

**Royalty Payments for Music Play in Cafes and Restaurants: Impact on
The Right to Freedom of Communication and MSME Revenues**

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ABSTRACT

The explanation above indicates that this research is a qualitative study with a descriptive approach, namely an approach that aims to describe each of the main topics used in this article. The researcher will describe the implementation of royalty payments by MSMEs and its impact on MSME income, the implementation of the royalty payment system that has not been optimally absorbed from the perspective of songwriters, and clarity on who pays royalties, whether the singer or the event organizer. The data used in this article is secondary data obtained by the researcher from credible sources such as scientific articles, websites, books, and so on. This data is analyzed through the stages of data collection, data reduction, data selection, and drawing conclusions. The Conclusion in this article show that this can affect MSMEs that do not have a good MSME and do not include royalty payments in routine expenses. Conversely, this does not affect MSMEs that have included royalty payments in routine expenses. Regarding the right to freedom of communication, the researcher believes that this right can be limited if other community rights are violated. Furthermore, it has been confirmed that royalty payments are not optimal and will be improved as soon as possible by the government. The government has also emphasized that the party responsible for paying royalties is the event organizer, not the singer.

Keywords: royalty payments, music plays, cafes and restaurants

INTRODUCTION

Regulations regarding economic rights over creations or works in Indonesia only emerged later than moral rights, specifically in the 2002 Copyright Law. Previously, creative activity was not considered a profession. For example, if there was an imitation of a creation or work, it was only considered an ethical or moral violation compared to a violation that resulted in economic loss. This thinking then developed and made the material activity of "creating" be seen as the same as other fields of work, which should produce material. Thus, if moral rights are a reflection of the Creator's personality, economic rights may reflect the Creator's needs, both physical and spiritual. Economic rights and moral rights are now inseparable, and even go hand in hand (Nainggolan, 2011).

Etymologically, royalty comes from the English translation of the word "Royalty," which means payment for the use of rights. According to the Legal Dictionary, Royalty is a service fee or reward paid by a party for a work that has been sold. Meanwhile, based on PP 56/2021 Article 1 number (1), Royalty is a reward for

the use of the economic rights of a Creation or Related Rights product received by the Creator or owner of Related Rights. Royalty can be said to be a fee or price that must be paid by the buyer or user directly or indirectly as a condition for the sale and purchase of goods containing intellectual property rights. Thus, royalty payments are a form of separate wealth income for the owner or holder of intellectual property rights (Hamzah, 1986).

The definition of royalties as a form or compensation for the use of economic rights of songs and/or music that should be obtained by the Creator, the copyright holder and/or the owner of related rights, has not been specifically regulated in the Copyright Law. Royalties are the core of economic rights for the Creator and the holder of related rights. The existence of these royalties shows appreciation for the hard work and talents of the Creator and the holder of related rights, while also providing motivation (passion) to the Creator and the holder of related rights to produce a new creative work or to create. Without royalties, there is no appreciation that should be appreciated by the Creator and the holder of related rights and as a result the process of creating a work or creativity will stagnate (Rahayu, 2021).

In general, royalties are a payment given by the user of copyright or related rights products to the Creator and/or the holder of related rights in connection with granting permission to exploit or use the creation or related rights products. The amount of royalty payments is usually based on an agreement with certain measurements and then it is stated in a written agreement or deed. The term and use of royalties, began in the 6th century in England which was called the golden and silver century, natural resources such as silver mines, gold, oil and natural gas and other mineral mines belonged to the Kingdom of Great Britain, and someone could only mine them if they paid (royalty) to the King. Then in further developments, the term royalty developed, not only as a payment someone makes to the King because he has been allowed to take advantage of mining the Kingdom's mining materials, but royalties are also used as a payment given to the Creator or inventor and so on for the use of exclusive rights of a creative work or work of discovery (Fahlevi, 2022).

In recent months, the discussion of royalties has been a hot topic and at the center of communication among various elements of society, especially singers, songwriters, and MSME stakeholders. From one perspective, songwriters see royalties as not being implemented optimally and firmly, thus preventing songwriters from receiving their full rights. From the singers' perspective, royalty payments lack a clear direction and purpose, specifically regarding who is responsible for paying royalties—the singer or the event organizer. From the MSME stakeholders' perspective, this can threaten MSME income and the sustainability of MSMEs. Based on this, researchers are interested in exploring this issue comprehensively in this article.

RESEARCH METHODS

The explanation above indicates that this research is a qualitative study with a descriptive approach, namely an approach that aims to describe each of the main topics used in this article (Nartin et al., 2024). The researcher will describe the

implementation of royalty payments by MSMEs and its impact on MSME income, the implementation of the royalty payment system that has not been optimally absorbed from the perspective of songwriters, and clarity on who pays royalties, whether the singer or the event organizer (Lexy J. Moleong, 2014). The data used in this article is secondary data obtained by the researcher from credible sources such as scientific articles, websites, books, and so on (Manzilati, 2017). This data is analyzed through the stages of data collection, data reduction, data selection, and drawing conclusions.

RESULT AND DISCUSSION

Royalty

Regulations regarding economic rights over creations or works in Indonesia only emerged later than moral rights, specifically in the 2002 Copyright Law. Previously, creative activity was not considered a profession. For example, if there was an imitation of a creation or work, it was only considered an ethical or moral violation compared to a violation that resulted in economic loss. This thinking then developed and made the material activity of "creating" be seen as the same as other fields of work, which should produce material. Thus, if moral rights are a reflection of the Creator's personality, economic rights may reflect the Creator's needs, both physical and spiritual. Economic rights and moral rights are now inseparable, and even go hand in hand (Nainggolan, 2011).

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Income is all receipts, both cash and non-cash, resulting from the sale of goods or services within a specific time period. Income is compensation for providing services to others; everyone earns income for helping others. Meanwhile, personal income is all types of income, including income earned without doing anything, received by residents of a country (Iskandar Putong, 2015). Personal income includes all community income, regardless of whether the income is obtained from providing factors of production or not. According to Kadariyah, the money a person receives is in the form of wages, profits, rent, and others, and is obtained within a specific time period (Sholihin, 2013).

Revenue, also known as income, is income earned over a specific period of time. Revenue is all proceeds from the sale of goods and services within a business unit. Revenue is defined differently from income. Revenue is income minus costs and expenses, while earnings are net income minus costs and expenses. A person's income can be linked to the type of work they perform, depending on their profession, such as entrepreneur, laborer, employee, craftsman, and so on. After working, a person earns income that can be used to meet daily needs and also for savings or business. Furthermore, individual income is the wages or salary given to someone after performing a job. Income is the money earned by an individual or family member through hard work. Generally, income is defined as all receipts from the community or state from all activities carried out and activities not carried out (Sukirno, 2002).

Definition of MSMEs (Micro, Small and Medium Enterprises) According to Law Number 20 of 2008 concerning MSMEs (Micro, Small and Medium Enterprises) is:

Productive businesses owned by individuals and / or individual business entities that meet the criteria of Micro Enterprises as regulated in this Law. Micro Business Criteria according to Law Number 20 of 2008 Article 6, Micro Enterprises Are (Indriyatni, 2013): 1. Have a productive business owned by individuals and / or individual business entities that have a net worth of at most IDR 50 million excluding land and buildings for business premises; or have annual sales results of at most IDR 300 million. 2. Owned by Indonesian citizens 3. Stand alone, not a subsidiary or branch of a company that is not owned, controlled, or affiliated directly or indirectly with Medium Enterprises or Large Enterprises 4. In the form of an individual business, a business entity that is not a legal entity, or a business that is a legal entity, including cooperatives.

The characteristics of micro businesses according to are (Zasfayyard, 2023): 1. The type of business goods is not fixed, can change at certain periods 2. The place of business is not always fixed, can change at any time 3. Not yet implementing simple financial administration and not separating family finances from business finances; Human resources (entrepreneurs) do not yet have an adequate entrepreneurial spirit 4. The average level of education is relatively low 5. In general, they do not have access to banking, but some of them have access to non-bank financial institutions.

The discussion in this article relates to whether royalty payments by MSMEs affect MSME revenue. The researcher's answer is that this can affect MSMEs that do not have a good MSME and do not include royalty payments in routine expenses. Conversely, this does not affect MSMEs that have included royalty payments in routine expenses. Regarding the right to freedom of communication, the researcher believes that this right can be limited if other community rights are violated. Furthermore, it has been confirmed that royalty payments are not optimal and will be improved as soon as possible by the government. The government has also emphasized that the party responsible for paying royalties is the event organizer, not the singer.

CONCLUSION

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