Cipta Aksara Literasi Media

Copyright Today

Vol. 1 No. 1 (2027)
pp. 1-8
ISSN: in process



MANUSCRIPT IN REVIEW – not yet published, not indexed, subject to change.

RESEARCH ARTICLE

Legal Culture of Café Owners towards the Obligation to Pay Music Royalties in Magelang City

Wahyu Agung Pambudi[1]

[1] Faculty of Law, Universitas Muhammadiyah Magelang, Indonesia

ARTICLE HISTORY

Status: Manuscript in review

© The Author(s). Manuscript under review at Cipta Aksara Literasi Media; not yet published.

ABSTRACT

Government Regulation No 56 of 2021 requires cafés and restaurants that play songs or music for their customers to pay royalties to creators and related-rights owners through the National Collective Management Institution (LMKN). Studies elsewhere in Indonesia suggest that this obligation is poorly observed. This article asks how café owners in Magelang City perceive the obligation and what obstructs its performance. It uses empirical legal research with a qualitative approach, based on in-depth interviews with the owners of three cafés that play music from streaming services or live performers. The interviews are analysed with Friedman's theory of legal culture, operationalised through Soekanto's four indicators of legal awareness: knowledge, understanding, attitude and behaviour. The findings show that the legal culture of the owners is low. They learned of the royalty obligation from social media rather than from the authorities; they believe that a streaming subscription covers commercial use; they object to the tariff of Rp60,000 per seat per year; and none of them pays. Five obstacles emerge: little outreach, a weak grasp of the payment mechanism, the tariff, distrust of how royalties are distributed, and little supervision. The article recommends outreach through universities and business organisations, and more transparency from LMKN.

Keywords: legal culture; music royalties; cafés; Government Regulation No 56 of 2021; Magelang

MANUSCRIPT IN REVIEW

This manuscript is under review. It is not yet published or indexed, it may change before publication, and it should not be cited.

1. Introduction

Music and songs are not only works of art. They are creations protected by law as part of intellectual property. Law No 28 of 2014 on Copyright gives the creator two exclusive rights, a moral right and an

economic right.[1] The moral right is the personal right of the creator to prevent changes to the work and to remain named as its creator; the economic right is the right to obtain a financial benefit from the use of the work, one form of which is a royalty.[2] Government Regulation No 56 of 2021 defines a royalty as the remuneration for the use of the economic rights in a creation or related-rights product, received by the creator or the owner of the related right.[3]

The creative economy has made commercial use of music widespread, in particular in public services such as cafés. A café, in the sense of Marsum, is a place that serves quick food and drink in a relaxed and informal atmosphere.[4] Music builds the atmosphere and attracts visitors, and so contributes directly to the profit of the business. The café was chosen as the subject of this research because it is a commercial public service that is growing quickly in Magelang City, where many new cafés open and most of them play songs from Spotify or YouTube, or have live music.

GR 56/2021 was issued to give legal certainty and to optimise the management of creators' economic rights. Article 3 of the Regulation provides that anyone may make commercial use of songs and/or music in a commercial public service by paying a royalty to the creators, copyright holders and/or related-rights owners through LMKN, and it lists restaurants, cafés, pubs, bars, bistros, nightclubs and discotheques among such services.[5] LMKN is a non-state-budget institution that assists the government and has the authority to collect, gather and distribute royalties and to manage the economic rights of creators and related-rights owners in songs and music.

The rules nevertheless meet obstacles in practice. There is a clear gap between what the law provides (*das Sollen*) and what happens in society (*das Sein*). Restaurants and cafés, the main subjects of the Regulation, often have not paid. Empirical studies in several cities report the same problem. A study of café owners in the Sudimoro café centre in Malang found that their legal awareness of the royalty obligation was low, because of insufficient outreach by LMKN, confusion about how to pay, and a view that the tariff is out of proportion to the income of the business.[6] A study in Gianyar and Denpasar concluded that GR 56/2021 was not yet effective, because many cafés and karaoke venues did not pay, often for the reason that they had never heard of the Regulation.[7] A study in Cirebon found that royalty payments for live music in cafés were not effective, because it was unclear who had to pay, the café owner or the performer, and because supervision was weak.[8]

The main reason that has been identified is the low legal awareness of café owners. This article tries to fill the gap by looking at the legal culture of café owners in one city, using four indicators of legal awareness.

[1]Law of the Republic of Indonesia No 28 of 2014 on Copyright, art 4.
[2]Tim Lindsey and others, *Hak Kekayaan Intelektual: Suatu Pengantar* (2nd edn, Alumni 2022).
[3]Government Regulation No 56 of 2021 on the Management of Royalties for Copyright in Songs and/or Music (GR 56/2021), art 1(1).
[4]Wijoyo A Marsum, *Restoran dan Segala Permasalahannya* (Andi Offset 1994).
[5]GR 56/2021, art 3(1) and (2)(b).
[6]Dio A Oktaviano and Kurniasih Bahagiati, 'Kewajiban Pembayaran Royalti Lagu dalam Live (Studi Pada Kafe di Sentra Kafe Sudimoro Kota Malang)' (2024) 8(1) Journal of Islamic Business Law 80.
[7]AQ Munawaroh, 'Efektivitas Peraturan Pemerintah Nomor 56 Tahun 2021 tentang Pengelolaan Royalti Hak Cipta Lagu dan/atau Musik pada Kafe dan Tempat Karaoke atas Penggunaan Secara Komersial (Studi Penelitian di Kabupaten Gianyar dan Denpasar)' (2021) 167.
[8]Fahmi Kharisma and Budi Agus Riswandi, 'Pelaksanaan Pembayaran Royalti atas Lagu dalam Live Performance kepada Pencipta Lagu di Kafe Roemah Kesambi Kota Cirebon' (2022) 5(1) JIPRO: Journal of Intellectual Property.

It asks two questions. How is the legal culture of café owners in Magelang City with respect to paying royalties? And what factors obstruct the payment of royalties for songs and/or music by café owners?

2. Previous Studies and Theoretical Framework

2.1 Previous studies

Five earlier studies are close to this one (Table 1). All concern the commercial use of songs and music in cafés, and all but one report that the royalty obligation is not observed. The present study differs in its perspective. It does not test the effectiveness of a regulation, the legal protection of creators or the implementation of royalty collection. It seeks to understand the legal culture of the business owners, and in particular to describe their legal awareness through four indicators.

Table 1. Previous studies on royalty payment by cafés. Source: the author's review of the literature.

Study	Location and method	Main finding
Munawaroh (2021)	Gianyar and Denpasar; empirical legal research	GR 56/2021 is not yet effective; many businesses do not pay, often because they are unaware of the rule
Gunawan, Kuspraningrum and Hediati (2023)	Samarinda; socio-legal, qualitative, interviews	No respondent paid royalties to LMKN; low knowledge of the procedure; the Song and Music Information System (SILM) not yet functioning well
Oktaviano and Bahagiati (2024)	Sudimoro café centre, Malang; empirical juridical; four indicators of legal awareness	Legal awareness of owners who offer live performances is generally low
Kharisma and Riswandi (2022)	Roemah Kesambi café, Cirebon; interviews and observation	The café obtained a licence from LMKN before live music and paid 3 per cent of the day's income, by agreement
Lestari and Fadjar (2026)	Palu; empirical legal research, 15 cafés	All used music commercially without a licence or royalty; non-compliance came mostly from low understanding and legal literacy

MANUSCRIPT IN REVIEW

2.2 Legal culture and legal awareness

The study uses Friedman's theory of legal culture. Friedman distinguishes three elements of a legal system: structure, substance and culture. Legal culture is the set of attitudes, values, perceptions and expectations that people hold about the law and the legal system. Of the three elements, it is the one that gives the system life: it determines when, why and how people use the law, the legal institutions or a legal procedure, and

when they prefer an alternative or ignore the law. A rule does not apply by itself if the people to whom it is addressed do not have a legal culture that supports it.

Legal culture is an abstract concept. To observe it empirically, the study takes legal awareness as its manifestation and uses the four indicators of Soekanto.[9] A related study by Muttaqin and Saputra supports the link between legal culture and legal awareness.[10] The four indicators are as follows. *Legal knowledge* is knowing that a rule exists, without necessarily understanding its content or purpose. *Legal understanding* is the ability to explain the content, purpose and benefit of the rule. *Legal attitude* is the tendency to accept or reject a rule, and it reflects the values and perceptions of people about the law. *Legal behaviour* is the most concrete indicator: the actual conduct that results from the other three.

3. Method

The research is empirical legal research. It approaches the problem as law operates in real life, by observing how café owners deal with the royalty obligation when they play music or arrange live music.[11] The approach is qualitative, producing descriptive and analytical data, namely what the respondents say in speech or in writing and their actual conduct.[12] The object of the research is the implementation of the royalty payment in GR 56/2021 and its effect on the legal awareness, attitude and behaviour of café owners.

The primary data come from in-depth, semi-structured interviews with café owners. The secondary data are legal materials. The primary materials are Law No 28 of 2014, GR 56/2021, a ministerial regulation of 2025 implementing GR 56/2021, and the ministerial decree of 2016 (No HKI.2.OT.03.01-02) that ratifies the royalty tariffs for commercial users. The secondary materials are law books, articles and expert opinion, and the tertiary materials are dictionaries and databases.

Magelang City was chosen because it is a small city with three districts, Magelang Utara, Magelang Tengah and Magelang Selatan, that are easy to reach and map. The design called for cafés in permanent premises with a sound system, drawn from each district. Three owners agreed to be interviewed: Café A in Magelang Utara (established 2020, a small business, using Spotify and YouTube), Café B in Magelang Selatan (established 2025, a micro business, using Spotify and YouTube) and Café C in Magelang Tengah (established 2025, a micro business, using live music, YouTube and Spotify). The identities of the cafés are anonymised here, since they speak about non-compliance. The data were analysed qualitatively and descriptively, by linking the findings to the theory of legal culture, and were presented as narrative.

4. Results and Discussion

4.1 The royalty provisions in positive law

Copyright is a natural right that arises automatically when a work is completed, and a song or piece of music is an intangible property.[13] The law rewards the creator with economic rights when the work is used by

[9]Soerjono Soekanto, 'Kesadaran Hukum dan Kepatuhan Hukum' (1977) 7(6) Jurnal Hukum & Pembangunan.
[10]Faizal Muttaqin and Wahyu Saputra, 'Budaya Hukum Malu sebagai Nilai Vital Terwujudnya Kesadaran Hukum Masyarakat' (2019) 1(2) Journal of Law and Family Studies 187.
[11]H Hilman Hadikusuma, *Metode Pembuatan Kertas Kerja atau Skripsi Ilmu Hukum* (Mandar Maju 1985).
[12]Mukti Fajar ND and Yulianto Achmad, *Dualisme Penelitian Hukum: Normatif & Empiris* (Pustaka Pelajar 2010).
[13]A Husnun and others, 'Mekanisme Pengelolaan Hak Royalti Musik oleh LMK dan LMKN' (2021) 9(1) Padjadjaran Law Review 1.

others, as the right to obtain an economic benefit from a creation and from related-rights products.[14] To make the economic right real, GR 56/2021 gives LMKN the mandate to collect royalties from commercial users and to distribute them to creators and related-rights owners. Payment is due after the user has used the work in a commercial public service, which includes the operation of a café.

Tariffs are set by the ministerial decree of 2016. For restaurants, cafés, pubs, bars, bistros, nightclubs and discotheques the tariff is not based on floor area but on the number of seats: Rp60,000 per seat per year as the creators' royalty, and Rp60,000 per seat per year as the related-rights royalty. This is the only tariff that LMKN may collect, and it is payable at least once a year.

4.2 The legal culture of café owners in Magelang

The interviews show that the legal culture of the owners is low on each of the four indicators.

4.2.1 Legal knowledge

Knowledge of the rule is limited. The owners had heard of the royalty obligation from social media and the news, not from an official source. One said that they knew it only from reports of cafés being fined or told to pay, and that no official notice from any institution had reached them. Another said that they did not know there was a rule, and had only heard what went viral on TikTok about a restaurant chain being sued for playing songs.[15] Their knowledge is partial and shaped by social media rather than by systematic legal outreach. This agrees with the study in Malang, whose owners also did not know of GR 56/2021 because the information was not spread, and with the study in Gianyar and Denpasar, where outreach to businesses was very limited. Since the same finding appears in Magelang, Malang, Gianyar and Denpasar, low knowledge is not a local matter; the circulation of legal information about GR 56/2021 has not worked well.

In Friedman's terms, the values and orientation of society towards the law cannot form if the rule is not known. Low knowledge is therefore one factor that prevents a legal culture from forming around the royalty obligation in Magelang.

4.2.2 Legal understanding

Most owners did not understand how royalties are paid or how personal use differs from commercial use. They believed that paying for Spotify or YouTube Premium also gave them permission to play songs in their business. One owner asked where the data are collected, whether the money really reaches the musicians, and whether, having paid for the platform, they must still pay. Another asked whether royalties apply only to Indonesian songs or also to foreign ones, since the café played only foreign songs and, they thought, no such payment exists abroad.[16]

These statements show that the owners confuse two kinds of permission. A subscription is a licence for personal use; playing songs to entertain customers is a commercial use with its own rule in GR 56/2021. Their distrust of the data system and their doubt that the money reaches musicians show that the purpose of the Regulation, to protect the income of creators, is not yet understood. The result is similar to a study in Samarinda, where micro and small businesses did not know the procedure for paying LMKN and

[14]Hendra Atmaja, 'Konsep Hak Ekonomi dan Hak Moral Pencipta' (2003) 153.
[15]Interviews with the owners of Café A, Café B and Café C, Magelang.
[16]Interviews with the owners of Café A, Café B and Café C, Magelang.

MANUSCRIPT IN REVIEW

assumed that a paid music application met their legal duty.[17] The problem is thus not only that the rule is unknown, but also that the economic right of the creator and the system of licensing are not understood.

4.2.3 Legal attitude

The owners rejected the tariff. They thought Rp60,000 per seat per year heavy, especially for a café with many seats or one that has just opened. One said that, with many seats, it would be better not to play music at all, but that they would pay if the system worked like a restaurant tax, with officers who visit, clear outreach, clear rules and clarity about where the money goes. Another asked how far prices would have to be raised to cover the cost, in a new business that must charge a little less than established cafés to attract customers. The owners' tone also showed dislike of the rule.

The finding is similar to the Samarinda study, in which most micro and small businesses objected to the tariff and proposed that it be adjusted to the size of the business. It differs from the Cirebon study, where the manager of Roemah Kesambi accepted the obligation, had paid LMKN and had a clear communication channel with it.[18] The difference suggests that attitudes can become positive when owners understand the payment mechanism, communicate effectively with LMKN and have certainty about the procedure.

4.2.4 Legal behaviour

The behaviour of the owners follows from the other three indicators: they ignore the obligation. Music is played as usual, without any licence or permission from LMKN. One owner said that there had never been outreach in Magelang, that they would play music without singers, or switch the music off if told to pay a high price, and that they play on because nobody has come to collect. Another said that they keep playing music, because the songs are foreign.

None of the interviewed owners had paid royalties. The same is reported for café owners in Sudimoro, Malang, and for micro and small businesses in Samarinda, who also had not paid because of low knowledge of the procedure, weak outreach and a Song and Music Information System that was not yet working fully. Only in Cirebon was a café found to pay before holding live music. The comparison shows that behaviour is shaped not only by the existence of a rule but also by the effectiveness of outreach, access to legal information, the clarity of the payment mechanism and trust in the institution that manages royalties. In Friedman's terms, behaviour is the visible form of legal culture. That the owners continue to use music commercially without paying shows that the culture of paying royalties in Magelang has not yet formed.

4.3 Obstacles to paying royalties

The low legal culture does not have a single cause. Five factors stand out.

First, outreach is lacking. Most owners had never received direct information on the obligation from the government or LMKN. The Malang and Gianyar and Denpasar studies report the same cause. For Friedman, outreach is a means of forming people's values and orientation towards the law, and without it knowledge, the first step in legal culture, does not develop.

Second, understanding of the payment mechanism is low. The belief that a Spotify or YouTube Premium subscription covers commercial use shows that the difference between personal and commercial licences is

[17]Andi Lolo Gunawan, Emilda Kuspraningrum and Febri Noor Hediati, 'Implementasi Penarikan Royalti Pengguna Lagu/Musik pada Usaha Mikro, Kecil, Kafe di Kota Samarinda' (2023) 5(1) Jurnal Suara Hukum 190.
[18]Kharisma and Riswandi (2022).

MANUSCRIPT IN REVIEW

not understood; the same belief was found in Samarinda. The problem lies not only in the lack of information, but in not understanding the economic right of the creator and how licences work.

Third, the owners object to the tariff. Most said that the per-seat tariff is heavy for micro businesses and for businesses that have just started. As one of them put it, they would rather not play music at all than pay a high royalty, since their focus is on selling coffee. When people feel that a rule does not meet their sense of fairness, their tendency to comply falls.

Fourth, trust in the transparency of royalty management is low. Some owners doubted whether the royalties they paid would reach the creators, and most did not know how royalties are distributed. Compliance depends not only on the rule but also on how far people trust the institution that applies it, and the low trust in LMKN has a part in the lack of a legal culture.

Fifth, supervision is weak. Most owners had never been visited, registered or advised about royalties. As long as nobody reprimands them and no creator reports them, they continue to play music without paying, and the obligation is not seen as one that must be met at once.

5. Conclusion

The legal culture of café owners in Magelang City towards the obligation to pay royalties for songs and/or music under GR 56/2021 is low. Measured with Soekanto's indicators within Friedman's theory, legal knowledge is limited, because the information comes from social media and the news rather than official outreach. This limits understanding of the creator's economic right, of the payment mechanism and of the difference between personal and commercial use. The attitude of the owners is critical: they question the transparency of royalty management, the tariff and the fairness of the obligation. Their behaviour does not show compliance, since most have not paid.

Five factors obstruct payment: little outreach by the government and LMKN; a weak understanding of the payment mechanism, including the belief that a streaming subscription covers commercial use; objection to the tariff; low trust in the distribution of royalties; and weak supervision of commercial users. The obstacles come not only from the substance of the law, but from the absence of a legal culture that supports compliance.

Three recommendations follow. The government through the ministry responsible for law, local governments and LMKN should step up outreach, by working with the universities in each region and with business organisations and by using digital media that business owners can easily understand, on the duty to pay, the mechanism and the benefits of protecting creators' economic rights. LMKN should increase the transparency of its recording of commercial users and its distribution of royalties, so that trust grows. Café owners should seek information on the rules for commercial use of music and treat compliance as respect for the creator's economic right and as part of business ethics. Further research should widen the area, add informants, and include the government, LMKN and creators, in order to describe legal culture and the effectiveness of royalty payment more broadly. The limits of this study should also be kept in mind: it rests on interviews with three owners in one city, and its findings are therefore illustrative rather than representative.

Bibliography

Atmaja H, 'Konsep Hak Ekonomi dan Hak Moral Pencipta' (2003) 153.

Government Regulation No 56 of 2021 on the Management of Royalties for Copyright in Songs and/or Music.

MANUSCRIPT IN REVIEW

Gunawan AL, Kuspraningrum E and Hediati FN, 'Implementasi Penarikan Royalti Pengguna Lagu/Musik pada Usaha Mikro, Kecil, Kafe di Kota Samarinda' (2023) 5(1) Jurnal Suara Hukum 190.

Hadikusuma H, *Metode Pembuatan Kertas Kerja atau Skripsi Ilmu Hukum* (Mandar Maju 1985).

Husnun A and others, 'Mekanisme Pengelolaan Hak Royalti Musik oleh LMK dan LMKN' (2021) 9(1) Padjadjaran Law Review 1.

Kharisma F and Riswandi BA, 'Pelaksanaan Pembayaran Royalti atas Lagu dalam Live Performance kepada Pencipta Lagu di Kafe Roemah Kesambi Kota Cirebon' (2022) 5(1) JIPRO: Journal of Intellectual Property.

Law of the Republic of Indonesia No 28 of 2014 on Copyright.

Lestari I and Fadjar A, 'Perlindungan Hukum Pencipta atas Penggunaan Lagu dan/atau Musik di Kafe Kota Palu' (2026) 5(1) Justice Voice 31.

Lindsey T and others, *Hak Kekayaan Intelektual: Suatu Pengantar* (2nd edn, Alumni 2022).

Marsum WA, *Restoran dan Segala Permasalahannya* (Andi Offset 1994).

Mukti Fajar ND and Achmad Y, *Dualisme Penelitian Hukum: Normatif & Empiris* (Pustaka Pelajar 2010).

Munawaroh AQ, 'Efektivitas Peraturan Pemerintah Nomor 56 Tahun 2021 tentang Pengelolaan Royalti Hak Cipta Lagu dan/atau Musik pada Kafe dan Tempat Karaoke atas Penggunaan Secara Komersial (Studi Penelitian di Kabupaten Gianyar dan Denpasar)' (2021) 167.

Muttaqin F and Saputra W, 'Budaya Hukum Malu sebagai Nilai Vital Terwujudnya Kesadaran Hukum Masyarakat' (2019) 1(2) Journal of Law and Family Studies 187.

Oktaviano DA and Bahagiati K, 'Kewajiban Pembayaran Royalti Lagu dalam Live (Studi Pada Kafe di Sentra Kafe Sudimoro Kota Malang)' (2024) 8(1) Journal of Islamic Business Law 80.

Soekanto S, 'Kesadaran Hukum dan Kepatuhan Hukum' (1977) 7(6) Jurnal Hukum & Pembangunan.

MANUSCRIPT IN REVIEW