International Journal of Economics, Business and Management Research

Vol. 9, No.11; 2025

ISSN: 2456-7760

Essay on Ai, Music, Economics and Law

Marcelo Frullani Lopes, Higor Borges Lima, Thierry Chemalle[3]
[1]University of São Paulo (USP), Law School,
Avenida Paulista, 1009, conj. 2003, São Paulo - SP – Brazil
[2]University of Melbourne, Law School,
11/8 Tivoli Road. South Yara, Melbourne - Australia
[3]Fundação Getulio Vargas, São Paulo School of Economics,
José Antonio Coelho St., 603 – São Paulo – SP – Brazil

doi.org/10.51505/IJEBMR.2025.91111 URL: https://doi.org/10.51505/IJEBMR.2025.91111

Received: Oct 29, 2025 Accepted: Nov 08, 2025 Online Published: Nov 21, 2025

Abstract
This essay examines the economic and legal challenges posed by artificial intelligence (AI) in the music industry, particularly focusing on its role in exacerbating the "superstar effect". By analyzing the intersection of artificial intelligence systems, digital platforms and copyright law, it explores how AI amplifies disparities in the creative economy, favoring established players while marginalizing emerging professionals. The essay critiques the traditional property-based framework of copyright, defending a reconceptualization that promotes algorithm transparency, equity and collective bargaining mechanisms.

Keywords: artificial intelligence. music. copyright. economy. digital platforms.

Introduction

Copyright law has historically adhered to a paradigm that equates copyright with property. This conceptual framework grants authors exclusive rights over the use and reproduction of their works, in addition to the ability to transfer these rights to third parties (except for moral rights, where recognized). Such a framework mirrors broader legal tendencies to rely on metaphors and established concepts to address new and complex phenomena.

Traditionally, the prerogative to authorize the reproduction of works in physical formats reinforced the association between copyright and tangible property. As Juliano Maranhão observes, this perspective was deeply rooted in the material aspects of creative works, further aligning copyright with the logic of exclusivity (Maranhão, 2016, p. 120). Indeed, early era copyright bargains carried out between authors and publishers were underlined by tangibility and exclusivity due to technical and commercial reasons: authors negotiated rights of exploitation of content primarily contained in physical artifacts (e.g. book manuscripts), and publishers exercised copyrights mainly as a tool to prevent or claim damages for the production of tangible copies of protected works (e.g., to prevent or claim damages caused by concurring printings of pirated books) (Kawohl; Kretschmer, 2003, p. 212).

Vol. 9, No.11; 2025

ISSN: 2456-7760

The forms available to communicate creative outputs evolved remarkably throughout the following centuries, prompting copyright to progressively represent a set of rules asserting ownership and protection of immaterial information. Once the intangibility of creative assets became apparent, legal reasoning was forced to confront more directly the ways in intellectual goods differ from physical ones, especially their non-rivalrous nature – contrary to their tangible supports, the use of information by an individual does not preclude others from simultaneously enjoying it (Maranhão, 2016, p. 120).

The evolution of copyright law was then shaped by metaphors to help justify and conceptualize creative authorship and ownership. Early traditions underscored the connections that attach creators and creations; hence expressions were alluded to as children, with authors as their parents. Recalling the transformation of creative industries as the merchant economy took footing, Mark Rose traces how the commodification of texts and the emergence of copyright departed from the previous notion to be recast in terms of agriculture. The new imagery depicted authors as individuals who "sow of seeds," and whose labor justified ownership of creative outputs (Rose, 2002, pp. 6-7).

While innovative at the time, this language was predicated on the conceptual framework that had been used to address the economic, political and technological intricacies of private property over land during the establishment of the late 17th century European merchant agriculture. The most notable example of that approach to property and land came from the Britain's Enclosures, which saw British Parliament, economists and philosophers such as John Locke theorize in what manner strong, exclusive private property on land made for good policy (stirring long term agricultural productivity gains) and an a matter of morals (as personal labor justified entitling merchant proprietors to the products their efforts) (Travis, 2000, p. 781).

By transplanting the rationale of land ownership to the possession of information means copyright law relies heavily on a particular strategy to deliver for artists: just like farmers are expected to derive rents from trading the various spill-over productivity gains attached to dominion over land and harvests, economic efficiency in creativity is presumed to result from voluntary markets exchanges over authors' bundle of rights spanning from the initial expression.

The analogy based on land entitlements also shaped the remedies policymakers would leverage to ensure authors remained protected in their interests, all applied at the individual entitlement level. For instance, similarly to real property bargains, to protect authors from exploitative business many jurisdictions sought to impose restrictions on entitlements and alienability (granting inalienable rights authors could not forego, such as moral rights of attribution), or devising mandatory contract provisions and formalities of scope, term and remuneration provisions of the license or assignment. In other words, by dwelling in the conceptual framework of land, copyright assumes that protecting authors' interests requires strengthening bargaining units' entitlements, while leaving the rest for contracts and commerce.

Vol. 9, No.11; 2025

ISSN: 2456-7760

Recent decades have exposed significant limitations in this traditional alignment of copyright with property, particularly as digital technologies and the internet have reshaped cultural production and dissemination. The advent of digital platforms eroded the connection between creative works and their tangible supports, enabling fast and global dissemination at minimal cost. While this democratization has expanded access for consumers, it has also created new challenges. Strong reliance on free market exchanges must now face the effects of globalization and consolidation, which have seen culture firms grow bigger and accumulate bargaining power that is leveraged in negotiations with artists. The notion that empowering authors with strong property correlates to increasing their capacity to be adequately rewarded must confront the harsh reality of creative industries in which the vast majority make astonishingly little from copyrights, while a disproportionate share of creative rents accrues to a small group of highly visible creators.

Many of these difficulties remain beyond the reach of the remedies designed through copyright protections. The problems faced by artists willing to make a living from their craft are now more structural and nuanced, and it is not uncommon negotiation on property entitlements are foregone entirely - think of the way Meta, YouTube or TikTok can profit and extract value from online creative content by paying appallingly little or simply at no compensation at all. These companies often rely on authors' voluntary uploads onto platforms in the attempt to gain meaningful exposition, but they either hold all technology and control over how the respective micro-markets operate, or they essentially offer exposition without monetary consideration. In that new world more than ever, the traditional, bargain specific, entitlement and contract oriented tools crafted by copyright do little to resolve the distributive conflict opposing authors and their corporate counterparts (Borghi, 2023, p. 446).

Institutional economics provides a compelling critique of the traditional paradigm, proposing a shift in focus. Rather than conceptualizing copyright as a property entitlement that incentivizes and rewards individual labor, academics such as Julie Cohen argue for its reinterpretation as a framework, the legal template that sets standards of organization and coordination of creative resources by market forces (Cohen, 2011, p. 142). This approach aligns copyright with the demands of the post-industrial economy, emphasizing the roles of collective coordination, resource management of intangible resources and, perhaps most importantly, bringing to the fore the debate about law's contribution to equitable standards for firm sue of human creative resources and information by society at large (Cohen, 2011, p. 156-157).

The shift provides a platform to reimagine the contribution of copyright law to the political economy of contemporary creative industries. In this Article, we apply it to the intersection of economics, technology and authors' rights by examining the "superstar effect" in the digital creative economy. The term was coined by economists to describe the tendency for a small number of individuals or organizations to capture a disproportionate share of market consumption and revenues (Rosen, 1981, p. 845-846). The topic has been largely approached as a phenomena that affects the behavior of audiences, but there are good reasons to believe that (i) the internet has possibly amplified this tendency, enabling ever fewer groups to reach worldwide

Vol. 9, No.11; 2025

ISSN: 2456-7760

audiences and revenues in unprecedented levels (Pilati; Houssard; Sacco, 2024, p. 2), and (ii) that technology and platform business models empower digital players to reinforce and profit from the superstar effect, further tilting platform operation in ways that increase those disparities (Handke; Stepan; Towse, 2016, p. 156).

In this Article, we examine how this could well be the case for the production and dissemination of music, and how artificial intelligence (AI) models, such as recommendation and production models, could represent yet another case for a revision of the approach of copyright law towards creators. Our main argument is that in the information age, AI powers and quite possibly further entrenches the superstar effects, benefitting increasingly large technology players with the power to redesign how content industries operate and the chances of success and remuneration of smaller players. The traditional framework fixated on the property paradigm is unsuitable to address it, which calls for a renewed policy strategy to deliver on creativity. In our proposal, we explore the manner rights of transparency, algorithm regulation and structural remedies more broadly could be leveraged to untangle the problem of platform power, economic sustainability of creative occupations - and culture in general.

Understanding and addressing these dynamics is not merely an academic exercise but a pressing issue for policymakers, industry stakeholders, and creators. As the music industry showcases, embracing artificial intelligence for content recommendation and production has the potential to reinforce corporate power over artists whilst deepening the growing inequalities in the arts. This research, therefore, aims to contribute to the ongoing debate by examining how copyright law, reimagined through the lens of corporate property, can provide tools to counterbalance the "superstar effect" and foster a more inclusive creative ecosystem, benefiting the creative landscape and artists' livelihoods.

In the first item, this study explores the origins and implications of the "superstar effect," tracing its economic foundations and cultural impacts across creative industries. The second item applies Cohen's paradigm to analyze how copyright reforms can address the concentration of market power and resources in the contemporary music industry, proposing solutions to mitigate inequalities and support a broader range of creators.

The Superstar Effect in the AI Era: economics and imbalances in the technology-driven music industry

Art has always been a world of extremes. In their book discussing the trend of rising wealth inequality in the United States, Robert Frank and Philip Cook marvel at the way top earnings in various sectors of society increasingly accrue to a shrinking portion of the labor force, even as most incomes have remained largely stagnated (Frank; Cook, 2010, p. 5). Tracking down the pervasiveness of this tendency towards a "winner-takes-all" economy, they explain that media and entertainment feature as a prime example of that reality: few artists and creative content products receives a disproportionate share of the attention (and the rents it yields) from audiences (Frank; Cook, 2010, p. 191). The authors argue that, in return, this scenario incentivizes content

Vol. 9, No.11; 2025

ISSN: 2456-7760

businesses to double down on content produced by, or substantively similar to, whatever already tops in popularity - celebrities secure huge book deals, despite the dubious literary quality of the end product, and endless film sequels, which do little to challenge established cultural patterns, are just some examples indicated by the authors of the structural effects of the winner-takes-all mentality on steroids (Frank; Cook, 2010, p. 193-194).

This "superstar effect" was introduced into economic literature in Sherwin Rosen's seminal 1981 paper, which describes a market phenomenon in which a small number of individuals or entities in a given field disproportionately capture attention, income, and opportunities. This effect is most evident in industries where scalability - enabled by technology - allows the best performers to reach vast audiences at minimal additional cost. As Rosen outlined, even marginal differences in talent or visibility can lead to exponential disparities in rewards, a dynamic that has only been magnified by advancements in media and distribution technologies.

In the music industry, the superstar effect is particularly striking. Historically, artists with slightly superior skills or stronger marketing could dominate charts, radio airwaves, and record sales, capturing a lion's share of the industry's revenue. Over time, these disparities have become more pronounced as technological innovations such as recorded music, digital streaming, and, more recently, artificial intelligence (AI) have transformed the way music is produced, distributed, and consumed.

At the heart of the superstar effect lies the human preference for perceived quality. Audiences naturally gravitate toward performers who they believe to be the best, often creating a cascading dynamic where popularity begets more popularity. This feedback loop is further reinforced by network effects, where an artist's growing fan base attracts additional attention, amplifying their dominance. While this phenomenon is most visible in music, similar dynamics are evident across other cultural and creative industries, each with its own nuances.

The superstar effect has its roots in scalability, a concept central to understanding why a few individuals dominate certain markets. In industries like music, books, or film, the cost of delivering a product or performance to additional consumers is negligible once the initial production is complete. This allows top performers to reach millions, if not billions, of people with little additional effort, consolidating their hold over the market.

In the 20th century, the advent of recorded music was a pivotal moment for the superstar effect. Before this innovation, musical performances were limited to live events, and an artist's reach was constrained by geography. Recording technologies broke those barriers, enabling artists to distribute their work globally. This gave rise to a new breed of superstars - artists whose records could be sold and played worldwide, earning them unprecedented levels of fame and wealth.

The introduction of radio and television further amplified the superstar effect, providing platforms that favored a small number of highly marketable individuals. However, it was the digital revolution, particularly the rise of streaming platforms, that brought the effect into sharper

Vol. 9, No.11; 2025

ISSN: 2456-7760

focus. Platforms like Spotify, Apple Music, and YouTube enabled artists to reach audiences on a global scale almost instantaneously.

Moshe Adler's 1985 article "Stardom and Talent" explores the economic mechanisms behind the phenomenon of stardom, building upon Sherwin Rosen's earlier work on the "superstar effect". Adler challenges the assumption that differences in talent alone explain why a small number of individuals dominate markets in certain fields, such as entertainment, sports, and the arts. Instead, he argues that social and economic factors, particularly the role of information and consumer preferences, play a critical role in creating and sustaining stardom.

Adler's key insight is that stardom is not merely a function of superior talent but is also influenced by the way individuals acquire knowledge about a performer's work. This preference for shared consumption leads to an increased demand for widely recognized performers, as these individuals become common reference points for discussion. In other words, the popularity of stars feeds on itself because their prominence allows audiences to participate more readily in social conversations about their work.

Adler also emphasizes the role of economies of scale in stardom. Popular performers can reach large audiences at minimal additional cost, especially with the advent of technologies like recorded music and broadcasting. This scalability enables stars to dominate the market and earn disproportionately high incomes, even when their talent advantage over competitors is marginal. Importantly, Adler's analysis highlights that the market for stardom is not entirely meritocratic but is shaped by the social value of shared experiences and the structural dynamics of information dissemination.

The implications of Adler's work extend beyond economics, offering insights into the sociology of culture and media. By illustrating how social preferences and technological scalability interact to produce stardom, Adler sheds light on yet another facet of why certain individuals or entities become dominant in fields where talent alone cannot fully explain their success. His analysis remains relevant in contemporary discussions about digital platforms and the role of algorithms in reinforcing the concentration of attention on a small number of cultural producers.

The music industry is not the only domain where the superstar effect is evident; similar dynamics are found across other areas of art and culture. In the visual arts, for instance, a small number of artists - often referred to as "blue-chip" names - dominate auctions, galleries, and exhibitions. These artists, whose reputations are cemented by institutional recognition and market branding, command staggering prices for their work. The disparity is stark: while a single painting by a renowned artist like Jeff Koons or Yayoi Kusama can sell for millions, equally talented but lesser-known creators often struggle to make a living.

In the publishing industry, the superstar effect manifests through the concentration of sales and attention on bestselling authors. Major publishers allocate significant resources to promote blockbuster titles, ensuring their visibility in bookstores, online platforms, and media outlets. As

Vol. 9, No.11; 2025

ISSN: 2456-7760

with music, algorithms on platforms like Amazon and Goodreads further reinforce this dynamic. Independent authors and smaller publishers, by contrast, face steep challenges in gaining visibility and reaching audiences.

The film industry also illustrates the superstar effect, particularly in its reliance on marquee names to drive box office revenues. Actors, directors, and franchises often serve as "brands" that attract audiences, with a few high-profile figures capturing a disproportionate share of attention and income. AI has begun to shape this sector as well, with studios using data analytics to optimize casting, marketing, and even scriptwriting. These tools often favor established stars and proven formulas.

As seen in the previous section, AI has significantly reshaped the music industry, further amplifying the superstar effect. One of the most visible impacts of AI is its use in algorithmic recommendation systems on platforms such as Spotify and YouTube. These systems analyze user preferences, listening habits, and engagement metrics to curate personalized playlists and recommend tracks, prioritizing songs and artists that already exhibit high levels of engagement and creating a self-reinforcing cycle that disproportionately benefits established superstars.

For instance, when a user listens to a popular artist, the algorithm is likely to suggest additional tracks by that artist or similar high-profile performers. This cycle ensures that already-popular music continues to dominate the platform, leaving lesser-known artists struggling to break through. While these systems aim to optimize user satisfaction, their impact on market dynamics cannot be overlooked—they deepen the divide between superstars and emerging talents.

AI also plays a crucial role in content creation and marketing. Major record labels increasingly rely on AI tools to analyze market trends, identify audience preferences, and craft songs tailored to specific demographics. These tools can predict which chord progressions, tempos, or lyrics are most likely to resonate with listeners, enabling the production of music that aligns closely with commercial trends. These technologies also give an edge to artists and labels with the resources to access them, reinforcing the dominance of superstars.

Beyond production, AI has revolutionized fan engagement and monetization strategies. Superstars and their teams use AI-powered analytics to gain insights into audience behavior, optimize tour schedules, and develop personalized marketing campaigns. For example, AI can predict the cities where an artist is likely to sell the most concert tickets or identify fan segments most inclined to purchase exclusive merchandise, which helps to consolidate their market position.

Economically, the superstar effect highlights the characteristics of winner-takes-all markets, where rewards are highly concentrated among a small elite. In industries like music, this means that superstars capture most of the revenue from streaming, ticket sales, and brand endorsements, while most artists earn relatively little. This concentration has broader implications for market structure, artistic diversity, and economic equity.

Vol. 9, No.11; 2025

ISSN: 2456-7760

AI exacerbates these economic disparities by channeling resources and attention to top performers. Algorithms designed to maximize user engagement tend to favor content that is already popular, creating a reinforcing loop that further entrenches the dominance of superstars. At the same time, the volume of content produced by independent artists has increased dramatically, intensifying competition for limited audience attention.

The superstar effect also affects pricing and monetization strategies. AI enables precise price discrimination, allowing superstars to optimize revenue from their fan bases. For example, artists can use AI to develop tiered offerings, such as exclusive content or premium merchandise, tailored to different audience segments.

While the superstar effect is deeply embedded in the structure of creative industries, there is strong indication that it raises important questions about the political economy of creativity in the information age, and about the responses law can and should devise in response.

As discussed, superstar effects carry multiple implications to the incentive structure of culture intermediaries' business structures - corporate players whose business models depend on capturing the largest possible rents from exploiting content are naturally drawn to leverage popular content to its maximum degree. Though this is a legitimate aspect of commercial art, real-world digital entertainment companies require a more nuanced approach to the causes and effects of the winner-takes-all phenomena.

First, the notion that superstar effects are an inherent trait of culture downplay the power of certain culture intermediaries, especially in distribution, to shape audiences' preferences by deciding what content will get delivered to audiences in the first place, which in return incentivizes all sorts of business practices that can ultimately entrench the interests of certain agents above others. Music is a case in point: in the early 20th century, radio stations enjoyed extraordinary leverage over the record industry because productions that could secure radio airtime were in a better position to achieve audience success in the market at large. That stirred "pay to play" bargains, which saw music executives effectively paying stations to have their songs included in radio programs. In the United States, these so-called "payola" dealings became so pervasive that by the 1950s Congress legislated to tag it as an administrative infraction and a criminal offence (Coase, 1979, p. 298).

The fundamental problem posed by payolas was a matter of competition, with structural knock-on effects over the economics of music - those dealings entrenched the grip of major music players over audiences and solidified their control over the music business and, in return, contributed to increase their bargaining power in relation to musicians. The cycle is well known in the history of creative economies, where gatekeepers, by becoming the must-go links between artists and a substantial portion of audiences, can therefore negotiate copyright agreements and content deals with talent that substantially benefit their own business interests to the detriment of authors' interests (Dusollier, 2018, p. 436).

Vol. 9, No.11; 2025

ISSN: 2456-7760

Rather than an exclusivity of past times, the digital economy features similar incentives, and academics argue that companies like Spotify are likely engaging in similar behavior by creating paid click-to-boost features, or curating and recommends playlists whose content disproportionately incorporate the catalogue of the major record companies the most resources and bargaining power to negotiate with the platform (Giblin; Doctorow, 2020, p. 82 and 217-218). The negotiating power of music streamers is boosted yet again by another feature of the digital economy: most of the dominating online players benefit from network effects that increase their value, before consumers and content producers, as they harness larger chunks of the content available online (Giblin; Doctorow, 2020, p. 6-7).

This basic concept explains the plight of the majority of those authors who try to make a living from distributing content online, for they are stuck between the need to reach audiences - and therefore are in practice tied to a few dominating players in the field - and the challenge to make sufficient income to keep going - a difficult task considering how little is paid for content in those platforms. In a damning estimate from 2018, Digital Music News reporters calculated that an artist based in the US would have to reach over 2 million plays on YouTube to make the equivalent to the minimum wage, basing those estimates on the $0,00069 per pay fee practiced by the platform (Sanchez, 2018).

AI neither creates nor defines those problems, but they add yet another layer of complexity. The efficient distribution of content goes a long way in supporting platforms to cultivate audience engagement, but there are no assurances that the productivity gains will be shared with the broad base of creators that provide the content attracting the public in the first place. In other words, network effects create a value gap between the contributions made by individual creators and the remuneration standards defined by platform owners, and there are strong incentives for these companies to appropriate the benefits entirely. AI recommendation tools increase the overall efficiency of the business model, but it does not necessarily lead to a proportional redistribution of the proceeds among the broad base of the creative ecosystem. AI generated content likely pushes those gains even further since they multiply the creative output that feeds into platforms' catalogues, only this time cannibalizing the portions of audience attention and royalty pool available to pay human authors.

Artists and productions backed up by major record labels can momentarily avoid being hit and rely on their corporate partners to strike deals forcing platforms to remunerate catalogues under better terms, but that will be hard to come true if major labels themselves hold too much negotiating sway with talent, or if they face little competition from rival independent producers. Finally, all those loose ends are tied together by the overarching secrecy and control that keep AI models and business-to-business deals between platforms and labels beyond the knowledge of the public and artists themselves.

These are problems our copyright laws, inspired by the logic of tangible property, are strikingly unsuitable to resolve. Copyright traditionally relies heavily on markets and privately struck deals of talent and intermediaries but equips artists with too little to challenge structural imbalances

Vol. 9, No.11; 2025

ISSN: 2456-7760

that ultimately affect their interests. If competition is faulty, the few remaining players in the industry become the only viable alternative for those eager to see their creative outputs reach the light of day, which is an incentive to accept any deals they are offered. This is set to add up to the bounded rationality of a creative class that is already keen to forgo financial rewards for the sake of producing art (Tushnet, 2009, p. 545), reinforcing patterns of exploitative dealings too familiar to those working in creative sectors.

Copyright's usual remedies to those problems remain largely restricted to granting creators alienable rights that are to be contracted away in the market. As discussed, freedom alone, however, is unlikely to make up for the structural bargaining power disparities that favor entertainment business. But a secondary problem withstands: many of those problems are underscored by intermediaries' de facto ownership of creations once rights are transferred through licensing agreements. In those situations, creative incomes may depend on actions adopted by intermediaries, which in return may lack incentives to pursue the best interest to serve creators in the first place.

Once again, the music industry offers an insightful example: throughout the 20th century, it was practice in the recording industry for authors to enter into licensing agreements providing for contingent royalty payments (e.g. royalties paid after sales reach a certain threshold). Those agreements typically passed on to creators several production costs that should be offset against the initial royalty balance, including costs of producing CD copies, delivery and packaging fees and others. Because contracts would not provide creators with effective information and control mechanisms about the measures, precise costs and accounting practices adopted by labels, a staggering number of musicians have never received a penny from royalties (Giblin; Doctorow, 2022, p. 55-56).

At its core, the problem lies in the way agreements endow entertainment companies to profit from creative labor while they deprive artists from information and control mechanisms that would be vital to ascertain the very remuneration rights attributed to them. Something substantially similar happens in the way that AI-driven platforms affect what content gets delivered, and which creators stand the chance to break-through - no one outside the tech firms that operate those models knows the inner workings of algorithms.

The issue is aggravated in the case of digital platforms, in comparison to traditional record labels. Digital players like YouTube may not rely on licensing contracts at all. Those who upload content only are therefore at the full mercy of tech firms' internal business decisions and must agree to service conditions on a take-it-or-leave it basis. These examples illustrate that private property entitlements alone are insufficient to redress various business structures and practices that are posited on extracting value from creativity without accountability.

These and many other structural problems in creative industries challenge the beliefs copyright has been built upon, and the characteristics it developed in response. Stirring agricultural productivity on land might have benefitted from unitary, exclusive control and the capacity of

Vol. 9, No.11; 2025

ISSN: 2456-7760

the individual owner to claim the rents arising from agricultural production. On moral grounds it may well be the case that working land should entitle workers to the proceeds of their labor. Exclusive entitlements on tangible property may address the underlying issue of securing socially desirable productivity and ensuring the rewards for many activities, but the creation of information follows a very different logic. Humans have always produced art regardless of the expectation of any profits, and most of creative incomes today derive from artists who provide their intellectual human capital to firms specialized in coordinating these artistic inputs, aggregating them with capital investments in production, marketing and distribution channels. Property's exclusivity and alienability respond well to the logics of commerce but are seldom sufficient to account for the more complex relationship between the desire to create art and the expectation to receive incomes that are sufficient to survive in a dignified manner.

Drawing from institutional economics, Julie Cohen proposes a different vision about intellectual property rights that may inspire some alternative approaches. She argues intellectual property can be best described as a framework to the service of commerce: it enables the capital investment decisions made by culture businesses and affords firms the capacity to coordinate creative resources, engaging the artistic workforce as one element of the cultural production chain (Cohen, 2011, p. 143).

On that account, she proposes the copyright of the information society might find inspiration in corporate property that emerged in response to the coordination and stewardship problems of the industrial economy. Indeed, under corporate industrial property entrepreneurs were able to operationalize complex financing structures of large-scale operations, particularly as a result of tradable shareholder titles that grant fragmented portions of corporate ownership to a diffuse set of proprietors. At the same time, corporate property laid the ground for the emergence of specialized units within the firm, which in return became subordinated to the centralized coordination of firm management. Further below the chain of command, corporations could acquire resources from multiple suppliers, like plants, machinery and real estate, and enabled the engagement and coordination of large ranks of workers that provided labor in exchange of salaries.

No one denies that corporate property targets businesses, but the policy implications of corporate law have made them subject to several distinct regulatory regimes. For example, within the corporation management and different classes of shareholders have varying levels of obligations towards one another and the corporation itself. Managers must respond to owners and are subject to several duties to act in the best interest of the firm and of shareholders, which is backed up by extensive fiduciary duties enforced by transparency and accountability rules. Because controlling shareholders have greater capacity to influence the firms' business practices, minority shareholders have the right to access and audit corporate books and can sue to hold management and controlling shareholders accountable to mismanagement practices.

Outside firm boundaries, labor regulations set the conditions upon which capital can engage with workers on wages, contract management, protection from harm, discrimination in hiring

Vol. 9, No.11; 2025

ISSN: 2456-7760

practices etc. (Cohen, 2011, p. 156). More broadly, firm activities are subordinated to administrative and judicial oversight, and corporations may be held liable to the way they deal with consumers, pollute, compete and so on. That notion of governance and responsiveness is precisely what is lacking in the traditional accounts about copyright law.

As seen, Cohen posits that copyright law in the information society performs a similar function as industrial-era corporate property, to the extent it provides culture entrepreneurs with a framework to coordinate resources. In similar fashion, copyrights enable complex financing structures (very often they are be offered as collateral to obligations, for instance), support complex decision-making structures (providing a legal structure to scale decisions among artists, creative executives and corporate executives) and empowers firms to engage with the creative human resources (defining the conditions upon which creators are retained and remunerated). The parallel opens interesting avenues to think of the social controls provided in law with respect to corporations and how they could be leveraged or adapted to the functions performed by copyrights in creative industries.

Back to the issues arising from superstar effects, technology and AI-powered businesses, copyright law inspired by corporate law could invest in different strategies beyond the usual protections of creators' personal entitlements. First, we could entertain more explicitly regulatory interventions that fall outside copyright proper, but nonetheless closely intertwine with the economic and social hurdles affecting the interactions of markets and creative persons. In the case of AI-tools, law could foster higher levels of algorithm transparency to hold platforms accountable to society and artists. Governments could step in more when structural imbalances in creative industries are caused by lack of competition and entrenched economic power. Competition laws and regulation of technologies could be one way to pursue this, but as in the case of US radio payolas, certain private dealings that have the knock-on effect of foreclosing the market could themselves be the object of prohibitions and restrictions.

Second, copyright law could charge more definitively towards collectivized regimes as a response to problems that manifest in the bargaining unit. Starting at the individual level, one way strategy resides in asserting stronger rights of access to information, whose scope and level of detail should be adequate to empower artists to make true of their royalty bargains - this may include understanding payment formulas, policies and bargains, but also technological intricacies that indirectly affect how compensation is ultimately defined. Still, while the individual right to information would be a significant improvement, a broader institutional framework may still prove vital. Individuals may lack the expertise, time and resources to make sense of that information, and even cooperating businesses may find themselves overwhelmed by the task of crafting reports on a case-by-case basis. In this dimension the problem calls for a collectivization in two fronts: on artists' part, they should be able to rely on a framework that includes other players who can assist processing and auditing data, trade unions among them; on the part of intermediaries, industry-level standards of reporting would be important to adapt practices to sector-specific needs. In either case, corporate law provides close to centuries of evolution in access to information, auditing and accounting practices.

Vol. 9, No.11; 2025

ISSN: 2456-7760

Finally, other options are available on the table. As in the case of labor laws that aim to reduce the bargaining power asymmetry between individual workers and corporations, copyright could vest independent artists with rights to collectively bargain for baseline contract provisions - including, for example, minimum royalty fees, credits, transparency measures, terminations, etc. The roles of collecting societies could evolve to take on these activities in part or in whole, and laws and regulations could be passed to ensure that artists' unions and collecting societies remain themselves responsive to the membership base. This would likely prevent those institutions from concurring in the non-transparent and self-serving practices that already plague the business of entertainment.

Each one of the proposals above presents its own challenges and stirs yet more debate in various directions, but they at least provide some meaningful alternatives to problems copyright has long failed to grapple with. They would also represent a fundamental departure from centuries of copyright tradition rooted in the idea of governing the individual interest held by authors on physical assets, which is set to unease large quarters of academia, economists and lawyers. Still, as AI upends the creative landscape as we know it, that shift might come just in time.

Conclusion

The superstar effect is a powerful force that shapes the cultural and economic landscapes of creative industries. While it has historically been driven by scalability and network dynamics, the advent of artificial intelligence has significantly amplified its impact. AI has transformed how audiences discover and consume content, often reinforcing the dominance of established stars at the expense of emerging talent.

However, AI also presents opportunities to address these challenges and foster greater diversity and innovation. By promoting transparency, equity, and inclusivity in the use of AI, creative industries can harness technology to create a more balanced and dynamic ecosystem. Ultimately, the goal is to ensure that success in these fields reflects not only popularity but also creativity, talent, and opportunity.

References

ADLER, Moshe. Stardom and talent. The American Economic Review. Vol. 75. Issue 1. 1985. p. 208-212.

BORGHI, Maurizio. Commodification of Intangibles in Post-IP Capitalism: Rethinking the Counter-Hegemonic Discourse. European Law Open 2 (June): 434–47. 2023. https://doi.org/10.1017/elo.2023.25.

COASE, Ronald H. Payola in Radio and Television Broadcasting. The Journal of Law & Economics. Vol. 22. Issue 2. p. 269–328. 1979. https://www.jstor.org/stable/725120.

COHEN, Julie E. Copyright as property in the post-industrial economy: a research agenda. Wisconsin Law Review. Vol. 141. 2011. p. 141-165.

COHEN, Julie E. 2014. What Kind of Property Is Intellectual Property? Houston Law Review 52 (2). 2014. p. 691–708

Vol. 9, No.11; 2025

ISSN: 2456-7760

DERESIEWICZ, William. The Death of the Artist. First Edition. New York: Henry and Co, 2020.

GIBLIN, Rebecca, and Cory Doctorow. Chokepoint Capitalism: How Big Tech and Big Content Captured Creative Labor Markets and How We'll Win Them Back. Boston: Beacon Press, 2022.

GINDIS, David; MICHELER, Eva. Institutional Theory for Corporate Law: An Invitation. Journal of Corporate Law Studies, p. 1–37. 2024. Accessed 28 November 2024. https://doi.org/10.1080/14735970.2024.2414465.

HANDKE, Christian; STEPAN, Paul; TOWSE, Ruth. Cultural Economics and the Internet. In BAUER, Johannes; LATZER, Michael. Handbook on the Economics of the Internet. Cheltenham: Edward Elgar Publishing, 2016. p. 146–162.

KAWOHL, Friedemann; KRETSCHMER, Martin. Abstraction and Registration: Conceptual Innovations and Supply Effects in Prussian and British Copyright (1820-50). Intellectual Property Quarterly. Vol. 2. 2003. p. 209-228.

MCKENZIE, Jordi; SHIN, Sunny Y. 'Demand'. In TOWSE, Ruth; HERNÁNDEZ, Trilce Navarrete. Handbook of Cultural Economics, Third Edition. Cheltenham: Edward Elgar Publishing, 2020. p. 216–27. https://doi.org/10.4337/978178897580.3

MARANHÃO, Juliano. Reconfiguração Conceitual? O Direito Digital como metáfora de si mesmo. In: FORTES, P.; CAMPOS, R.; BARBOSA, S. (org.). Teorias Contemporâneas do Direito. Juruá: Curitiba, 2016. p. 97-128.

ROSE, Mark. Copyright and its metaphors. 50 UCLA Law Review. 2002. p. 1-15.

ROSEN, Sherwin. The economics of superstars. The American Economic Review, v. 71, n. 5, p. 845-858, 1981.

SANCHEZ, Daniel. 2018. How Much Artists Make Per Stream on Spotify, Apple Music & More. Digital Music News (blog). 2018. https://www.digitalmusicnews.com/2018/12/25/streaming-music-services-pay-2019/.

TIMBERG, Scott. Culture Crash: The Killing of the Creative Class. New Haven: Yale University Press, 2015.

TUSHNET, Rebecca. Economics of Desire: Fair Use and Marketplace Assumptions. William & Mary Law Review 51:513–46. 2009.

TRAVIS, Hannibal. Pirates of the Information Infrastructure: Blackstonian Copyright and the First Amendment. Berkeley Technology Law Journal. Vol. 15. 2000. p. 777-864.