MEDI Music Economy Development Initiative

Introducing the

Music Economy *Development* Initiative

Why we need train tracks before we can run trains

Will Page, Shain Shapiro, PhD &
the Center for Music Ecosystems

In 2015, the global value of music copyright was $25 billion. Less than a decade later, it has grown to $45.5 billion and has, for the first time, overtaken the value of cinema's total global box office revenue.

However, this global value has not translated into evenly distributed global growth. The growth we have seen over the past decade has been centralized in North America, Europe, and Asia and has not been replicated in the Global South. Yet, artists from Africa, the Caribbean, Latin America, and South America continue to expand their fanbases and global reach, finding new audiences through streaming, social media, and live touring. However, this revenue, and the economic development it can bring, is not being retained in the Global South. It is being exported.

In 2023, the $45.5 billion figure comprises $28.5bn in recorded music revenues, $12.9bn in authors collective management organizations (CMOs) collections, and $4.2bn in direct music publisher income. Notably, the majority of these revenues stem from digital consumption. These royalties rely on robust national laws and rights infrastructure to track usage, collect revenues, and distribute them accurately to composers and publishers.

Many countries lack this infrastructure, including policies, frameworks, regulations, enforcement mechanisms, and norms, that support capturing music's value as IP and treating—and benefitting from—music as an economy. In Africa, for example, the Atlantic Council points to a lack of IPR protections and enforcement, an absence of functioning copyright management institutions, and insufficient administrative capacity. These deficiencies produce *"lost opportunities—for wealth creation, solving youth unemployment, receipt of foreign exchange reserves, and development of local capital markets."*

Properly capturing the value of music globally requires investment, policies, education and political commitment to ensure that music—as property—can be owned, managed, monetized, and taxed.

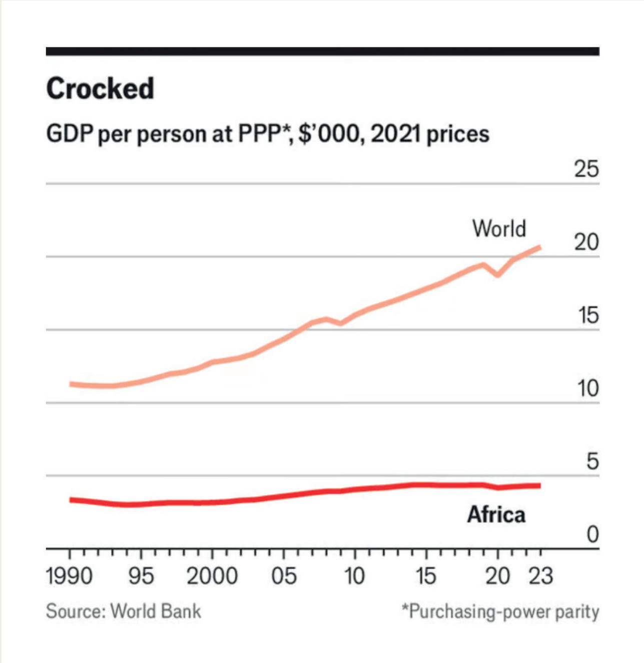
This is the aim of the **Music Economy Development Initiative (MEDI)**, a first-of-its-kind partnership between the Center for Music Ecosystems, Global Citizen, Universal Music Group, the International Finance Corporation (IFC), UNDP and local partners—to establish the definitive research and data set to encourage—and accelerate—investing in music to foster economic development.

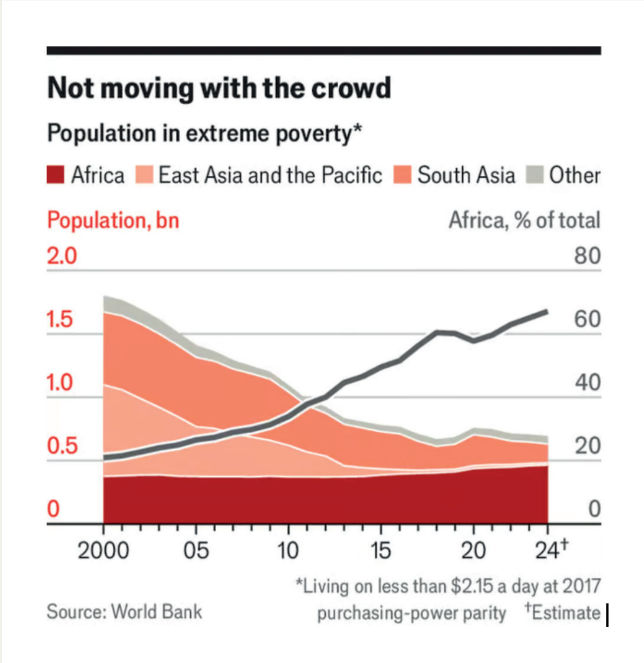
Mind the Africa Gap

Twenty years ago, people talked about mobile phones as a development tool of choice: a dollar put into developing cellular networks would do more to help African nations ‘catch up’ than a dollar put into aid.

Countries like Kenya were lauded for their fintech capabilities, with mobile money transfer service MPESA launching in 2007. Investment Banks would publish and reinforce ‘up and to the right’ charts projecting Africa’s progress.

That was then, this is now, where we begin 2025 with *The Economist* lamenting the lack of economic progress the continent has shown. According to their Special Report, back in 1960, Africa was roughly equal to East Asia. Today, East Asians' average incomes are seven times higher than those in sub-Saharan Africa. The growing gap looks "like the jaws of a yawning crocodile". One line rises up; the other stays almost flat.





However, in considering this analysis, it is more interesting to explore what is NOT measured than what is. The various strategies to accelerate development have thrown everything at Africa, yet conventional economic metrics continue to underperform. Perhaps we need to reassess our approach. *Tarzan Economics* (retitled *Pivot* in paperback), by the co-author of this paper, Will Page, posits that "what matters most is measured least".

The creative industries, more often than not underpinned by copyright, are not easily measured (nor captured) by economists, but that doesn't mean they don't matter. **Indeed, ample evidence shows they matter most, and one of the best case studies to explore is music.**

What Matters Most is Measured Least

Whilst economists can present a dismal picture of GDP and all of its variations, they often miss what matters most to people—cultural industries that inspire, educate, and inform their populations. Music is one of those things we do not need to live, but most would struggle to live without.

This is as much a problem for the established north as the Global South. As far back as 2012, British policymakers learned that ‘Music [was] SEVEN times more valuable to UK plc than first thought’ through a combination of reclassifying existing activity that belonged to music and capturing activity that was previously missed, as music and media had gone fully digital.

For many African countries, measurement faces a further hurdle—a lack of foundational copyright (and creative industry) infrastructure and investment. The dynamism is there. It is the policy and political will that needs to catch up. Take collective management organizations (CMOs). In the West, rightsholders will complain about administrative costs taking a 15% cut from their royalties. In African countries where there are collective rights management systems to measure, these cost-to-income ratios can become prohibitive—almost half of a creator's income that can pay rent, groceries, healthcare and school fees, can be at risk of disappearing in costs.

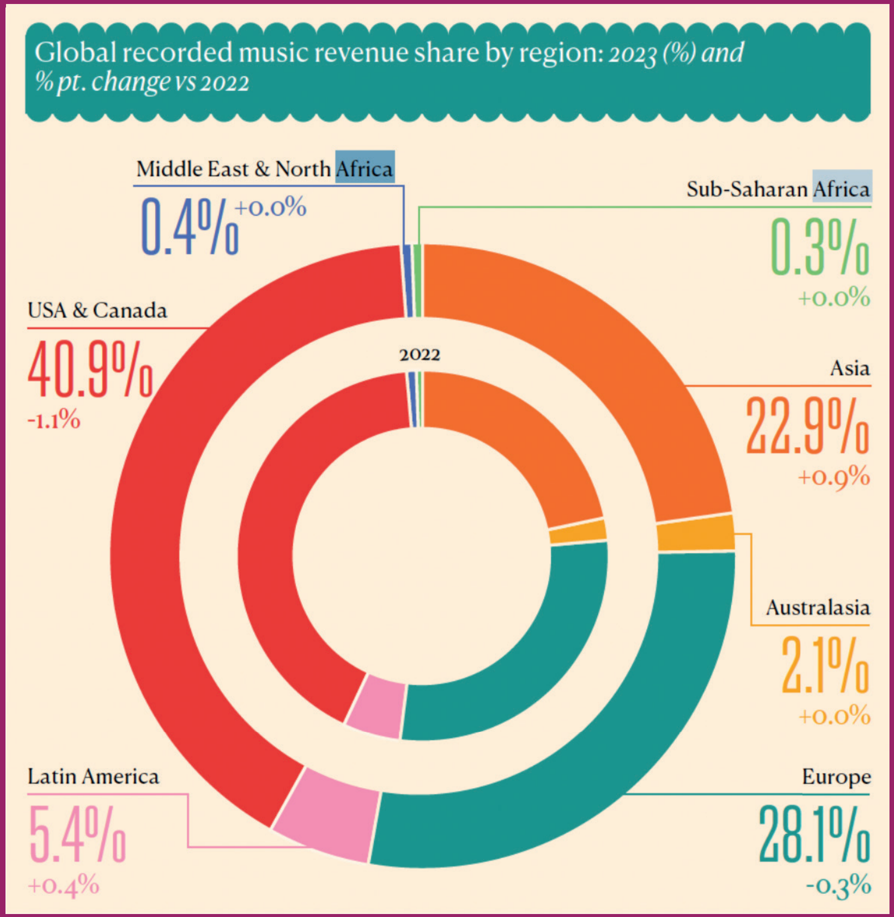
Leaving the continent for a moment, take a look at South Asia and India, especially to see how the creative industries catalyzed broader economic activity. Bollywood is a respected driver of the Indian economy, and with a deeper integration with YouTube, it has the potential to double in size. Recent analysis demonstrates clear feedback effects, with Indian Punjabi music breaking in countries like Canada. There are only four net music exporters worldwide—countries that export more music than they import. Shouldn’t there be more?

Sizing the Pie

As mentioned earlier, music copyright is calculated as being worth $45.5bn in 2023—think about it: that's closer to fifty than forty.

Later this year, when calculating the figure for 2024, we will all learn that the value of music has doubled in a decade. Now, take the magnifying glass to look at the contribution of African economies to that figure. According to CISAC—the international confederation of CMOs representing those who own the composition—the region of Africa made up just €74m, or just 0.6% of global collections. The picture doesn't get much better when we turn to the IFPI Global Music Report, which represents those who own the master rights, such as record labels. There, we learn that Sub-Saharan Africa generated just $72m or 0.3% and the broader group of MENA $109m or 0.4% of the global market.

If you lump it all together and remove the Middle East countries, **you could argue that the value of copyright in Africa is not even close to a quarter of a billion dollars—or just half a percent of the total market.**



Think about it. Africa makes up 18% of the world's population, 3% of the world's gross domestic product and half a percent of the world's value of music copyright. Yet, African artists are achieving global recognition, with local genres such as Afrobeats or Amapiano becoming globally consumed genres. It is just as common to hear Asake in a taxi in Saudi Arabia as it is to hear Kendrick Lamar (as co-author of this report, Shain Shapiro, did).

The writing is on the wall: the opportunity for Africa to accelerate, and fast, is evident. And across the continent, through artists, entrepreneurs, and creatives, music is proving to be one of the most adaptable tools available. If music were to converge on the value of Africa's economic output, we would see a fivefold increase in the value of music copyright.

This is not just an African opportunity but a global one, as the pie can be made much larger for everyone if music is taken seriously—in parliament houses, regulator offices, and business discussions—as an economic good. To do so, there is a temptation to say, 'this can be left to the market' but as we've already made clear—market forces are leaving Africa further and further behind. There are structural imbalances facing the African economy that make convergence-without-intervention unlikely. For example, CISAC reports that digital makes up less than a fifth of Africa's copyright collections (whereas in the rest of the world, it's more than half). Intentional partnerships, led by locals and supported by international partners, can capture this opportunity. We need to do more than just listen to the music.

Building the Tracks Before Running the Trains

This year, the global economy will see a changing of the guard. India will overtake Japan in economic size. How long might it take for the Indian recorded music industry (currently worth just $0.4bn) to overtake Japan's ($2.7bn)—if ever!

This helps us think about the need for financial investment alongside a robust, enforced regulatory environment to close the gap and prevent it from widening further. If African nations are going to benefit from their talent and dynamism, then we need more train tracks—the infrastructure, enforcement and investment to enable copyright to flourish—everywhere before we run trains (maximise the opportunity of paid and ad-funded streaming, live touring and increased payments for using copyright).

National governments, LOCAL financial institutions, Development Finance Institutions such as the World Bank/IFC, Afreximbank, and multilaterals (such as the UNDP) should view music and the opportunities it engenders like Telcos two decades ago. While Africa faces infrastructure challenges, its potential is unmatched.

The Music Economy Development Initiative is the catalyst that can help make this happen. We should place a serious bet in the range of $500m on a handful of countries and work with them—and their talented public and private sector leaders—to demonstrate music as a viable development investment. This will ensure, through improved enforcement and regulation, that music delivers a return, and the pie grows wider and deeper for artists and rightsholders, first and foremost.

Not only would this close the gap, but it will also reverse the brain drain that undermines the potential for music and the broader creative economy. And when the creative economy is thriving, the countries benefit with new jobs and opportunities both on and off stage.

Our Goals—Where Are We Heading

With clear objectives, here are the goals the **Music Economy Development Initiative** will work to support domestic institutions, experts and policymakers to deliver:

Take a region whose combined copyright value is less than $0.25bn and increase it **five-fold** in fewer than five years to $1.25bn.

Calculate the spillover economic impact of the creative industries on tourism, travel, real estate, and, most importantly, developing and retaining talent.

Establish North Star goals. For example, there are four music exporters in the world who earn more revenue from exporting more music than they import: the US, the UK, Sweden and South Korea. **Why can't Nigeria become the fifth?**

Estimate the potential value of music if all countries had tracks, trains and happy customers riding them (institutions, policies, frameworks, infrastructure and norms to support a thriving music ecosystem).

Ensure that human artistry is protected and respected everywhere as technology accelerates.

Create new, innovative financing solutions—led by locals—that de-risk music as a development investment to increase long-term investments in the music economy.

To succeed, we need data and evidence that supports and empowers local stakeholders to create and execute robust roadmaps for their music ecosystem development. This will benefit the private sector (e.g. record labels, publishers, streaming platforms), adding impetus to close the north-south gap and capture and accelerate this momentum in emerging markets as the gap will narrow, with—and capacity—increased to 'crowd-in' private sector investment by de-risking the opportunity by those who need this bet to pay off.

What needs to happen next

African countries can create environments where artists can thrive and contribute to their local economies. It is about building a strong foundation and creating trusted and solid infrastructure so that talent can stay and grow at home and retain rights and revenue in their countries, creating a virtuous investment circle.

A Unified Policy Roadmap

All countries can utilize music to accelerate economic growth, but each would need to approach it differently. There is no universal model to implement.

However, after acknowledging differences in local contexts and contingencies, there are general developmental steps that can be similarly approached—best practice steps that MEDI is confident it can work in tandem with stakeholders—especially policymakers, investors and the industry itself—to deliver:

Recognize music as a national economic good: Compiling research-based evidence on the economic makeup and impact of music on the economy is a key step to recognizing its potential. This includes economic impact, percentage of GDP across different sectors, types of jobs and skills required and mapping of music infrastructure. Without this recognition and clear, independent research, developing, implementing and enforcing policies is difficult.

Develop robust policies: Once there is recognition and political will, sound policies must follow. This includes policies and laws to protect copyright and expand the systems, technology, knowledge, and networks to do so; taxation policies and tax incentives to foster education or production; and the development of physical and intellectual infrastructure—supporting copyright management organizations, venues, studios, rehearsal facilities and schools—to establish a solid foundation to spur private-sector investment.

Implement, communicate and enforce policies: From joining international treaties to enforcing domestic copyright law and other relevant legislation, supporting the development of music industry-related and other infrastructure, establishing or enabling necessary trade bodies, and more, developing a clear legal framework that combats piracy and respects creators socializes and expands the value of paying for music.

Prioritize education and capacity building, inside and outside borders: The economic benefits of music are varied and widespread, but education and awareness are required to maximise them, including programs to expand understanding and valuing intellectual property. Every stakeholder in the value chain needs addressing—those who own rights, those who use them, those who make and implement policies, those who enforce them, and the general public. Multiple international partners can provide support and best practices, but it always begins at home.

Invest and think long term: It's integral that policymakers ensure investment focuses on longer-term yields, like other forms of economic development, which is how this is best approached. Support for music ecosystems is as much an investment in a country's future and all of its musicians and rightsholders as much as in its present.

Most importantly, eliminate the narrative that music is not a serious economic good with limited potential. Although Africa may represent 0.4% of the world's value of music copyright, it represents a much higher percentage of what is consumed worldwide. By prioritizing long-term data collection and investment, as the **Music Economy Development Initiative** aims to do, we will see the potential of music to spur economic growth in Africa and beyond.

Who Can We Learn From and Listen To?

Multiple examples show us that investing and addressing structural reform in Africa (and elsewhere) is a worthwhile bet. Two examples of note are Nigeria and Côte d'Ivoire.

In **Nigeria**, there has been an explosion in both major and independent record labels with worldwide acclaim, such as Mavin Records, Dapper Music and Aristokrat Records, and Nigeria is the only African country where local artists have signed direct contracts with YouTube, Spotify, and Apple Music tailored to the African market. At the same time, the creation of the Nigerian Creative Industry Financing Initiative offers low-interest loans, and the national government has stated that it aims to ensure its creative economy contributes 10% of GDP by 2030.

In **Côte d'Ivoire**, the Ministry of Culture has prioritised music ecosystem development as a priority economic sector and BURIDA, the local CMO, has been reformed to improve collections and distribution. While challenges remain in both countries, work is ongoing—driven by both public and private actors and a shared understanding of music's potential for the broader economy.

In the last few years, there has also been an increase in events, conferences, and trade associations, including Afronation, Afrochella, the Trace Awards, Africa in Colors, ACCES by Music in Africa, and the African Creators Alliance. The more these topics are discussed, the more evolution is possible.

What Are Our Next Steps?

This paper, along with the Music Policy Assembly in Lagos on February 24th (on the heels of Global Citizen's Move Afrika concert with John Legend), introduces the goal of the Music Economy Development Initiative to establish a definitive research and data set to encourage—and accelerate—investing in music to foster economic development.

Our mission is clear—we want music to be an economic good everywhere and ensure that there is long-term investment, copyright protections and opportunities for all creators, no matter where they live, and ensure that income earned by local rightsholders remains local, and that Africa's wealth of creativity translates to a wealth in economic activity, locally.

To achieve this mission, the Music Economy Development Initiative will begin developing a roadmap, which will be presented at the **Global Citizen NOW** action summit Conference in New York City. The roadmap will include new research that qualifies and quantifies music copyright's potential value if structural inefficiencies are corrected. MEDI will also include plans to launch pilots—in partnership with public and private stakeholders—in Nigeria and Côte d'Ivoire. ❐

The Music Economy Development Initiative is a process—not a project. We welcome all partnerships and communication, so please get in touch.

For more information, visit centerformusicecosystems.com/medi

About the Authors

Will Page is the author of the critically acclaimed book *Tarzan Economics*, which has been translated into five languages and published in paperback under the title *Pivot*. As the former Chief Economist of Spotify and PRS for Music, Will pioneered Rockonomics. At PRS he saved BBC 6Music. At Spotify he articulated the global value of music copyright. As a fellow of the London School of Economics, Will recently penned a discussion paper on Glocalisation, which received global acclaim. Showing that the world isn't flat, the *FT* summarised his findings as: Music markets are 'glocalising' – and the English-speaking world better get used to it. A passionate communicator, Will is a regular contributor to the BBC, *Financial Times*, and *The Economist* and co-presents the *Bubble Trouble* podcast. He also serves as a fellow at the Edinburgh Futures Institute, and the Royal Society of the Arts.

Shain Shapiro, PhD is a globally recognised thought leader at the convergence of music, culture, and urban policy. This is showcased in his debut book, *This Must Be The Place: How Music Can Make Your City Better*, which came out on Repeater Books and has been translated into five languages (Italian, Spanish, Arabic, Japanese, Portuguese), along with an audiobook. Shain has defined a new way to think about the value of music in cities and places and, through it, influenced over 130 cities and places to invest in music and culture as founder and executive chairman of Sound Diplomacy and founder and executive director of the not-for-profit global Center for Music Ecosystems.

The nonprofit **Center for Music Ecosystems** delivers research, policy, and global thought leadership on how music best catalyzes economic, social, and human development.

Its mission is to incorporate music into addressing and solving the biggest challenges of our time. It is driving the Music Economy Development Project.

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