

Royalty Collection Organizations: Private Interest Enterprises or Social Purpose Organisations?

Jim Rogers, Dublin City University

Sergio Sparviero, Universität Salzburg

Patrik Wikström, Queensland University of Technology

Keywords: copyright, performing rights, royal collection organisations, social enterprise model

Abstract

This article presents the preliminary work carried out for a study designed to assess and explain the extent and form of the competition between performing rights royalty collection organisations (RCOs) in the music industry. Performing rights function as a key aspect of copyright law allowing creators and publishers to be compensated when their works are broadcast or performed. Such rights generate approximately \$10bn annual in revenue for the music industry. RCOs effectively operate as enforcement agents sanctioned by law to requisition and gather payment on behalf of their members. However, they are also organisations with social goals that act as intermediaries between music users (the customers) and music rights holders (the beneficiaries). RCOs come in a variety of forms: large, small, for-profit, non-profit, national, international. Yet, notwithstanding the variety of their organisational designs and their crucial role in developing the music industry, they are an under-researched aspect in regard to music and intellectual property rights. In order to establish a more comprehensive understanding of the form and nature of these royalty collection societies, and the competition between them and the social impacts, we compare the Irish Music Rights Organisation (IMRO) with the UK's Performing Rights Society. Employed for this purpose is the Social Enterprise Model Canvas, the frame used to analyse the business model of organisations that prioritise social goals financed from market revenues.

Simon Napier-Bell is a renowned record producer, songwriter and music manager, who has worked with such artists as Eric Clapton, Dusty Springfield and George Michael. In his 2022 book *The Business: A History of Popular Music from Sheet Music to Steaming*, he recounts a 1966 meeting:

In this business, the song is the one and only commodity... The history of music publishing is the history of the music industry. Forget records... Songs are forever. (cited in Napier-Bell, 2022: ix)

Songs thus represent *the* key resource around which the music industry sustains itself over time. The ‘business’ of songs is built around the music publishing industry, and in the twenty-first century, music publishing is thriving. As a *New York Times* headline declares: “Music’s Hottest Star: The Publisher” (cited in Suisman, 2012: 176). Of less economic significance than the recording of live/concert industry, music publishing is nonetheless a multi-billion-dollar business.

Copyright is the legal mechanism through which songs are monetised, and performing rights represent a key component of music publishing. Such rights are also a fundamental aspect of copyright law that enable creators and publishers to be compensated when their works are broadcast or performed. Driven by acute growth in collections from streaming, and climbing music subscriptions, global revenues from performing rights in music regularly exceed \$9bn annually (CISAC, 2023), in an environment where wider music rights are valued at \$40bn (Cooke, 2022). Here, we also note the concentrated ownership structures of music publishing, with the three largest music labels in the world (Sony, Universal and Warner) accounting for 60% of the global market (Statista, 2022). That figure becomes 73% when you add in Kobalt and Bertelsmann Music Group (BMG).

Royalty Collection Organisations (RCOs) manage and administer such performing rights for their songwriter, composer and publisher members, and collect royalties on their behalf. As such, they are key music industry ‘enforcement agents’, with the legal authority to requisition and gather payment. Additionally, RCOs are organisations with *social goals* that act as intermediaries between music users (here, ‘the customers’) and music rights holders (‘the beneficiaries’). Yet, RCOs remain an under-researched aspect in the context of music and the wider intellectual property rights (IPR) regime. In fact, the realm of music publishing remains relatively neglected in scholarly work on the music business, which instead privileges the phonographic recording industry (Williamson and Cloonan, 2007; Rogers, 2013). There are few studies offering critical reflection upon, and examination of collection societies operating in the domain of performing rights (notable exceptions are Korman and Koenigsberg, 1986; Katz, 2005). We seek to address this deficiency by proposing a novel approach designed to generate distinctive insights into the form, nature, agendas, roles and practices of RCOs. So here, we present a preliminary comparative analysis of the Irish Music Rights Organisation and the UK’s Performing Rights Society. The comparison will map out their business models and show how they create economic and social value for themselves, their members, and any stakeholder involved with their missions and operations.

Initial observations, and a plan for this study

RCOs provide licences which allow the use of music in public spaces and support for complying with copyright legislation. Customers include online platforms (radio and television), broadcasters, cinemas, live music event promoters and any other organisations using background music (factories, shops, cafes etc.). The revenue from licences is paid out to members and other beneficiaries. These are ‘creators’, i.e., composers, songwriters or authors, and non-creative actors, including music publishers and royalties’ owners. RCOs’ operations are financed from a small share of the licences paid to their own beneficiaries, or the beneficiaries of other RCOs.

From the size of memberships, levels of revenues generated and the relative scale of different organisations in terms of staffing etc., we hypothesise that larger RCOs have more resources for providing better and/or cheaper services and possess greater scope and means for gathering international royalties for members (from their own subsidiaries or sister societies around the

world). Generally speaking, these organisations aim to improve their efficiency: the bulk of the capital is invested in technology to reduce the cost of collecting royalties for their members. Hence, larger RCOs are potentially more effective as long as investments in technologies have a scale effect.

We are puzzled to find that RCOs, despite their common purpose, are characterised by different governance principles. Some are incorporated as for-profit commercial enterprises, while others are non-profit organisations. To explore this distinction, we conducted an initial exploratory comparative analysis of two RCOs: the Irish Music Rights Organisation (IMRO), which operates in the relatively small Irish context; and the UK's Performing Rights Society (PRS), a more complex organisation, which is one of the largest revenue-generating societies in the world. It administers rights on approximately 25 million recordings and boasted a gross royalty collection of more than £777m in 2021 (PRS for Music, 2022).

Power and distribution of earnings in the recording and music publishing industries is highly concentrated (see, for example, Ingham, 2016; Mulligan, cited in Resnikoff, 2014; Rogers, 2021). The repertoires of a relatively small number of 'superstar' artists and songwriters generate the vast bulk of performing royalties internationally. This trend has become more pronounced in the digital era as major music labels have reconfigured their internal structures, and the nature of contracts with artists has subsequently evolved (see, for example, Arditi, 2019). Thus, RCOs' funding increasingly depends on the success of a few members rather than on the size of their membership. A key objective here is to establish whether or not such evolving industry trends have triggered genuine competition between organisations or a concentration of resources in favour of the larger RCOs.

The origins of performing rights

Performing rights form a fundamental aspect of copyright law and concern the right to perform music in public. They ultimately evolved from much-cited legal proceedings in mid-nineteenth century Paris (Attali, 1985; Frith, 2004; Laing, 2002, 2004 among others). Three French composers—Ernest Bourget, Victor Parizot and Paul Henrion—were angered to discover that their respective compositions formed part of the repertoire performed by a guitar quartet at a restaurant along the Champs-Élysées. The composers demanded payment from the restaurant, and subsequently separate reimbursement from the musicians. Resulting court proceedings established a 'performing right' for composers, prompting the development of mechanisms for the collection of payments on their behalf.

The 1848 Paris ruling led to the formation of La Société des Auteurs, Compositeurs et Editeurs de Musique (SACEM), the world's first performing rights society. Petri tells us that the development of SACEM:

...was a stroke of genius. The newly won protection of performing rights could not possibly have been monitored by the individual composers... And it also provided the users of the music with the only possible uncomplicated means of being granted access to the music right they wanted. (Petri, 2002: 105–6)

Across the decades that followed, similar societies emerged across Europe and beyond. Like SACEM, these societies were (and still are) based on the principle of 'collective management'—a business practice that has stayed at the core of the music industry (Laing, 2004). Such a practice

means that an international network of royalty collection societies effectively operates as a nerve centre connecting rights owners with music users. Individual societies provide a ‘clearing house’ service that simplifies the process of obtaining usage rights, and they distribute resulting revenues accordingly.

More than 170 years after the legal establishment of performing rights, the global value of music copyright (comprising all sources of revenue) is estimated to be \$32.5bn (Page, 2021). Within this, the global market for performing rights alone is valued at \$9.3bn (CISAC, 2023), with approximately 150 ‘networked’ societies in existence (Rocchi, 2021). It is worth noting, however, that this figure has been negatively affected by the effects of COVID-19, particularly on performing rights revenues deriving from the live music sector, which plummeted during 2020–21. The perceived long-term value accruing from performing rights (and other forms of music IP) means that music funds provide an increasingly attractive venture for investors, with companies like Hipgnosis rampantly pursuing the acquisition of legacy song catalogues, and in some cases, the rights to artists’ royalty shares. For some asset managers, such investment strategies “provide shareholders with a desirable and growing level of income, combined with the potential for capital growth” (O’Connor, 2021: 26).

Here, it is also worth considering the trajectory of copyright law over time, and the form of its application in the context of music. Our concern here arises from the intentions, roles and practices of royalty collection societies. It is thus useful to contemplate how the characteristic features of RCO operations resonate with different understandings of why, and in whose interests, copyright law exists.

In the US context, a ‘Copyright Clause’ agreed at the Constitutional Convention of 1787 stated that Congress should be empowered to “promote the Progress of Science and the useful Arts by securing for limited Times, to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries” (Article I, section 8, clause 8 cited in Kretschmer and Kawohl, 2004: 29). In his historical study of copyright within American culture, Vaidhyanathan (2001) noted that the early framers of the United States Constitution shaped copyright as a policy to balance various interests rather than a property right designed to privilege certain interests over others.

Early US copyright law derived from the concept of copyright that had been formed by the Statute of Anne (1710) in England. The official name of the Statute read: “Act for the Encouragement of Learning by Vesting the Copies of Printed Books in the Authors or Purchasers of Such Copies During the Times Therein Mentioned”. The act attempted to shape a ‘balanced legal system’ that would serve the rights of publishers, vendors and authors (Pardo, 2003). While early copyright law did not take music into account, by the 1770s sheet music was covered under the terms of the 1710 Act (Kirton, 2015). However, what is more important to note here is that the professed emphasis was on balancing the rights of the various actors concerned, and using copyright, primarily, as an incentive for creativity and the generation of knowledge.

The ‘spirit’ with which copyright law was first enacted has long since been eroded. It became a mechanism for controlling access to culture and knowledge that serves as an impediment to creativity (Lessig, 2001; Gillespie, 2009; Vaidhyanathan, 2001). Copyright principles are mostly used to bolster the assets and profits of non-creative intermediaries, none more so than transnational record labels and publishers in the music industries (Kirton, 2015). As Kirton notes:

Of particular concern is the way in which the development of copyright laws in this context appears to be systematically moving away from principles of encouraging creativity and innovation, to the principle of protecting established socio-economic

arrangements and interests, even when those arrangements can be seen to be problematic and relatively unproductive. Copyright law has, over the last decade increasingly come to be legitimated and rationalized in terms of protecting corporate rights holders from economic harm and as a means of securing national economic performance, rather than in terms of incentivizing individual creative production for the good of society, as was initially intended (Kirton, 2015: 603).

From this assessment, we conduct an exploratory, ‘pilot-level’ analysis of the business models of the IMRO and PRS. Our initial purpose is to distinguish between private interest companies and social organisations under the Social Enterprise Model Canvas (Sparviero, 2019). This framework is used to analyse the business model of organisations that prioritise social goals financed from market revenues. The relevant data comes primarily from organisation reports and one expert interview.

Where competition potentially exists

Historically, there has been little competition between RCOs. Custom and practice for songwriters and composers has been to join the society where they are domiciled. Publishers (particularly larger ones) sign multiple licenses with RCOs across relevant territories. Competition was usually found in larger territories, within which multiple RCOs operated. In the United States, for example, ASCAP, BMI and SESAC administer and collect performing rights, along with a small number of more niche collection agencies). In Europe, competition among RCOs for members now exists in a manner that it previously has not, courtesy of the EU Collective Rights Management Directive (2016). This was designed to accommodate multi-territorial licensing of music rights for online use within the European Union. As such, the directive facilitates composers and publishers in joining the society of their choice, which then manages and administers their rights across the European Union. The benefits, particularly for larger rights holders with extensive repertoires, are significant. They can sign a single licensing agreement for the entire EU, rather than different agreements with each individual territory. So, the directive has injected an element of competition, and a striving for operational efficiency across Europe.

Non-profit vs for-profit

The majority of Collective Management Organisations around the world are non-profit, with some operating on a for-profit basis. Specific organisations choose a for-profit model usually because of effectiveness and efficiency in terms of royalty payment collection on behalf of members. Here, efficiency can refer to the scale of royalties collected, speed of collections and distributions, frequency of distributions to members across the year, and the minimisation of administration costs to members. However, these factors do not distinguish for-profit from non-profit organisations. Based on the recent decision of Broadcast Music Inc. (BMI) in the US to switch from non-profit to for-profit (O’Neill, 2022), we may conclude that the decisive factor relates to ‘growth’. In an announcement issued by BMI CEO, Mike O’Neill, on 12 October 2022, the organisation’s rationale for turning to for-profit was encapsulated by “financial flexibility” (O’Neill, 2022). The scale of investment required to upgrade IT services, distribution technologies, and make available “emerging services” to songwriters is, according to BMI, not supported by the current non-profit model. O’Neill stated that being for-profit “will enable us to approach our business in ways we

were never able to do before to stay ahead of the industry and the needs of our affiliates. It unleashes so many more options”.

It is important to recognise that the needs of BMI’s membership may not be the primary concern here. Its ownership structure differs from the more conventional RCOs like IMRO or PRS. BMI was founded in 1939 by the National Association of Broadcasters in the context of a dispute between ASCAP (the then largest, and most established royalty collection society in the United States) and the radio industry. Thus, a coalition of US broadcasters, via its trade association, was in charge, not the membership. In early 2022, BMI hired Goldman Sachs to conduct a systematic review of the organisation in order to identify strategic opportunities for growth, and, reportedly, consider a future sale (Ingham, 2022). Having abandoned attempts to sell the company in 2022, the switch to a for-profit model may be viewed as a strategic decision to make this RCO a more lucrative proposition for potential future buyers.

Irish Music Rights Organisation and Performing Rights Society

Both of these RCOs are non-profit organisations and effectively operate as monopolies regarding the administration of performing rights and the collection of performing royalties in their respective territories. While there is no legal impediment to other RCOs forming in either country, IMRO and PRS remain the sole collection societies in Ireland and the UK, respectively (this is the case in most countries, with the US the most notable exception).

IMRO and PRS have a shared history, and perhaps a distinct relationship in terms of access to each other’s resources. IMRO was set up in the late 1980s as the Irish office of the PRS. Previously, Ireland was effectively treated as a satellite territory of the UK when it came to performing rights, with the PRS administering these directly from London. However, in November 1995, Irish members voted overwhelmingly to remove IMRO from the PRS and become an independent entity. Key factors here concerned the amount of royalties being collected in Ireland by the PRS (deemed to be relatively low). Also significant was the administrative burden (in terms of both costs and time) of transferring monies collected in Ireland to the UK for redistribution back into Ireland for Irish members. At the time, this involved a ‘double’ currency conversion—Irish punts to UK sterling in the first instance upon collection; and the conversation of royalties back into punts upon distribution.

Over the past two-and-a-half decades, IMRO’s membership has grown to approximately 11,000 (songwriters, publishers, rights holders) and the size of its royalty collections has increased multifold. Across the first fifteen years of its “independence”, gross collections grew from €16m to almost €40m (Rogers and Cawley, 2016). More recently, collections have been affected by the Covid-19 pandemic; a licence revenue of €25.9m was realised in 2020, with net distributable revenue of €20.7m (Irish Music Rights Organisation CLG, 2021). That this figure is significantly lower than recent averages reflects the particular impact of Covid on the live music performance sector. By comparison, the 2015-2019 period saw gross licence revenues rise upward from €30.8m in 2015 to a high of €37.8m in 2018, falling marginally to €37.5m in 2019. Annually, such collections averaged €34.2m (2015-19 inclusive); and €32.9m (2015-20 inclusive).

The PRS, more than a century old, currently represents some 160,000 members and administers rights from approximately 25 million works (Billboard, 2019). It boasts net distributable royalties of more than £1bn annually (PRS for Music, 2022). Its Board of Directors comprises thirteen

members: four songwriters, four music publishers, four independent non-executive directors (including the Chair), and its CEO.

Private interest enterprises vs. social purpose organisations

Over recent decades, social, economic and cultural developments have phased out the traditional categorisation distinction between for-profit and non-profit organisations. Nowadays, it is easier to imagine a continuum among different organisations. On one part of the spectrum, there are **private interest enterprises**, with publicly traded corporations at the extreme end. The latter are focused on (and in some countries legally bound to) maximising returns for their investors. Private interest enterprises seek short-term profit and long-run growth. They are financed by private investments and earnings, and strategically shaped by a collection of converging private interests. Private interest enterprises are governed by investors, whose level of control generally depends on the level of capital owned. Exceptions include cases where founders of companies may retain a level of control that is proportionally higher than the capital they own).

Social purpose organisations represent the other part of the spectrum, ending with charitable organisations focused on creating social value. Impact (also, ‘purpose’) is the short-term imperative, while a social mission is the long-term goal. Financial revenue comes out of refundable voluntary donations (mostly from private, but also from public sources). They are governed by a board of trustees, which commonly includes the largest donors (or representatives of donor foundations). When multi-stakeholder governance is enacted, representatives of the beneficiaries are also part of the managing board.

Towards the centre of this spectrum, there are hybrid organisations. Social purpose, hybrid organisations are more commercially engaged than charities. Private interest organisations are more socially engaged than publicly traded corporations. The term ‘Social Enterprise’ defines private organisations explicitly working toward a social welfare goal and/or a range of benefits for society while involved in the market and commercial activities (Davies and Doherty, 2018; Galaskiewicz and Barringer, 2012). These organisations are hybrid archetypes of the social purpose organisation. Very much debated in academia and policy circles, they engage in market activities to diversify their sources of income and capital, to secure—or at least improve their chances for—long-term, financial sustainability. Literature concerning the peculiarities of this organisation type and the challenges that they typically face was used to formulate the Social Enterprise Model Canvas (explained below). This model allows for the analysis and comparison of both social purpose and private interest organisations.

Within the spectrum referred to earlier, the social enterprise mirrors business organisations that also engage in the creation of social value. Creation may occur through Company Social Responsibility (CSR) programmes, as a reward and gratification for their owners and employees and as a measure of reputational return on their commercial activities.

The system of governance for hybrid organisations can differ from case to case. Notably, the legal framework used for the incorporation of the organisation plays an important role in determining such a system. It therefore tends to differ from country to country. IMRO, PRS and other RCOs are hybrid organisations. Generally speaking, they have their business side (services are provided to customers needing to comply with copyright regulations) and a social side (conditions are created for local culture to thrive by remunerating artists for their work). However, there is no standard model, or organisational setting, for RCOs. Some of them are incorporated as for-profit

companies, some as non-profit organisations, while others, including PRS, are part of organisations that include for-profit and non-profit forms.

The social enterprise model canvas

The Social Enterprise Model Canvas (SEMC) is a formal, conceptual representation for the analysis of social enterprises that interprets a business model as “the analysis of the rationale, infrastructure, capabilities and use of resources that enable stakeholders to create value for themselves and for the organisation” (Sparviero, 2019: 243). It was developed from the Business Model Canvas, or ‘BMC’ (Osterwalder and Pigneur, 2010). SEMC represents a framework of building blocks that allows for an analysis of business models and the linkages between them. However, in contrast to the BMC, the SEMC allows for a more detailed investigation of non-profit and hybrid organisations. It also allows analysis of the governance system, the interactions with customers and beneficiaries, the role of stakeholders that are not targeted by the social value proposition, and the social mission. In this context, growth, reach and social impact can be measured (see Sparviero, 2019). These features are clues for identifying specific characteristics and differentiating between non-profit and hybrid organisations and between different types of news organisations. Figure 1 provides brief descriptions of the SEMC’s building blocks, while Table 1 suggests the type of questions that the information on these building blocks is supposed to answer.

Figure 1: The Social Enterprise Model Canvas with explanations of its building blocks

Legal Form & Governance (Gov)			
Legal form, systems and rules of governance, including boards and committees			
Funding & Non-targeted Stakeholders (NtS)	Key Resources (KR)	Channels (CH)	Customers and Beneficiaries (C&B)
Source of capital, partners, people and organizations affected but not targeted	Required assets, physical, intellectual, human and financial	Means of reaching customers and beneficiaries	Groups of people reached and served
	Key Activities (KA)	C&B Engagement (C&BE)	
	Activities generating the SVP	Inputs and roles played by targeted groups in the creation of value	
Mission Values (MV)	Social Value Proposition (SVP)		Impact Measures (IM)
Social goals or expected effects	Social and private needs and problems targeted with bundles of products & services delivered		Assessment methods for social goals and effects
Objectives (Obj)			Output Measures (OM)
Short-term goals (reach/growth)			Assessment methods for short-term goals
Cost Structure (C\$)		Income (I\$)	
Costs incurred to operate a business model		Revenue models and other resources received	

Table 1: Questions for the Building Blocks of the Social Enterprise Model Canvas (listed alphabetically)

Legal Form & Governance (Gov)
Which legal form provides the structure of the organisations? Which boards and committees are put in place to oversee the organisation? How are members of these boards and committees selected? Which rules have been established to define roles and assign responsibilities? How is the independence of the organisation from the influence of particular stakeholders (e.g., large foundation) guaranteed?
Funding & Non-targeted Stakeholders (NtS)
Which stakeholders provide the organisation with its financial capital? Which stakeholder groups collaborate with the organisations in the delivery of key activities, key resources or in the preparation or delivery of the Social Value Proposition (excluding customers or beneficiaries)? Which stakeholder groups, excluding customers or beneficiaries, are affected by the decisions and actions of the organisations and how?
Key Resources (KR)
Which key resources (i.e., physical, intellectual, human and financial) are required to deliver the Social Value Proposition?
Key Activities (KA)
Which key activities are required to deliver the Social Value Proposition?
Channels (CH)
Which channels are used to reach customers and beneficiaries? What are the differences between these channels in terms of performance (including cost-efficiency)?
Customers and Beneficiaries Engagement (C&BE)
How do the organisations interact with their customers and beneficiaries? What kind of contribution is provided by customers and/or beneficiaries?
Customers and Beneficiaries (C&B)
Which stakeholder groups purchase goods or services from the organisations? Which stakeholder groups are targeted as recipients of the Social Value Proposition?
Mission Values (MV)
What is the mission of the organisation? What kind of impact has the organisations on society? Which social values are behind the mission of the organisation?
Objectives (Obj)
Which targets are set? How often are targets set? What is the timeframe established to reach these targets?
Social Value Proposition (SVP)
What kind of social (and utilitarian) value is delivered to customers and beneficiaries? Which problems are the organisations trying to solve? Which needs are the organisations trying to satisfy?
Impact Measures (IM)

How does the organisation explain any progress made towards the realisation of its mission to stakeholders? Which achievements and criteria are used for the evaluation? Are these defined achievements and criteria specific to the mission and the organisations, or are they more widely used?
Output Measures (OM)
How does the organisation explain any progress made towards the realisation of its short-term targets (e.g., audience reach, income, memberships, etc...)? Which quantifiable indicators are used for this purpose? How is the data for these indicators collected?
Cost Structure (C\$)
What are the most important costs?
Income (I\$)
How does the organisation generate income? What is the overall income of the organisation? What are the sources of this income? Which percentage of the overall income is generated by each source?

Highlights from the comparison between IMRO and PRS through the SEMC lens

Although the PRS and IMRO are very similar, the use of the SEMC allows small but important differences to be uncovered. They depend on the culture and the history of the organisations, as well as the environment in which they operate.

The PRS promises to “provide world-leading music rights management services for our rightsholders and music users delivering” (About us, nd), while the scope of IMRO is broader and not limited to servicing its members. In addition to management services, they promise to “promote the value of music to the creative, cultural and business communities” in Ireland (About IMRO Archive, nd).

The governance structures of IMRO and PRS present some similarities. They are social organisations, and ‘social enterprises’, managed by professionals who are supervised by a committee of members’ representatives, including creators, music publishers, and other experts. The members of these councils are also divided into committees that have their own competencies and specialisations. IMRO, for example, has committees covering Corporate Governance, Distribution, Finance and Audit, Marketing and Membership, Remuneration and Human Resources (Board Members Archive, nd). Both IMRO and PRS also collect royalties for their members from global RCOs networks, including those in Europe.

IMRO and the controlling entity of PRS (Performing Rights Society Limited) are private companies limited by guarantee without share capital. Because this type of company has social goals, it is controlled not by investors but by members who occupy the role of guarantors (Munnery, 2022). However, while IMRO is an organisation and seemingly a single company, PRS is effectively a conglomerate. It is a private company limited by shares and provide business services for the Performing Right Society (PRS) Limited (Annual Report & Financial Statements, 2021) and the Mechanical-Copyright Protection Society (MCPS) (Governance at PRS for Music, nd). PRS, PRS for Music Limited, and MCPS each have their own board of directors and supporting committees, although members of the ‘main’ Performing Rights Society Limited sit in

various committees of the subsidiaries. Additionally, PRS for Music own (partly or fully) a variety of subsidiaries specialised in the collection of royalties in particular regions (e.g., PRS for Music (USA) Limited or Solar-Music rights Management, GmbH, in Germany). Within the PRS conglomerate, there is also a registered charity, the PRS Foundation (<https://prsfoundation.com>), which leverages funding from public and private partner organisations to support new music, talents, and organisations.

The key resources for these companies are certainly their employees. At IMRO, 47 people employed in 2020 were divided into the following departments: Licensing; Finance, Distribution and Human Resources; Marketing and Membership; Information Technologies; and International, Media Licencing, Legal and Mechanical Rights (“About IMRO”, nd). The number of employees at PRS for Music Limited is almost ten times larger. In 2020, it reported having 464 people employed on average during the year involved in licensing, distribution and membership, and support services (Annual Report & Financial Statements, 2021).

Differences between the two organisations emerge from their respective revenue models. IMRO places administration fees on the royalties collected domestically for non-members, while members do not pay fees on royalties collected in Ireland or abroad through partner networks. PRS for Music, on the other hand, requires an administration fee for the collection of royalties abroad which varies between 2 to 8%. Broadcasting rates vary from 6.5% to 20.5%, and public performances rates from 19% to 23% (PRS admin rates, nd).

Table 2: IMRO's revenues over time.

	2004	2005	2019	2020	% change 2004–2019
Ireland	€28,153,600	€26,541,825	€29,540,038	€16,957,993	4.92%
Abroad	€3,449,625	€2,825,693	€7,897,394	€8,898,027	128.93%
UK	€1,611,970	€1,305,500	€2,693,174	€2,032,512	67.07%
Other EU	€1,041,741	€928,200	€2,850,215	€4,562,130	173.60%
US	€344,334	€199,195	€1,133,333	€1,219,479	229.14%
Rest of World	€451,580	€392,798	€1,220,672	€1,083,906	170.31%
<i>Total</i>	<i>€31,603,225</i>	<i>€29,367,518</i>	<i>€37,437,432</i>	<i>€25,856,020</i>	
Percentages	2004	2005	2019	2020	2004–2019
Ireland	89.08%	90.38%	78.91%	65.59%	-11.43%
Abroad	10.92%	9.62%	21.09%	34.41%	93.26%
UK	5.10%	4.45%	7.19%	7.86%	41.04%
Other EU	3.30%	3.16%	7.61%	17.64%	130.96%
US	1.09%	0.68%	3.03%	4.72%	177.85%
Rest of World	1.43%	1.34%	3.26%	4.19%	128.19%

Sources: (Irish Music Rights Organisation CLG, 2021, 2006)

Another fundamental difference (emanating from the difference in size and scale between IMRO and PRS) relates to the form and nature of the interaction between the RCO and members. While IMRO utilises the spectrum of social media platforms, such as Twitter, Facebook, Instagram, and YouTube, to maintain contact with its general membership, a ‘person-to-person’ service is also available. Individual members have “direct access to a named team member in our distribution & membership departments” (IMRO, 2021). This can happen via email, phone, or in person (by appointment at the IMRO office in South Dublin). As such, IMRO engages in a much greater level of “focused personal customer service” (IMRO, 2021) than is offered by other similar organisations in other territories. This finding is supported by the personal account of our interviewee—a songwriter and music publisher—who over a number of decades has maintained memberships with both of these RCOs.

Social value proposition (svp): An IMRO/PRS comparison

Here, we are considering the social value and benefits that are delivered to customers and beneficiaries of the Irish Music Rights Organisation and the Performing Rights Society. To this end, we examine relevant information as presented on the websites of the respective royalty collection societies, and in various company reports. Emphasis is given to the problems that the respective organisations have identified for solving.

Both organisations (unsurprisingly) administer and protect the rights of their membership as core objectives and maximise the collection of royalties on their behalf. However, IMRO and PRS for Music both present themselves as bringing value to broader society in specific ways.

IMRO professes to operate with a societal mission (as cited in successive reports, and the organisation's website). They claim to enhance the environment for music creation by its members and to ensure access to music for both users and end-users in various contexts. Here, 'user' may refer to businesses, broadcasters, live events, and audio-visual producers that use music for specific purposes; 'end-user' relates to the audience or final consumer of music. As such, the IMRO identifies itself as fundamental to the production and consumption of music in Irish society. So, while the organisation effectively represents music 'creators', it wants to be seen as attentive to the 'listener', as an important actor positioned at the end of the 'chain of creation'. IMRO thus wants to be perceived as working to "ensure that those who create music can share and perform it, and that those who consume music, can access it – because music benefits us all" (<https://imro.ie/about-imro/governance-policy/more-about-imro/>). Additionally, a range of educational, gender, and mental health initiatives are supported by IMRO, and they actively participate in delivering with partners in these areas.

In 2019, the Irish Department of Education set out to update the Junior Cycle Level music curriculum (12-16-year-olds). It was designed to reflect how music was currently created and consumed by students and music educators alike. Under this initiative, IMRO delivers a dedicated professional development service for Junior Cycle teachers, provides teaching aids and resources, and offers 'songwriting in the classroom' workshops.

IMRO is also one of the funding partners for the Minding Creative Minds Wellbeing and Support Programme for the Irish creative sector. A range of services are provided, including counselling, financial assistance, career guidance, legal advice, and mediation for conflict resolution (see IMRO, 2020). IMRO also sponsors three Irish-based organisations that seek to advance gender balance and diversity in the music industry: Keychange, Sounding the Feminists and Girls Rock Dublin. In this context, key activities include seminars, public meetings, and workshops aimed at "sparking a wider conversation about representation in the music sector" (<https://imro.ie/supporting-music/supporting-gender-balance-in-the-music-industry/>).

Although PRS for Music is also committed to advancing music creation and facilitating broad participation in music activity (through its PRS Foundation), talent development and revenue generation are the main priorities. Less emphasis is placed on the potential benefits to final users/listeners, or broader society. PRS for Music operates to grow the value of the music rights assigned to the organisation, while protecting those rights for its membership. The website foregrounds an annual donation of approximately £2.8m to PRS' charitable foundation (prsformusic.com, nd). It boasts the distribution of £41m across more than 8,100 "new music initiatives" in the UK. The Foundation presents itself as an "inclusive" organisation, supporting "outstanding talent from all backgrounds" which seeks to build and foster talent and creativity from the grassroots, upwards (<https://prsfoundation.com/about-us/>). The financial benefits for grantee members are emphasised, as are benefits for the UK economy. There are, however, some notable initiatives that mirror IMRO's 'wider society' initiatives. Through its Women Make Music programme, the PRS Foundation provides financial backing for a range of projects designed to support "women, trans and non-binary songwriters, composers, artists, bands and performers who are writing their own music". Also, through its Power Up programme, the foundation partners with a range of music industry actors in the UK (including record labels, streaming services and a host of

others) in initiatives aimed at combatting anti-Black racism in music and amplifying “the work of Black creators and industry professionals to accelerate change” (<https://prsfoundation.com/funding-support/funding-music-creators/all-career-levels/women-make-music-2/>).

Conclusion and further research

There are some differences between the IMRO and PRS, particularly in terms of their respective revenue models and the distinctive features of RCO-member interactions. We assume that the IMRO operates as a single social enterprise incorporated as a non-profit organisation, while the PRS is a conglomerate of specialised entities, with the main entity focused on growth and efficiency, and a subsidiary dedicated to social goals. However, looking beyond differences in the scale of their operations, we generally observe more commonalities than differences between these collection societies in regard to their adopted business models. And there is little evidence of competition between the two. We hypothesise, however, that this might not be the case in instances where more than one RCO operates within the same national market, and when different RCOs operate with different objectives (e.g., for-profit versus non-profit).

In order to gain a more thorough understanding of the RCO sector and the distinctive strategies employed by different categories of RCOs operating in different territories, we propose the following recommendations. For the next phase of this research project, focus should shift to the performing rights domain in the United States. Six RCOs are currently licensed collectors in that territory. Of the three biggest, ASCAP and BMI are non-profit, with SESAC operating as a for-profit collection society. To advance our study, we propose a detailed analysis of each RCO business model and of the various interrelationships among them operative in a single territory.

Author bios

Jim Rogers is Associate Professor of Communication and Chair of PhD Studies at the School of Communications, Dublin City University.

Sergio Sparviero is Associate Professor at the Institute of Communications, Universität Salzburg, where he coordinates the MA & MSc in Digital Communication Leadership.

Patrik Wikström is Professor of Computational Communication at the School of Communication, Queensland University of Technology, Brisbane.

References

- About IMRO (nd) IMRO. Available at: <https://imro.ie/about-imro/> (accessed 6 July 2022).
- About us (nd) PRS Music. Available at: <https://www.prsformusic.com/about-us> (accessed 6 January 2022).
- Annual Report & Financial Statements (2021) PRS for Music Limited.
- Attali J (1985) *Noise: The Political Economy of Music*. Manchester University Press.
- Arditi D (2019) Music is everywhere: setting a digital music trap. *Critical Sociology* 45(4-5): 617–630.
- Billboard (2019) IMPALA, AIM and PRS for Music join over 250 other trade bodies urging passage of copyright directive, *Billboard*, Tuesday 12th March. Available at: <https://www.billboard.com/pro/impala-aim-prs-music-letter-copyright-directive-european-parliament/>
- Board Members Archive (nd) IMRO. Available at: <https://imro.ie/board/> (accessed 6 July 2022).

- CISAC (2023) *Annual Report 2023*. Available at: <https://www.cisac.org/Newsroom/news-releases/cisac-publishes-its-2023-annual-report>
- Cooke C (2022) Will Page says “music copyright has never had it so good” as global revenues reach almost \$40 billion. *Complete Music Update*. Available at: <https://completemusicupdate.com/article/will-page-says-music-copyright-has-never-had-it-so-good-as-global-revenues-reach-almost-40-billion/>
- Davies IA and Doherty B (2018) Balancing a hybrid business model: the search for equilibrium at Cafédirect. *Journal of Business Ethics* 1–24. <https://doi.org/10.1007/s10551-018-3960-9>
- Frith S (2004) Music and the media. In: Frith, S and Marshall L (eds) *Music and Copyright* (2nd edn). Edinburgh University Press, pp. 171–88.
- Galaskiewicz J and Barringer SN (2012) Social enterprises and social categories. In: Gidron B and Hasenfeld Y (eds) *Social Enterprises: An Organizational Perspective*. Palgrave Macmillan, pp.47–70.
- Gillespie T (2009) *Wired Shut: Copyright and the Shape of Digital Culture*. MIT Press.
- Governance at PRS for Music (nd) PRS Music. Available at: <https://www.prsformusic.com/about-us/governance> (accessed 6 February 2022).
- Ingham T (2016) Independent publishers fight against market concentration - and for more streaming cash. *Music Bus. Worldw.* <https://www.musicbusinessworldwide.com/independent-publishers-fight-market-concentration-streaming-cash/> (accessed 6 January 2022).
- Ingham T (2022) BMI hires Goldman Sachs to explore strategic opportunities. Could it end up selling? *Music Business Worldwide*, 9 March 2022. <https://www.musicbusinessworldwide.com/bmi-hires-goldman-sachs-to-explore-strategic-opportunities-could-it-end-up-selling/> (accessed 10 December 2022).
- Irish Music Rights Organisation CLG (2006) *Directors' Report & Financial Statements*.
- Irish Music Rights Organisation (2020) Minister Martin announces funding of €230,000 for the expansion of the Minding Creative Minds support service to the Irish creative sector, 22 December 2020. IMRO. Available at: <https://imro.ie/industry-news/minister-martin-announces-funding-of-e230000-for-the-expansion-of-the-minding-creative-minds-support-service-to-the-irish-creative-sector/> (accessed 10 November 2022).
- Irish Music Rights Organisation CLG (2021) *Annual Report and Accounts 2020*.
- Katz A (2005) The potential demise of another natural monopoly: Rethinking the collective administration of performing rites. *Journal of Competition Law & Economics* 1(3): 541–593.
- Kirton A (2015) Music, technology and copyright: the makings and shakings of a global industry. In: David M and Halbert D (eds) *The Sage Handbook of Intellectual Property*. Sage Publications, pp. 586–606.
- Korman B and Koenigsberg F (1986) Performing rights in music and performing rights societies. *Journal of the Copyright Society of the U.S.A.* 33(4): 332–367.
- Kretschmer K and Kawohl F (2004) The history and philosophy of copyright. In: Frith S and Marshall L (eds) *Music and Copyright* (2nd edn). Edinburgh University Press, pp.21–53.
- Laing D (2002) Copyright as a component of the music industry. In: Talbot M *The Business of Music*. Liverpool University Press, pp.171–94.
- Laing D (2004) Copyright, politics and the international music industry. In: Frith S and Marshall L (eds) *Music and Copyright* (2nd edn). Edinburgh University Press, pp.70–85.
- Lessig L (2001) *The Future of Ideas*. Vintage.
- Munnery J (2022) What is a private company limited by guarantee? *Real Business Rescue*, 8 September. <https://www.realbusinessrescue.co.uk/advice-hub/what-is-a-private-company-limited-by-guarantee> (accessed 10 November 2022).

- Napier-Bell S (2022) *The Business: A History of Popular Music from Sheet Music to Streaming*. Unbound.
- O'Connor B (2021) Why are Funds Investing in Music, and Why in Ireland? *Law Society Gazette*, May Edition, pp. 25–27.
- O'Neill M (2022) An Important Company Update from Mike O'Neill, *BMI News*. Wednesday 12th October. Available at: <https://www.bmi.com/news/entry/an-important-company-update-from-mike-oneill>
- Osterwalder A and Pigneur Y (2010). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. John Wiley & Sons.
- Page W (2021) Global Value of Music Copyright up 2.7% to \$32.5bn in 2020, *Tarzan Economics*. Tuesday 16th November. Available at: <https://tarzaneconomics.com/undercurrents/copyright-2021>
- Pardo JR (2003) *Copyright and Multimedia*. The Hague, London, New York: Klumer Law International.
- Petri G (2002) *The Composers Right*. Stockholm: Atlantis.
- PRS admin rates (nd) Available at: <https://www.prsformusic.com/royalties/your-statement/admin-rates> (accessed 6 February 2022).
- PRS for Music (2022) *Financial Results 2021*. Available at: <https://www.prsformusic.com/about-us/track-record/2021>
- Resnikoff P (2014) The top 1% of artists earn 77% of recorded music income, study finds. *Digital Music News*, 5 March. Available at: <https://www.digitalmusicnews.com/2014/03/05/toponepercent/> (accessed 1 November 2022).
- Rocchi T (2021) Music Industry Essentials #2: Royalties, *World Airplay Radio Monitor*. Wednesday 19th May. Available at: <https://www.warmmusic.net/post/music-industry-essentials-royalties>
- Rogers J (2013) *The Death and Life of the Music Industry in the Digital Age*. Bloomsbury.
- Rogers J (2021) Re-conceptualizing the record industry: Audio-visual nexus in an evolving digital environment. In: Encabo E (ed) *My Kind of Sound: Popular Music and Audiovisual Culture*. Cambridge Scholar.
- Rogers J and Cawley A (2016) A song for Ireland? Policy discourse and wealth generation in the music industry in the context of digital upheavals and economic crisis. In: Nowak R and Whelan A (eds) *Networked Music Cultures: Contemporary Approaches, Emerging Issues, Pop Music, Culture and Identity*. Palgrave Macmillan, pp. 189–208. https://doi.org/10.1057/978-1-137-58290-4_12
- Sparviero S (2019) The case for a socially oriented business model canvas: the Social Enterprise Model Canvas. *Journal of Social Entrepreneurship* 10: 232–251. <https://doi.org/10.1080/19420676.2018.1541011>
- Statista (2022) *Revenue market share of the largest music publishers worldwide from 2007 to 2021*. Available at: <https://www.statista.com/statistics/272520/market-share-of-the-largest-music-publishers-worldwide/>
- Suisman D (2012) *Selling Sounds: The Commercial Revolution in American Music*. Harvard University Press.
- Vaidhyathan S (2001) *Copyrights and Copywrongs: The Rise of Intellectual Property and How it Threatens Creativity*. New York University Press.
- Williamson J and Cloonan M (2007) Re-thinking the music industry. *Popular Music* 26(2): 305–322.