating within a business sector. UK Music worked with the ONS to create a bespoke ratio, which has been used in each report. It has nevertheless advised against using the results to compare music industry sectors. This is because the ratio is 'bespoke to the core as a whole, not to the component parts of the core' (§3.27). Moreover, the GVA figure for music creators has been calculated differently to other sectors. While the rest work on a 'production' basis, incorporating the wages of industry personnel and the operating surpluses of their employers, the data for music creators has been compiled on an 'income' basis, addressing take-home pay alone (§§3.13–3.14).

Comparisons have nevertheless been inevitable. Notably, the figures have been used to chart the economic ascendancy of the live music industry over the recorded music industry (Osborne 2021). In addition, UK Music has encouraged readers to compare results. The reports from the years 2014 to 2020 include proportionate graphs, which demonstrate the relative sizes of the GVA, export and employment contributions of different sectors. They also provide written analyses about these sectors, outlining how they have each performed.

### *Lobbying*

The main lobbying aspect of the earliest reports was for the statistics to be 'recognised and reciprocated by government' (2013, §1.8, §2.45). To a certain extent, this ambition was realized. Following the publication of the 2013 report, DCMS acknowledged that 'industry and occupation codes do not allow the contribution of music to be satisfactorily identified' and began using UK Music's figures instead (UK Music 2014, 8, 11). By 2020, the secretary of state for DCMS was describing how 'UK Music reports help everyone involved in policy-making, the sector and Government better understand the industry' (2020, 4). The ONS has not updated its own SIC code, however.

As the statistics gained some acceptance, the lobbying remit expanded. Rather than concentrating solely on economic contribution, UK Music has utilized this contribution to support proposals for change. In 2014, a series of policy recommendations was published alongside the inaugural *Measuring Music* report, foregrounding a desire for 'a strong copyright framework' (2014, 2). This remit was expanded in 2016, when Dipple utilized that year's report to outline ways in which the industry required help (2016, 1–2). Since 2018, policy has been given a concluding section in the reports, providing space to outline how the preceding statistical data can be boosted in the future. Initially titled 'challenges', this section was renamed 'next steps' for the *Music by Numbers* reports. Between 2016 and 2019, the following campaigns gained most attention: the value gap caused by safe harbour laws; support for grass roots venues; music education in the curriculum: support for exports; trading problems caused by Brexit; tax credits for music businesses; a strong copyright framework (2016, 1–2; 2017, 6–7, 16; 2018, 12–13; 2018, 28–30).

*Music by Numbers 2020* reiterates the last four of these issues and adds new concerns. It was published in November 2020, following nine months of restrictions imposed by Covid-19. Although it documents industry figures for 2019, the report steps out of this annual framework to reflect upon the pandemic. UK Music estimates that when the 2020 figures are published they will reveal a decline in live music revenues by 'up to 85%' and that many music creators will have suffered a 65% loss in income (2020, 7). The report's lobbying aspects are configured in this light. Its 'next steps' include requests for governmental support for the live music industry, self-employed musicians and self-employed industry personnel (29–30).

## UK Music reports 2021–2022

*This is Music 2021* addresses music industry results for 2020; *This is Music 2022* does the same for 2021. For these reports, UK Music employs a similar methodology to earlier publications. The same GVA ratio is utilized and there is a similar framework of core industry sectors, albeit that music merchandise is added to the list. The lobbying emphasis has similarities too. These editions nevertheless represent the most significant change in reporting since the series began. There are two areas that stand out: the results, and the presentation of the results.

Previously, the reports had documented growth. The inaugural *This is Music* report shows decline. GVA is down from £5.8bn in 2019 to £3.1bn (a 46% fall, and below the £3.5bn figure in the first report); exports are down from £2.9bn to £2.3bn; employment is down from 197,000 to 128,00 (2021, 8). The 2021 figures show improvement over 2020, but at £4bn for GVA, £2.5bn for exports and 145,000 for employment, they remain below the 2019 results (2022a, 10).

The changes in presentation include:

(1) The title: although UK Music had periodically renamed its reports, the previous titles share a numerical imperative; the change to *This is Music* is both more totalizing and abstract.
(2) The presentation of data: the 2020 and 2021 reports provide total figures for GVA, exports and employment, but unlike previous reports they do not provide figures for each music industry sector.
(3) The presentation of sectoral information: the preceding reports devote sections to each 'core' music industry sector; these reports devote sections to four 'commercial assets'.
(4) The use of a survey: this occurs in *This is Music 2021* only.

The results influence the presentational rethink. Ahead of the pandemic, the industry's positive financial figures provided the platform from which to lobby. Following the pandemic, we witness the reverse. UK Music maintains its desire to use the reports for lobbying purposes. Therefore, it must mitigate the poor financial results.

This provides one reason for the reduction in financial data. UK Music cannot avoid outlining the total GVA, export and employment figures. As Behr et al. have noted, statistical reports gain little attention unless there are 'big numbers' on which to hinge the news (2021, 108). Elsewhere, the trade body downplays statistics and introduces a new way of arguing for support. This is made most obvious in the use of a survey, which is explained by Njoku-Goodwin on the basis that 'our industry's value is not just economic – it also carries huge social and emotional importance' (2021, 5). It is this contribution to well-being and national identity that UK Music wishes to highlight. The results of the survey appear under headings such as 'music makes us proud to be British', 'live music makes us come alive', 'music is the soundtrack to our lives', 'music defines and sustains us' and 'British public want Government to do more to support the music industry' (34–8). After outlining how 'music plays an incredibly important role in all our lives', the organization utilizes this emotional base to argue for 'necessary steps to protect, strengthen and grow the industry' (5, 44). Having disentangled music's financial and social value, UK Music brings them together again, stating that 'With the right support, the UK music industry can play a key role in our country's post-pandemic economic and cultural recovery' (45). This combined focus on economic and personal well-being also accounts for the change in title. The totalizing concept of *This is Music* signals that the government should not concentrate on economic numbers alone.

This imperative does not fully explain the decline in sectoral information, however. The reports provide their own justification why the sectoral chapter headings have been replaced with sections relating to four 'assets' of 'musical composition' (addressing music publishing, music creators and music representatives), 'recorded music' (addressing recorded music, music creators, music representatives and music retail), 'live performance' (addressing live music and music creators, and mentioning effects on music publishing, recorded music and music representatives) and 'brand & image (addressing several sectors but in economic terms focused on music merchandise). Andy Edwards, UK Music's Director of Research and Analysis, writes that 'By showing how all of the sectors of the industry [. . .] come together to build economic value around the four commercial assets, we can demonstrate a rich and realistic picture of how the industry functions in practice' (2021, 10). This concept is not new: these assets have been an organizing principle of UK Music's yearbooks since 2013 (2013, §4.23). What is different, however, is employing them for chapter topics.

Edwards also provides an indication why the comparative graphics have been abandoned. Having previously emphasised the differing profiles of each sector, UK Music is keen to show how they 'come together' to form an ecosystem (2021, 10). Introducing *This is Music 2021*, Njoko-Goodwin claims, 'The impact [of the pandemic] was felt across the industry – from performers, songwriters and composers to businesses, other rightsholders and the wider supply chain' (5). Edwards reinforces this message, stating, 'The industry is famously competitive, but it is also collaborative and that is often overlooked' (10). This mutual dependency should not be gainsaid and nor should the fact that the recording and publishing sectors provided support for music creators during the pandemic: the 2021 report indicates that PRS for Music, PPL, AIM and BPI 'all contributed very significantly to various hardship funds' (32).

This report also concedes that sectors were differently affected, stating that 'The impact of COVID-19 hit the live industry and recording studios especially hard' (2021, 9). Additionally, while the analysis suggests that 'The music industry is interconnected and the consequences of COVID-19 extend well beyond the live sector', it notes that 'The Music Creators and Live Music sectors experienced the greatest decline' (9). Nevertheless, as Edwards admits, this sectoral information can only be found by 'digging a bit deeper' (10). If the reader probes the recesses of the report, they will find 'a range of back stories of vastly differing experiences and circumstances' and discover that 'the least advantaged financially felt the greatest decline' (10). Rather than concentrate on these stories, UK Music instead emphasises the interconnectedness of the industry. Before contemplating why the organization has acted in this manner, this article first addresses sectoral data that can be gleaned from the *This is Music* reports.

## *This is Music 2021*

This report includes some information about the effects of COVID-19 on the live music sector. After providing details of 'a decade of exceptional growth' and 'a pinnacle of success' in 2019, it describes how, following the introduction of lockdown in March 2020, live music revenues 'effectively fell to zero overnight' and that, while 'A small number of socially distanced shows did go ahead during the latter part of 2020', these 'proved to be largely uneconomic and unsustainable' (2021, 22). One of UK Music's back stories is that this sector did worse than predicted in *Music by Numbers 2020*, suffering a 90% decline in revenue (22). The GVA figure is not given, but by looking at the previous report, we can calculate a fall from £1.3bn in 2019 to £130 m in 2020 (2020, 14). In a similar manner, *This is Music 2021* details a 35% reduction in live music workers, but the employment figure can only be derived by returning to *Music by Numbers 2020*: 34000 were employed in 2019, indicating that 22,100 were employed the following year (2020, 14; 2021, 33). *This is Music 2021* describes the 'intricate ecosystem' of live music, and suggests that its devastation 'impacted not only on artists' revenue around live performance, but also the CMO, music publishing, recording and music merchandise companies who work with artists and their management teams' (23). As we shall see, however, although the music industry is interconnected, the effects of live music's decline were felt disproportionately.

One sector that experienced significant side-effects was music merchandise. The report states that, in a normal year, touring would typically generate over 50% of merchandise revenues. Although it does not provide a GVA figure for this sector, the report does outline its returns: merchandise companies generated approximately £185 m in 2020, a drop of 42% on 2019 (2021, 27).

In contrast, the recorded music sector prospered in 2020. Stuck at home during lockdown periods, 'more people turned to [recorded] music to help them get through the pandemic' (2021, 16). On-demand streaming witnessed a 15% increase in UK revenue; vinyl was up 31% (2021, 16). Recorded music also saw an increase in exports, rising 5% on the previous year to £543 m (31). The report indicates areas where the recording industry fared less well. There was a decline in revenue from synchronization licensing and public performance. The former because there were fewer film, television and advertising productions during lockdown periods; the latter because shops, restaurants and other public places that license the use of music were closed (17). However, while the report states that recorded music witnessed 'significant exceptions where the impact of COVID-19 has been very severe' (16), it fails to illustrate that, overall, the recording industry experienced revenue growth. This information can instead be found in BPI's statistical yearbook. Total income was £1.bn, a 3.8% increase on 2019 (Green 2021, 15).

Music publishing coped reasonably well in 2020. Domestic revenues continued to grow, 'albeit more modestly' than in preceding years (2021, 12). Publishing also saw exports rise to £783 m, a 10% increase on 2019 (31). Although this sector gained increased revenue from streaming, video on-demand services, international markets and catalogue acquisitions, it suffered a fall in revenue from public performance and commissions for film, television, and theatrical productions (13). Moreover, while the UK Music report details growth in PRS for Music's distributions to its members (the figure of 'close to £700 m' was up 2% on 2019), it points out that the money PRS for Music collected was 20% down from 2019 (13). It also notes that, due to the slow collection and distribution of performance revenues, the decline 'resulting from the COVID-19 restrictions will be most acutely felt when we report the 2021 numbers' (13).

To find out about music creators, the reader needs to dig among various sections of the 2021 report. Some information is available, but UK Music provides percentage declines rather than total financial and employment numbers: there was a 56% fall in music creator total revenues, a 59% decline in exports, and a 40% decline in those working as creators (2021, 23, 32).

Table 1 provides a summary of the GVA, export and employment figures that are provided in *This is Music 2021* or which can be calculated by combining information in this report with data from *Music by Numbers 2020*.[1]

Table 2 compares data points for which sectoral decline is available with total GVA, exports and employment numbers.

The results are instructive. Music creators were responsible for 53% of the decline in GVA; the live music sector was responsible for a further 43.3%. This means that, in combination, the recorded music, music publishing, music representatives, music merchandise and music retail sectors accounted for just 3.7% of the total decline in revenue. When it comes to exports, the decline suffered by music creators was £108 m more than the total figure. Between them, the recorded music and music publishing sectors made £96 m more in exports in 2020 than they did the previous year. Consequently, the remaining sectors were responsible for a further £12 m rise in exports. Finally, music creators accounted for 82.3% of all job losses and the live sector a further 17.2%, meaning that in combination the other sectors suffered only 0.5% of job losses. Here it should be noted that, on the advice of DCMS, UK Music tallied 'furloughed employees and equivalent (Self-Employment Income Support Scheme (SEISS), Universal Credit, etc)' within the figures for the employed (2021, 32). On the one hand, this means it is not possible to discern the number of workers in the recording, music publishing, music representative and music merchandise sectors who were actively employed during lockdown periods. On the other hand, it indicates that the number of music creators and live music employees whose work was curtailed by the pandemic was even higher than demonstrated in UK Music's figures.

## *This is Music 2022*

In his introduction to *This is Music 2022*, Njoku-Goodwin describes 2021 as an 'emotional rollercoaster' and explains how 'restrictions which devastated our industry in 2020 continued to be imposed for the better part of 2021' (2022a, 4). The report details how the countries of the UK were subject to lockdowns for up to half the year (12). Some venues managed to reopen in the remainder of 2021, but each country experienced long periods in which further restrictions were imposed (12).

When it comes to sectoral information, *This is Music 2022* has even less data than the previous edition. It fails to explain that its GVA, export and employment totals are amassed from figures provided by its 'core' sectors, and there is no place in the report where these sectors are revealed. This contrasts with the previous report, which includes a table of these 'thematic groupings' (2021, 11). They are still being utilized, however, as can be found in a separately issued methodology document (2022b, 12). As with the previous report, the only granular information that can be discerned about these sectors is located at various points in sections on the assets of 'musical composition', 'recorded music', 'live performance' and 'brand & image', as well as in sections relating to 'the world' and 'the people'.

The section on live performance admits to the live music sector's difficulties. As well as outlining the pandemic's continued effects, it explains how 'Supply chain costs surged during 2021 across every facet of live performance' and that these 'costs have been rising against stagnant income'

**Table 1.** GVA, export and employment figures 2019–2020.

| | GVA 2019 | GVA 2020 | GVA ± | Exports 2019 | Exports 2020 | Exports ± | Employment 2019 | Employment 2020 | Employment ± |
|---|---|---|---|---|---|---|---|---|---|
| Music creators | £2.7bn | £1.268bn | -£1.43bn | £1.2bn | £492 m | -£708 m | 142,000 | 85,200 | −56,800 |
| Live music | £1.3bn | £130 m | -£1.17bn | £86 m | NA | NA | 34,000 | 22,100 | −11,900 |
| Music publishing | £524 m | NA | NA | £712 m | £783 m | +£71 m | 1,368 | NA | NA |
| Recorded music | £613 m | NA | NA | £518 m | £543 m | +£25 m | 5,400 | NA | NA |
| Music merchandise | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Music representatives | £170 m | NA | NA | £406 m | NA | NA | 3,100 | NA | NA |
| Music retail | £464 m | NA | NA | £26 m | NA | NA | 11,300 | NA | NA |

**Table 2.** Decline and growth 2019–2020.

| | GVA | Exports | Employment |
|---|---|---|---|
| 2019 Total figures | £5.8bn | £2.9bn | 197,000 |
| 2020 Total figures | £3.1bn | £2.3bn | 128,000 |
| Total decline | £2.7bn | 600 m | 69,000 |
| Decline for which sectoral information is provided | £2.602bn | 708 m | 68,700 |
| Difference between total decline and the sectoral decline for which sectoral information is provided | Overall, £98 m worse off | Overall, £108 m better off | Overall, 300 fewer employees |

(2022a, 24). There is nevertheless a paucity of financial and employment data. The only figure reported is a '90% decline from 2019' (24). This presumably refers to GVA. If so, the total from 2019 can be utilized to provide a GVA figure of £130 million for 2021, matching the figure for 2020 (2020, 14). There is no statistical information about exports or jobs, although regarding the latter, the report says, 'there is still some way to go for employment to recover' (30).

*This is Music 2022* informs us that 'The music merchandise market recovered significantly in 2021, but revenues, particularly touring, were still well down on 2019' (2022a, 27). Reflecting this sector's ties with live performance, merchandise companies suffered from continuing restrictions on events and encountered supply chain problems relating to Brexit (27). However, there is no statistical information relating to GVA, exports or employment.

The difficulties encountered by live music and music merchandise contrast with the recording industry, which again 'performed well' (2022a, 20). UK Music incorporate data from BPI and PPL, showing that digital revenues were up by 12%, physical format revenues by 15%, synchronization licensing by 48% and public performance by 25% (20). The report does not provide GVA information and instead quotes figures from the International Federation of the Phonographic Industry (IFPI), illustrating that the UK market grew by 13.2% in 2021 (16). There is no information in respect of employment, but there is a figure for exports, which were up by 14% (28). Utilizing data from the previous report, this provides a total of £619 m (2021, 31). *This is Music 2022* takes care to contextualize the recording industry's performance. It stresses that 'Label investment is vital to supporting the wider recorded sector ecosystem and underpins overall growth', and details how 'investment by UK labels into A&R and marketing increased to nearly £500 million in 2021, a doubling of investment over the last five years, as labels have reinvested the proceeds of growth, predominantly from streaming' (20). The report is also careful to contrast British growth with foreign competition. IFPI's figure for the UK industry is compared with the US (up by 22.6%), Europe (up by 15.4%), Asia (up by 16.1%), and the global market (up by 18.5%) (16).

The previous year's *This is Music* report expressed fears that music publishing would feel the effects of the pandemic 'acutely' in 2021. This is reflected in PRS for Music figures quoted in the 2022 report: compositional revenues from live music were down 29.2% on 2020 and 85.2% on 2019 (2022a, 19). Yet in total, PRS for Music revenues increased 22.4% on 2020, including rises of 45.6% for online income and 59.6% for public performance (19). The report does not provide this sector's GVA or employee numbers, but does tell us that exports increased by 7% (28). Utilizing figures from *This is Music 2021*, they were worth £838 m (2021, 31).

There is little information on music creators. The 2022 report does not provide total figures or year-on-year percentage changes for this sector, nor is there much analysis of how creators fared. There is some information in respect of jobs: although the preceding year witnessed a 40% decline in music creator employment, it is noted that the 'drop could have been far worse had it not been for furlough, SEISS, and Universal schemes' (2022a, 30). Following the conclusion of these schemes in 2021, some creators 'were able to return to work' but those 'who could not sustain themselves left the industry' (30).

More broadly, the paucity of sectoral information in this report makes it difficult to assess trends. The data that can be discerned is outlined in Table 3.

**Table 3.** GVA, export and employment figures 2021.

| | GVA 2021 | GVA ± on 2020 | GVA ± on 2019 | Exports 2021 | GVA ± on 2020 | GVA + - on 2019 | Employment 2201 | Employment ± on 2020 | Employment ± on 2019 |
|---|---|---|---|---|---|---|---|---|---|
| Music creators | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Live music | £1.3bn | £0 | -£1.17bn | NA | NA | NA | NA | NA | NA |
| Music publishing | NA | NA | NA | £838 m | +£55 m | +£126 m | NA | NA | NA |
| Recorded music | NA | NA | NA | £679 | +£76 m | +£101 m | NA | NA | NA |
| Music merchandise | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Music representatives | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Music retail | NA | NA | NA | NA | NA | NA | NA | NA | NA |

## Conclusion

UK Music's reports have been reoriented so that sectoral information is replaced with analyses of four commercial assets. This has enabled the organization to emphasise the music industry's interconnectivity. The manoeuvre is made explicit in *This is Music 2022*. As well as incorporating different sectors under its asset headings, the report explains how some of these assets are linked together: record company investment 'underpins overall growth'; live music is an 'ecosystem'; brand & image are 'deeply connected to the three other commercial assets' (2022a, 20, 24, 26). This depiction is not false. There are two fundamental ways in which the industry is interlinked. First, it is common for music creators to sign agreements with record labels, music publishers, live music companies and merchandisers that provide a division of revenues.[2] Thus, each party receives benefits proportionate with success. Second, the trades of music publishing, recorded music and live music are mutually dependent. Music publishing revenues are largely derived from the use of compositions in recorded form and performance contexts; sound recordings and live music promote one another.

The ecosystem of the music industry is nevertheless tactically employed. If UK Music had made explicit that some sectors were decimated during the pandemic while others prospered, it would have seemed logical for its lobbying campaigns to be oriented towards those most in need. There is only a limited aspect of this in the reports. *This is Music 2021* includes a 'strategic recovery plan', calling for government help in the wake of Covid-19. Some measures are aimed at the live music industry, including requests to protect live events from further pandemic disruptions, to continue the Culture Recovery Fund, and to have a permanent reduction in hospitality VAT (2021, 41–2). In addition, the demand for a recovery fund for freelance workers is of most of benefit to music creators and live industry workers (40–41). Other aspects of the plan are not focused on Covid-19, however, and are instead expected to benefit each core sector of the music industry. This includes calls to boost music education funding, to introduce tax relief for the industry, and to enhance export funding and support (41).

*This is Music 2022* has differences to the preceding report. It goes further in masking the disparate fortunes of music industry sectors. Correspondingly, it is less inclined to orientate its lobbying towards those experiencing hardship. In place of a strategic recovery plan there is a 'vision for music'. This five-step plan begins with a request that government 'Protect and promote music made in the UK at home and abroad', which is to be achieved by providing intellectual property protection and supporting exports (2022a, 40–43). The former has long been a cornerstone of the copyright-focused sectors' lobbying. The latter is receiving increasing emphasis in recording industry campaigns, where it is serving two purposes. First, there is a genuine need to support UK music exports. This is an area where the country has previously excelled and is still doing well, but is now being squeezed by other markets (41). To bolster trade, UK Music calls for a 'music export office', 'increased funding and scope of music export support programmes' and the reduction of 'red tape for UK music workers in the EU' (40–41). Second, the focus on exports helps the recording industry to orient debates about remuneration from on-demand streaming.

By 2020, streaming was accounting for 70% of the UK's recorded music consumption (BPI 2020, 2). However, while some music creators were gaining significant numbers of streams, there were complaints that their revenues were not sufficient. This situation came into sharper focus as the pandemic took hold. Many performers had been earning the largest share of their income from live music, but with venues closed and festivals cancelled, they needed to ensure their other revenue sources were viable. Tom Gray of the band Gomez formed the 'Broken Record' campaign as a forum for complaints. In turn, this provided the main prompt for a DCMS select committee inquiry into the economics of streaming, which gathered evidence from all sectors of the music industry, including a submission from BPI that is echoed in *This is Music 2022*. BPI suggested that 'overall the structure of the streaming-based market works well' and the main objective should be 'growing the streaming economy as a whole' (2020, 47, 52). This could be achieved by 'tackling piracy' and 'supporting global growth' (47).

BPI's export argument is not bogus. Any rise in revenues will benefit various sectors, including ones that suffered during the pandemic. For example, if music creators have royalty contracts, any growth in their exports should lead to increases in their income. Nevertheless, the main beneficiary of growth will be the recording industry, the sector that achieved the largest rise in revenue in the pandemic years. This is because record companies commonly take the largest share of streaming money. For the year 2019, it was calculated that UK streaming revenues were split roughly as follows: streaming services 33%; recording artists 11%; songwriters 11%; studio producers 2%; collecting societies 1%; music publishers 3%; record companies 39% (Hesmondhalgh et al. 2021, 132).

During hard times, a request for governmental support for those who are already doing well could be called into question. *This is Music 2022* attempts to avoid such criticism by employing the rhetoric of ecosystems and submerging economic differences. Its lobbying on behalf of record companies is also undergirded by a financial argument. The report was published during Liz Truss's brief tenure as British prime minister. It includes a vision for exports that coincides with her belief in trickle-down economics. The first step in Truss's economic policy was to support those who were already prosperous, justified on the grounds they would use their increased wealth to get the economy moving. The version of this argument in *This is Music 2022* is that record companies will employ their growth in export revenue to invest in 'new music' (2022a, 28)

Yet, as BPI is aware, the growth argument is not the only solution proposed to address the economics of streaming (BPI 2020, 52). Some music creators have argued that, unless there is policy intervention, their revenues from this source are 'never going to add up' (Mulligan 2021). They have suggested the most effective way to engender change is to recalibrate the division of the money, with a smaller share going to record companies and higher shares to musicians and songwriters. Moreover, this argument has been favoured by the DCMS select committee. Having gathered evidence for its Inquiry, it reported that 'issues ostensibly created by streaming simply reflect more fundamental, structural problems within the recorded music industry' and consequently 'Streaming needs a complete reset' (2021, 25). Rather than shy away from the 'infighting' of the music industry, this committee made policy recommendations to consider the implementation of equitable remuneration, rights reversion and contract adjustment (2021, §69, §123).[3]

Streaming revenue should not be expected to make up for loss of income caused by the withdrawal of live music. Nevertheless, if the *This is Music* reports had included statistical information demonstrating that creators had suffered during the pandemic while recording companies had proposed, it would have provided grist to the DCMS committee's mill. This information was available but it was in some instances withheld and in others relegated to a back story. In contrast, the reports provide data that supports BPI's arguments. *This is Music 2022* takes care to explain that, while the UK recording industry did well in 2021, it was outperformed by international competitors. In addition to reporting a decline in the UK's share of the global market since 2015, it twice details how the recording industry's growth rate was overshadowed by growth in the US (2022a, 16, 28–29). These statistics are used as evidence of a need to 'maximise the value flowing to music from streaming services' and explain why 'support of music exports in partnership with the Government is so necessary' (16, 29).

UK Music includes several organizations that look after music creators, each of which has argued that the revenues from on-demand streaming should be restructured (Ivors Academy 2020; MMF and FAC 2021; MU 2021). Yet there is nothing on this topic in the statistical reports. To find out reasons why, we perhaps need to be privy to how the funding of UK Music affects its lobbying activities. We should also return to the problem that led to the establishment of UK Music in the first place. The industry has diverse interests. UK Music exists to find common ground. It can do so by lobbying for actions that increase overall revenues, but cannot do so by arguing for changes in the way those revenues are divided. Thus far, the former need would appear to remain sufficiently important that the constituent members are willing bury their differences – both statistical and political – in the annual reports. Should this situation change, the difficulties of compiling a numerical report might prove insurmountable and UK Music will require other platforms from which to conduct its lobbying campaigns.

## Notes

1. In this table, music creators total revenues for 2019 were calculated by adding together the GVA and export figures in *Music by Numbers 2020* (2020, 11). The percentage declines indicated in *This is Music 2021* were then used to calculate the total and export figures for 2020. The GVA figure for 2020 was gained by subtracting the export figure from the total.
2. This is not the only method of payment, however. Session musicians are paid by lump sum payments, as are some composers of commissioned music.
3. Equitable remuneration is currently applied to broadcast and public performance revenues only. In Britain it has been implemented so a 50% share of revenues goes to recording rightsholders and 50% goes to performers. The DCMS select committee proposed that this model could be applied to on-demand streaming as well. Rights Reversion would enable creators to terminate their contracts after a set number of years, thus providing them with the possibility to negotiate new contracts and gain higher royalty payments. Contract adjustment legislation enables creators to question contractual arrangements when their 'royalties are disproportionately low compared to the success of their music' (DCMS 2021, §123). Acting on the DCMS select committee's recommendations, the UK government's Intellectual Property Office commissioned research into these proposals. At the time of writing, only the research on rights reversion and contract adjustment has been published (Osborne and Sun 2023).

## Disclosure statement

No potential conflict of interest was reported by the author(s).

## Notes on contributor

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