

The Impact of Song Piracy on Digital Platforms on the Income of Indonesian Artists

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Abstract

The advancement of digital technology has facilitated music access through various platforms but also presents a significant challenge in the form of song piracy, which greatly impacts the income and career sustainability of Indonesian artists. This study employs a qualitative approach with normative analysis of copyright regulations, music industry reports, and secondary data to identify the impacts and driving factors of piracy and to formulate strategic steps to address it. The findings reveal that song piracy reduces royalties, diminishes the commercial appeal of artists, and is exacerbated by low public awareness, weak law enforcement, and ineffective copyright protection mechanisms on digital platforms. This study recommends synergy between the government, digital platforms, and the public through education, stricter law enforcement, and innovation to create a safer and more sustainable music ecosystem.

I. Introduction

The development of digital technology has brought significant changes to various aspects of life, including the music industry. With these advancements, music has become more easily accessible to the public through various digital platforms such as YouTube, Spotify, Apple Music, and others (Dewatara & Agustin, 2019). However, behind this convenience lies a new problem related to digital song piracy. This phenomenon poses a serious challenge to the music industry in Indonesia, which has great potential for creating high-quality works.

Song piracy refers to the reproduction, distribution, or use of songs without the copyright owner's permission. In the context of digital platforms, piracy often occurs by illegally uploading songs to unauthorized websites or applications (Wulandari, 2024). Some

individuals or groups even exploit legitimate platforms by manipulating content to avoid copyright infringement detection. This not only violates the law but also directly impacts artists' income.

Indonesia is one of the countries with a relatively high level of digital piracy (Wicaksono, 2019). According to data released by several international organizations, digital piracy remains a major problem in Indonesia, primarily due to low public awareness of the importance of copyright (Dharma & Mahadewi, 2023). Moreover, the lack of effective law enforcement exacerbates the situation. Consequently, local artists often feel disadvantaged, both financially and morally.

Artists' income from their works not only comes from direct sales but also from royalties earned through playbacks on digital platforms (Suciadi et al., 2024). When their songs are pirated, this income decreases significantly. Furthermore, piracy affects artists' potential to secure advertising contracts, collaborations, or sponsorships, as their commercial value diminishes in the eyes of investors and third parties.

In addition to economic impacts, song piracy also has psychological effects on artists. They often feel frustrated and lose the creativity to continue producing works (Dewa et al., 2020). In some cases, artists who feel their work is unappreciated choose to stop creating music altogether (Harwanto, 2022). This undoubtedly harms the Indonesian music industry, which requires regeneration and innovation to remain globally competitive.

Digital platforms indeed have mechanisms to protect copyright, such as automatic content detection systems and infringement reporting (Abya et al., 2024). However, these mechanisms are not yet fully effective in preventing piracy. Many perpetrators find loopholes to upload illegal content or use other methods to distribute songs unlawfully. This highlights the need for collaboration between the government, platform providers, and the public to address this issue.

Public awareness of the importance of respecting copyright also needs to be enhanced. Educational campaigns involving various parties, including the government, artists, and

communities, can serve as an effective starting point. By increasing public understanding of the negative impacts of piracy, it is hoped that this practice can be reduced, and Indonesian artists can fully enjoy the fruits of their labor.

Given this background, research on song piracy on digital platforms and its impact on the income of Indonesian artists is highly relevant. This study is not only essential for understanding the economic impact of piracy but also for formulating effective strategies to protect copyright and improve the digital music ecosystem in Indonesia. The main issues addressed in this study are how song piracy on digital platforms affects the income of Indonesian artists, what factors contribute to the high levels of piracy, and what steps can be taken to address this problem. This research is vital for understanding the economic impact of piracy and for devising effective strategies to protect copyright and enhance Indonesia's digital music ecosystem.

2. Research Method

This research uses the normative juridical method, which is an approach that focuses on the study of applicable laws and legal principles, especially those related to copyright protection of musical works in the digital context. The approach used includes a statute approach, through analysis of Law Number 28 of 2014 on Copyright, Government Regulation Number 56 of 2021 on Royalty Management, as well as international treaties such as the Bern Convention and the WIPO Copyright Treaty. In addition, a conceptual approach is used to understand terms and principles such as economic rights, digital piracy, and royalties, through literature studies and legal doctrines.

The data used in this research is secondary data obtained through library research, including primary, secondary, and tertiary legal materials. The analysis technique is descriptive-qualitative, by interpreting the legal provisions and linking them to the facts of song piracy practices on digital platforms. Data validity is maintained through source triangulation, by comparing information from regulations, official agency reports, and scientific journals.

3. Results and Discussion

3.1. Song Piracy on Digital Platforms Affects Indonesian Artists' Income

Song piracy on digital platforms has a significant impact on the income of Indonesian artists, especially given the shift in the music industry's business model that now relies heavily on digital monetisation. In the era of digital transformation, musicians' main source of income has shifted from physical sales such as CDs or cassettes to royalties earned through streaming services, legal digital downloads, and commercial use licences. However, the rise of online song piracy through illegal download sites, unauthorised streaming apps and the sharing of MP3 music files on social media has significantly reduced the potential revenue to which artists are legally entitled. This condition directly threatens the economic stability of musicians, especially for independent artists who are not supported by major labels with adequate resources to manage copyright protection. Based on data released by the National Collective Management Institute (LMKN) in 2023, the potential royalties derived from the digital sector reached more than IDR 200 billion, but most of this potential cannot be realised due to the rampant illegal distribution of music. Thus, the phenomenon of digital piracy is not only financially detrimental, but also hampers the growth and sustainability of the national music industry ecosystem.

The presence of illegal digital platforms has caused the consumption of music by the public to not be converted into real income for creators and artists. These illegal platforms do not implement a reporting system or royalty payment mechanism in accordance with the provisions stipulated in Law No. 28/2014 on Copyright. As stipulated in Article 9 paragraph (2), any use of economic rights by other parties must obtain permission from the creator and is required to provide compensation in the form of royalties. However, in practice, many music contents are uploaded without official permission to various platforms such as YouTube, TikTok, Telegram, and other file-sharing sites, which are then monetised by third parties without rights. This causes artists to lose their economic rights, even though these works are massively consumed by the public. This phenomenon also creates market distortions, as consumers are more likely to choose the free pirated version over paying for legal access, thus systemically harming the national music industry.

The impact of piracy is not only financial, but also extends to the psychological and motivational aspects of the creators. When the fruits of creative labour are systematically stolen and commercialised without permission, it leads to a decline in morale and a sense of justice among artists. Many artists complain about their inability to prosecute perpetrators of digital piracy, especially considering that piracy cases are often transnational and perpetrators operate anonymously in cyberspace. Research conducted by Putuhena and Irwansyah (2019) confirms that weak government oversight and the absence of an effective reporting system further exacerbate artists' powerlessness in the face of digital piracy. In fact, some musicians choose to reduce or stop releasing new works because they feel they are not getting the proper rewards for their work.

From the perspective of the national creative industry economy, digital piracy is a significant obstacle to the growth of the music sector as part of the intellectual property-based economy. The Indonesian government has issued various regulations, including Government Regulation No. 56 of 2021 on the Management of Royalties for Copyright of Songs and/or Music, which aims to improve the royalty distribution mechanism in the digital realm. However, the implementation of these regulations faces various challenges, ranging from technological limitations for effective digital tracking to resistance from digital platforms that have not fully complied with national regulations. This condition demands a synergistic joint effort between the government, industry players, and the public to strengthen the copyright protection system in the digital era to ensure the survival and welfare of the creators of musical works in Indonesia.

3.2. Factors in the High Rate of Piracy

One of the main factors driving piracy is the lack of public awareness about the importance of respecting copyright (Nandiansyah et al., 2022). Many people perceive music available on the internet as freely accessible without considering its legality. This attitude is exacerbated by limited education about copyright and its impact on artists. This underscores the need for collective efforts to educate the public to better appreciate artistic works.

Piracy directly harms artists economically. Royalties that should be earned from song playbacks on official platforms are lost due to piracy. Moreover, illegal distribution diminishes artists' commercial value, reducing their appeal to investors, sponsors, and business partners. This situation affects the sustainability of artists' careers, which heavily depend on income from their creations. Prahara (2012) asserts that music piracy decreases consumer interest in purchasing authorised songs due to the perception that digital works have no intrinsic value. The impact is particularly felt by independent artists and small labels that depend on revenue from digital sales.

Weak law enforcement is at the root of rampant digital piracy in Indonesia. Study by Wijaya and Rahaditya (2024) noted that the main obstacle in the implementation of the Copyright Law lies in the lack of capacity of law enforcement officers to deal with increasingly complex digital crimes. Many piracy cases go unreported or are not seriously processed by law enforcement officials because they are considered minor offences, even though the losses are huge nationwide.

The high level of song piracy in Indonesia cannot be separated from a series of interrelated structural, cultural and economic factors. One of the main factors is the weak enforcement of laws governing copyright. Although Law No. 28/2014 on Copyright has provided a strict legal framework, including a maximum criminal penalty of 10 years imprisonment and/or a fine of up to 4 billion rupiah (Article 113), its implementation is far from optimal. Many piracy cases only end in confiscation without proceeding to court. This is largely due to the limited capacity of human resources in the field of intellectual property law enforcement as well as the low priority of piracy cases in the criminal justice system. Research by Putuhena & Irwansyah (2019) shows that verdicts against perpetrators of piracy tend to be lenient and do not create a deterrent effect, so it is not effective in inhibiting the rampant copyright infringement.

In addition, the low level of public legal awareness also worsens the situation. Songs are often considered as public goods that can be consumed freely, without considering the exclusive rights of the creator. This reflects the low level of legal literacy related to intellectual

property rights among the general public. Study by Rohmatulloh et al. (2022) shows that music workers in Serang City have a very low level of legal awareness, especially in the aspects of legal knowledge and behaviour related to copyright protection. This ignorance is compounded by the lack of public education and consistent copyright protection campaigns.

The third important factor is the misuse of technology and easy access to the internet. On the one hand, technological advancements have opened up opportunities for the wide distribution of music, but on the other hand, it has also made it easier for pirated content to spread. Many illegal websites and digital platforms provide pirated music files freely without effective supervision from the government. Nurhasan (2017) noted that copyright infringement through online media is already in an alarming state, as thousands of websites provide free and open pirated song download services.

Furthermore, the lack of a legal, easy, and affordable alternative system is a gap that people utilise to continue accessing music illegally. Although official streaming services such as Spotify and Apple Music have been present in Indonesia, limited internet infrastructure in rural areas, subscription prices that are considered expensive, and lack of education on the use of legal platforms are the main obstacles. Putuhena and Irwansyah (2019) emphasise that these conditions have perpetuated the culture of piracy among the public, as legal access is considered difficult and economically unfriendly.

Finally, economic motives are a strong driver of song piracy. Legal music products are considered unaffordable by most low-income people, so they prefer to obtain songs illegally. On the other hand, pirates gain significant economic benefits from the illegal distribution through physical sales, digital advertising, and pirate app subscriptions. Thus, the economic aspect is not only a passive cause, but also an active driver of massive copyright infringement. With these five factors in mind, it is clear that eradicating song piracy in Indonesia requires a multidisciplinary approach, ranging from legal policy reform, increasing public literacy, to strengthening access to legal platforms that are economically and technologically fair.

3.3. Strategies to Protect Copyright and Improve the Digital Music Ecosystem in Indonesia.

The losses artists suffer due to piracy also impact the overall music industry ecosystem (Mashdurohatun, 2012). When artists' income declines, the music industry loses a crucial financial resource for developing new works, promotions, and artist regeneration. Consequently, innovation in Indonesia's music industry may be hindered, potentially reducing its competitiveness on a global scale. Insufficient oversight and slow responses to copyright violations are major obstacles to protecting artists' works from piracy (Prihatin et al., 2024). This highlights the need for stricter policies and more effective law enforcement.

Normatively, the protection of song and/or music works has been comprehensively regulated in Law No. 28/2014 on Copyright (hereinafter referred to as the Copyright Law). This law replaces Law No. 19 of 2002 and aims to strengthen the legal position of creators, performers, and sound recording producers.

Article 1 point 1 defines copyright as the exclusive right of the creator that arises automatically after a work is realised in tangible form. This exclusive right includes moral rights and economic rights. Article 5 states that moral rights are inherent and perpetual, including the right to include the name of the creator, change the content of the work, and maintain the integrity of the work. Meanwhile, Article 9 paragraph (1) grants economic rights to the creator to reproduce, distribute, rent, display, broadcast, and communicate the work publicly.

Article 113 of the Copyright Law expressly regulates criminal penalties for copyright infringers. Paragraph (1) states that any person who intentionally and without the right to infringe the economic rights of the creator shall be punished with a maximum imprisonment of 10 years and/or a maximum fine of Rp4,000,000,000. However, the implementation of this provision is still not effective. The lack of coordination between copyright owners, law enforcement officials, and the courts often leads to piracy cases not being processed optimally.

Furthermore, Article 114 and Article 115 of the Copyright Law also contain criminal provisions against parties who facilitate infringement through electronic means, including digital platforms. Unfortunately, these provisions still require more technical implementing

regulations, such as Government Regulations or Minister of Communication and Information Regulations that specifically regulate the curbing of pirated digital content, including a quick and effective content takedown mechanism.

In addition, Indonesia has ratified several international treaties such as the Berne Convention for the Protection of Literary and Artistic Works (Bern Convention), TRIPS Agreement (through Law No. 7 of 1994 on the Ratification of the Agreement Establishing the World Trade Organization), and the WIPO Copyright Treaty (WCT). These three treaties emphasise that participating countries are obliged to provide protection to copyright, including in digital form. Therefore, the omission of digital piracy can be considered as a default against Indonesia's international commitments.

Digital platforms have a significant responsibility to minimize piracy through automatic content detection technologies, such as YouTube's Content ID. However, many other platforms lack similar mechanisms or are not proactive in removing illegal content. This demonstrates the necessity of collaboration between platform providers and the government to create a safer environment for copyright holders.

Many artists are combating piracy by increasing direct interactions with fans through virtual concerts, official merchandise, and exclusive content on subscription platforms (Noviani et al., 2020). These approaches not only help them generate additional income but also strengthen their relationships with their audiences. These efforts show how artists are adapting to the challenges of piracy.

Public education is a crucial step in combating piracy (Syailendra et al., 2023). Campaigns involving the government, artists, and communities can help raise awareness about the importance of respecting artistic works and the negative impacts of piracy on creators. Such efforts need to be carried out consistently to build a culture of respecting copyright.

Krisna et al. (2023) highlighted the weakness in coordination between institutions such as the Ministry of Communication and Information Technology (Kominfo), the

Directorate General of Intellectual Property (DJKI), and the police, which often hampers or even stagnates enforcement actions. Meanwhile, Kominfo's role in blocking piracy sites has not been fully effective as these sites easily migrate or create new domains.

In response to this problem, a multidimensional approach is needed. First, strengthening the legal system and regulatory enforcement needs to be done, including training for law enforcement officials in dealing with cybercrime and intellectual property, as well as increased cross-agency cooperation. Second, revision or harmonisation of laws, especially in the face of digital era challenges such as illegal streaming, needs to be considered to close existing legal loopholes. Third, sustainable and systematic public awareness campaigns should be run by the government, creative communities, and digital platforms to educate the public on the importance of buying and appreciating original works. Finally, technological empowerment such as digital tracking systems and watermarking of musical works can be complementary tools in online copyright protection.

While digital platforms such as Spotify, Joox, and YouTube Music offer alternative income through streaming and licensing, the royalty payment system is often disproportionate, especially for musicians with a limited audience. Piracy therefore remains a bigger threat than the potential benefits of digitalisation for most Indonesian musicians. Without a comprehensive overhaul of the legal system and digital culture, the future of Indonesia's music industry remains under serious threat.

4. Conclusion

Song piracy on digital platforms has a significant impact on the income of Indonesian artists, both economically and psychologically. The loss of potential royalties, reduced commercial value of artists, and decreased motivation to work are direct results of rampant piracy. This phenomenon is exacerbated by low public legal awareness, weak law enforcement, and ineffective copyright protection on digital platforms. Factors that exacerbate piracy include: lack of public education on copyright, limited affordable and technology-friendly legal access, misuse of technology, and economic motives of the public

and the perpetrators. This situation shows that digital piracy is not only a legal issue, but also a social and structural issue. Therefore, a multidimensional strategy is needed to tackle piracy, including: strengthening the legal system and inter-agency coordination, improving public literacy on intellectual property rights, expanding access to economical and accessible legal music services, and active collaboration between the government, music industry players, and digital platform providers. With these collective efforts, it is hoped that Indonesia's digital music ecosystem will grow sustainably and artists will receive proper protection and rewards for their work.

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