

Chapter 5

The Irish Music Rights Organisation and John Kenneth Galbraith's Planning System

Introduction

The successful expansion of the Irish Music Rights Organisation from 1995-2000, then, has led to the achievement of a monopoly position and hegemonic status within the Irish state. Expansion, it has been argued, is a central dynamic, if not *the* central dynamic, of the role and activities of the Irish Music Rights Organisation in the period 1995-2000. In this chapter we look to economist John Kenneth Galbraith's "Planning System" for an explanatory theoretical model that will complement the descriptive character of the 'cycle of expansion' motif, underscoring some of the political dynamics of IMRO as an organisation.

John Kenneth Galbraith and American Institutionalism

John Kenneth Galbraith is an American economist, most commonly associated with analyses of the modern corporation. To situate the work of Galbraith it is useful to briefly highlight some of the tensions in economic theory, in particular North American economic theory, out of which his work arises. A brief overview is first presented of the fundamental principles of neo-classical economics. In particular, it is noted that orthodox economic theory effectively eliminates power as a concern in free market economics. It is then shown that the rapid rise of industrialisation and urbanisation in the United States at the end of the nineteenth and the beginning of the twentieth century highlighted that power was a central problematic, as large corporations began to exert major influence upon markets. Neo-classical models were acknowledged by a number of economists to be, in principle, inadequate to deal with these new organisational forms. A school of thought that subsequently developed from this tension between orthodoxy and social experience is known as American Institutionalism. Institutional economists sought to understand economics not only in terms of neo-classical doctrine, or sometimes *not even* in terms of it, but also with a view to the social and historical

context of economics, and an awareness of the role of power. The work of Galbraith can be understood within the wider context of this institutionalism.

Neo-classical Economics and the Theoretical Absence of Power

Orthodox neo-classical economic analyses have their foundation in at least two principles. The first is a behavioural principle, that of maximisation: “that all decisions are made in order to maximize according to a given objective function such as a profit or a utility function” (Boland 1997:134). This is typically grounded in a methodological individualism: “the view that allows *only* individuals to be the decision makers in any explanation of social phenomena” (169). Note that these decisions are typically understood to follow the profit or utility function of maximisation. The consumer, then, as the individual decision-maker set loose in the market, is the ultimate arbiter of all things in the market: “The individual being in charge, he cannot be in conflict with the economic or political system. He cannot be in conflict with what he commands” (Galbraith 1973:30). The second fundamental principle of orthodox neo-classical economics is that of market equilibrium (Boland 1997:126), that through the checks and balances of supply, demand, and market competition income is limited or equalised, and thus the market participation of individuals as consumers and producers is regulated and democratised. This principle ensures that: “In a freely competitive, decentralized market society ... the ultimate source of legitimacy in the social and economic sphere [is] largely the market itself” (Okroi 1988:5). Thus, it could be argued: “Economic power in a free market system theoretically did not exist, since any single producer’s influence on the market was, relative to that of numerous other producers, infinitesimally small” (7). Nevertheless, within a neo-classical model, “The economic system functions in response to the instruction of the market and ultimately of the consumer” (Galbraith 1973:35).

One of the most influential neo-classical theorists is Alfred Marshall (1842-1924). Simplistic elaborations of neo-classical thought must be treated with caution. It has been argued for example that “It was not maintained ... that economic motives were the

only spurs to human action, nor that all men acted as *homo economicus* in the conduct of the day-to-day business of life. Most neo-classical writers - and Marshall with particular emphasis - insisted that their study was restricted to the economic aspects of human action rather than the whole complex of man's aspirations. By the same token they did not wish to be interpreted as saying that all who participated in market transactions were rational calculators. Instead, they sought merely to establish that rationality as a behavioural postulate provided a realistic basis for the study of groups of people" (Barber 1967:170). Nevertheless, a distinction should be made between the nuances of neo-classical theory and the expectations generated by the influence of neo-classical theory on a daily basis in the working lives of managers and business people. Much of the 'workaday rhetoric' of management and business would seem to suggest that neo-classical principles are universal inasmuch as life is unquestioningly and universally to be considered in economic terms. In the words of IMRO's Hugh Duffy: "Our job is to collect the royalties. I think that we are in an economic world and I don't think there's any way around it" (see p. 93).

The Modern Corporation and American Institutionalism

The absence of considerations of power within neo-classical economic explanations of market economics became particularly problematic in the United States from the final decades of the nineteenth century through the first half of the twentieth century. The market system had undergone enormous changes. With the rise of industrial capitalism certain companies had grown to the point that they were able to exert considerable force upon the entire market structure:

Americans were presented with an obvious dilemma. If economic activity was no longer regulated by an impersonal market mechanism, but was instead dominated by a relatively few identifiable groups and organizations, the following questions arose: How did they obtain this power? By what right did they exercise it? If the market was no longer "free," how could one justify the results it produced, especially if some of them were widely judged to be undesirable? (Okroi 1988:7).

The neo-classical emphasis on the supremacy of the individual did not provide adequate answers for this changing social situation. In response to the increasingly inadequate provision of orthodox perspectives, a number of scholars voiced criticism of

the fundamental assumptions of neo-classical *laissez-faire* capitalism, some advocating state intervention in the market economy. This type of approach led to the development of what was known as the “New School” of political economy, which included such thinkers as John Bates, Richard Ely, and Simon Patten (8). This new interest in the social and economic conditions of the United States fostered the work of maverick, idiosyncratic economist Thorstein Veblen at the turn of the twentieth century (see Heilbroner 1992). Veblen is particularly remembered for his The Theory of the Leisure Class (1889). He crucially rejected the singular focus on the role of the individual as the fulcrum of economic thought. As Okroi comments: “the important point to note is that Veblen rejected many of the basic axioms of classical economics and eschewed its narrow technical analysis of static economic relationships, concentrating instead on broader issues concerning the structure, dynamics, and historical evolution of economic institutions themselves” (1988:9).

Since Veblen, a number of scholars have studied economics with a broad, interdisciplinary approach wherein the American economy has been analysed from a variety of holistic perspectives. They have become known as “institutionalists” (ibid.).¹ One of the key institutionalist contributions has been The Modern Corporation and Private Property (Berle and Means 1932), which attacks the orthodox theoretical foundations of microeconomics (the theory of the firm). Adolf Berle and Gardiner Means argue, for example, that terms such as ‘ownership’, ‘private property’, or ‘competition’ had assumed a whole new range of meanings in the era of the modern corporation, far beyond those normally associated with small-scale entrepreneurs. Perhaps most significantly, they argued that the economics of small and large corporations were “essentially different” (6).

Another significant contribution to this growing critique of neo-classical doctrine was the work of Englishman John Maynard Keynes, whose publication The General Theory of Employment, Interest, and Money (1936) is particularly noteworthy. Perhaps the major

¹ They are also sometimes referred to as ‘Old Institutionalists’ or ‘American Institutionalists’ to distinguish them from the political economy approach of ‘New Institutional Economics’.

challenge presented by Keynes was to the principle of market equilibrium: “There was, he maintained, no reason to assume that a modern capitalist economy always tended toward the full employment of its human and material resources. This directly challenged the orthodox view that the market was a nearly perfect machine that automatically balanced demand and supply orders and maximized economic output” (Okroi 1988:15).² Many Institutionalists found Keynes a sympathetic ally in their often wide-ranging critiques of orthodox neo-classical economics. Institutionalists, in summation, examined capitalism “not simply, or even primarily, from an economic standpoint, but instead with a fundamental regard for the social and historical contexts in which it operates” (xiii). We approach Galbraith here as an exemplary Institutionalist.

John Kenneth Galbraith and the Planning System

In 1934, John Kenneth Galbraith accepted a position in economics at Harvard University, and soon became involved in this debate concerning the role and structure of large corporations and the impact that such business might have on understandings of neo-classical market economics. Following Keynes’ publication in 1936, Galbraith became something of a Keynesian evangelist, while Harvard became the centre of Keynesian theory in the United States (Okroi 1988:32). His zeal led him to positions in governmental administration during the Second World War, where he worked within the complex politics of Franklin D. Roosevelt’s ‘New Deal’ economy. Various jobs followed, including a time as a director of the United States Strategic Bombing Survey, and a number of turns as editor of Fortune magazine. His first book, American Capitalism: The Concept of Countervailing Power was published in 1952. In the early 1960s Galbraith spent time as United States Ambassador to India for the Kennedy administration. In 1963 he resigned this post to return to Harvard.

Galbraith is a much-neglected theorist of the firm, ignored by economists of all schools. This is the position of post-Keynesian economist Stephen P. Dunn (2001). The first

² For a general guide to the economics of John Maynard Keynes see Hansen (1953). See also Barber (1967).

reason that Dunn gives is that Galbraith has generally been associated with managerialist theories of the firm, which recognised that large firms were no longer controlled and dominated by their owners but instead by their managers. Such theories were well established at the time Galbraith was writing, in the '50s, '60s, and '70s, and he was clearly influenced by them. Dunn admits that while Galbraith's approach emphasises the widely-recognised separation of ownership from control, which we shall discuss later, his view of the modern corporation is more complex and subtle than is generally acknowledged (158). A second reason is what Dunn terms his "caustic and irreverent populist rhetorical style", which has led many theorists of the firm to view the work of Galbraith as less rigorous and more literary, and hence to be ignored. In the words of Loren Okroi: "With a keen and incisive prose style and a rapier wit in both oral and written forms of expression, he was to create armies of admirers and adversaries, leaving few in the neutral camp" (Okroi 1988:30). A third reason that is often given is that Galbraith's work is not wholly original from an economics standpoint, and is rather an exercise in system building and social philosophy:

The old adage about Marx: that philosophers think Marx a bad philosopher but a good political scientist and economist; that economists think Marx a bad economist but a good philosopher and political scientist; is more than apt for Galbraith. The cumulative effect of all these factors has been that Galbraith's vision of the modern corporation has not attracted the attention of contemporary theorists of the firm (Dunn 2001:159).

The positions presented in this chapter derive most inspiration from work that Galbraith produced between 1958 and 1973. In 1958 Galbraith published The Affluent Society, which is noted here in particular for its vigorous critique of the neo-classical doctrine of consumer demand. This book was considerably less orthodox in its approach than the earlier American Capitalism, and it drew some negative reactions from the economic establishment. As Okroi notes: "The consensus within the profession was that Galbraith had some interesting and important things to say, but that most of his arguments were exaggerated, too unorthodox, or simply invalid" (1988:56). This present chapter does not draw specifically on The Affluent Society. Nevertheless, many of the key arguments presented in Galbraith's 1958 publication are reiterated in The New Industrial State (1967) and the more populist Economics and the Public Purpose (1973). What is important, however, is that the latter publications shifted Galbraith's focus almost

entirely onto the role of large corporations in the market system, and, subsequently, onto the inability of neo-classical economics to explain the political dynamics of their existence:

... the prevailing theory still maintained that capitalists or their representatives had plenary control over corporate policy and that managers, scientists, and technicians, while increasingly important, were essentially hired personnel with no independent power, and that the goal of business leaders was what it had been in the nineteenth century: profit maximization. Textbooks acknowledged the act of oligopolistic competition; but authors continued to concentrate on the entrepreneurial firm as the basis for understanding the structure and behavior of *all* firms. The market power of large firms was noted in passing; but the unalterable law of supply and demand was said to be far more influential (Okroi 1988:60-61).

Institutionalists, as noted above, generally argue that the theoretical models provided by neo-classical economics are inadequate to deal with the analysis of large corporations, organisations which offer a clear break with orthodox economic doctrine. Galbraith addresses this inadequacy by proposing that these firms take their place in what he terms the 'Planning System'. This is a system characterised in general by a pervasive tendency towards predictability and control, and spawned by the demands of technology. In opposition to those who suggest that the primary motivation of this type of firm is profit motivation, Galbraith argues instead that the central concern of the Planning System is *growth*, and that all strategies within this kind of organisation can be understood in relation to this prime dynamic. I argue in this chapter that the expansion of the Irish Music Rights Organisation can be viewed within this explanatory framework of the Planning System developed by Galbraith for the analysis of large corporations. Galbraith's explanatory framework is far more satisfactory than those most often provided to explain the role and activities of the Irish Music Rights Organisation.

The Twin Mandate

The activities and expansion of the Irish Music Rights Organisation are often explained by the operations of a twin mandate on the basis of membership and neo-classical economics. On the one hand, IMRO claims its mandate to license music use, collect licence revenue, and distribute royalties from its composer and songwriter members, in all genres, who assign their performing rights to the organisation. This is further sanctioned by the membership mandate of all societies with whom the Irish Music

Rights Organisation claims affiliation. This is the most obvious mandate for IMRO's expansion. On the other hand, the neo-classical economic premises of supplier incentive and, as Galbraith (1973) has noted, consumer instruction operate as a second and powerful mandate within the frameworks of market economics, providing for the workaday rhetoric of the Irish Music Rights Organisation. This neo-classical mandate is often portrayed as a conduit issue, IMRO efficiently facilitating the financial exchange between composer-entrepreneurs and consumer-users by providing incentive on the one side and product on the other. Whether openly acknowledged or not, the deployment of this twin mandate effectively provides for the moral sanction of the Irish Music Rights Organisation. The authority for IMRO's activities is understood to emanate ultimately from the will of individuals, then, as either member-producers or consumer-users. This twin mandate hypothesis, however, is inadequate to explain the activities and expansion of the Irish Music Rights Organisation.

The Member Mandate

The membership mandate is perhaps the most often used justification for the role and activities of the Irish Music Rights Organisation. As detailed in Chapter 2, IMRO administers the performing rights of its publisher, songwriter, and composer members by the granting of licenses to music users and the collection and distribution of royalties. It is able to do this because each individual member voluntarily grants IMRO the nonexclusive right to licence nondramatic public performances of their works. Members further authorise the Irish Music Rights Organisation to bring suit in their name against infringers and appoints IMRO as attorney-in-fact to conduct and resolve such suits. The Irish Music Rights Organisation is thus able to police infringing performances. By becoming a member of the organisation the member also agrees to be bound by IMRO's distribution system by which royalties are determined. It is important to note that the membership mandate for IMRO's activities also includes all of the members of affiliated organisations worldwide, on whose behalf the representatives of IMRO also administer royalties. As noted earlier (p. 42), the sum total of the works assigned by all members to the internationally-affiliated collection agencies is known as the 'world repertoire', and the number of works is currently considered to be in the region of 14.25

million (source: <http://www.imro.ie>). In 1999 there were 2,900 members of the Irish Music Rights Organisation. This non-profit performing rights organisation is thus understood as a membership society, controlled by a Board of Directors who are elected by the composer, songwriter, and publisher members (Duffy and Quinn unpubl. 1997).

The Mandate of Neo-classical Economics

The second major principle for the mandate of the Irish Music Rights Organisation is the systematic logic of neo-classical economics. Given the substance of IMRO's role, this is hardly surprising. It is almost impossible to separate intellectual property from its role as an instrument of commodification within capitalist or neo-classical systems (Bettig 1996). In fact, the development of capitalism and intellectual property have been concurrent (M. Rose 1993; Woodmansee and Jaszi 1994). The appearance in the eighteenth century of 'things of the mind' as transferable articles of property matured simultaneously with the capitalist system (Jaszi 1992). It could be argued that the application of intellectual property in any circumstance assumes the *a priori* application of the logic of neo-classical economics, where the production and distribution of goods depend on invested private cultural capital and profit-making. Scholars such as Steohen Gudeman (1996) or Vandana Shiva (1993) have pointed out that abetting the acceptance of intellectual property necessarily leads to economic transformations because the adoption of intellectual property necessarily implies the adoption of the normative orthodoxies of capitalism and neo-classical thinking. One significant factor is that one of the underlying assumptions of intellectual property "is that human beings require economic reward to be intellectually or artistically creative. The philosophy of intellectual property reifies economic rationalism as a natural human trait" (Bettig 1996:25).³

³ As Reichman (1991) notes, the neo-classical economic emphasis in discussions and justifications of copyright is particularly dominant in American scholarship. The economic justification for copyright is illustrated by the work of copyright theorists such as Goldstein (1990) or Patterson and Lindberg (1991).

The Conduit Role of the Irish Music Rights Organisation

Neo-classical interpretations of the role of the Irish Music Rights Organisation thus revolve around a conduit narrative of production and consumption. Self-interested, commercially-motivated composer-entrepreneurs engage in “product differentiation innovation” (Burke 1993). The aim of this is to produce works with commercial potential. In order to protect the commercial value of this product, then, it is understood as property, and given property right protection. The use of this property by consumers, known as ‘music users’, requires the payment of royalties. Royalties provide the incentive for suppliers (composer-entrepreneurs) to produce. They also allow consumers legally to satisfy their demand for the product. Within this system the individual composer-entrepreneur is in command of their own business interests, and attempts to maximise profits by personally collecting the royalties due for use of their product. The fundamental economic transaction is posited, then, as that between the producer-supplier and the consumer-user.

However, the widespread use of technology has led to a situation where it is practically impossible for composer-entrepreneurs to identify or track the use of their copyright works by consumers so that they might collect royalties for them. The only feasible method of enforcing a composer-entrepreneur’s performing right, then, is to choose to affiliate oneself with an organisation, a performing right society (Korman and Koenigsberg 1986; Sinacore-Guinn 1993; Peacock and Weir 1975; Ehrlich 1989). By voluntarily sacrificing their individual exclusive right to license the performance of their work the composer-entrepreneur gains the advantage of collective surveillance and enforcement. Similarly, music users are faced with the practical impossibility of seeking out individual copyright owners and negotiating individual licences with them (Korman and Koenigsberg 1986:348). Thus, the administrative role of the Irish Music Rights Organisation facilitates this financial transaction between producer and consumer, balancing prices to achieve what neo-classical economists would refer to as the objectives of productive and allocative efficiency:

In relation to productive efficiency the price should be sufficiently high to provide an incentive for the product to be produced. Thus, in the case of performing rights the tariff must be sufficient to provide an incentive for composers to, write music which consumers like, promote its availability, and supply it to consumers. Allocative efficiency implies that the tariff rate should attempt to supply music to as many customers as possible given the costs of doing so (Burke 1997:1).

The Irish Music Rights Organisation does this then, by, on the one hand, “providing an incentive for suppliers to produce”, and on the other, “ensuring that as many consumers as possible who want the product, get the product” (Burke 1997:2). IMRO’s activities, it is argued, thereby provide a service, an efficient conduit for the exchange of the commodified ‘work’ between producer and consumer within a competitive market environment, based on the principle of profit-maximization.

The basic economic transaction on which most understandings of the Irish Music Rights Organisation are based is, then, the transaction that is deemed to occur between the supplier-producer-composer-entrepreneur and the music-user or consumer. IMRO’s role is to facilitate this transaction with maximum efficiency. As long as this character of transaction remains the central focus of the explanations it is possible to represent this economic relationship as conforming broadly to what Galbraith would call the Market System, where firms are characteristically under the command of one person, are generally subordinate to their economic environment, and conform broadly to the neo-classical model. In the Market System, if profits are good, the composer-entrepreneur will most likely increase their amount of ‘tune innovation’, but with the competitive environment that accompanies the negligible capital required to set up as a composer-entrepreneur, a monopoly position proves difficult to protect. To paraphrase Galbraith: “So, in the market system, production and prices are not likely to be effectively and reliably under the control of the [composer-entrepreneur]. Nor are they likely to be subject to the collective authority of a few [composer-entrepreneurs]. So, if profits are abnormal, they will soon come down. This means that the entrepreneur does not for long have the luxury of preoccupying himself with any goal except that of making money. He must always, where this is concerned, do the best he can” (Galbraith 1973:61). This is echoed in an economic position paper commissioned by the Irish Music Rights Organisation: “The high rewards secured by the successful minority of

music compositions is relatively short lived as the scale of competition in the market ensures that such market power is temporary” (Burke 1997:2).

Galbraith draws particular attention to one important aspect of such neo-classical theory that is not greatly emphasized; that is, that the moral sanction of the economic system depends on the individual consumer as the source of instruction in the market. Thus, Galbraith argues (1973:29-30), the economic system places the individual in ultimate command, in such a way that the individual consumer can never be in conflict with the economic system, for to be so would entail being in conflict with him or herself. Neo-classical thought, then, places the consumer in ultimate control of ‘the system’ within which the individual composer-entrepreneur operates, facilitated by the Irish Music Rights Organisation. This control is presumably democratized by the powerful systemic force of competition, which is understood to limit or equalize the income of IMRO members. For the Irish Music Rights Organisation, the instruction of composer, songwriter, and publisher members, which we have already noted, is mirrored by the instruction of the consumer. The central linking premise of the twin mandate is that the ultimate sanction of the economic system, and of the Irish Music Rights Organisation, derives from its ultimate subordination to the will of the individual (32-33). The representatives of the Irish Music Rights Organisation can appeal to the authority of the twin mandate. They can turn to the issue of *member* choice, the decision to join the organisation, assign rights, and elect Board Members. Alternatively, they can turn to a neo-classical economics that revolves around the issue of *consumer* choice, the decision to purchase or reject products. Thus, understood within the interpretations of neo-classical economics the decision of the consumer becomes the driving force of the market and the foundation of the economic system within which IMRO operates, and the decision of the producer-member, and affiliated members worldwide, becomes the driving force of the organisation’s administrative activity. Framing the activities of the organisation in this way makes consumers and members the sources of power, power understood by Galbraith as “the ability of an individual or a group to impose its purposes on others” (108). Presented in this way, the organisation itself cannot, then, exercise power, being merely an instrument in service of consumer and member choice.

The Inadequacy of the Twin Mandate Hypothesis

Galbraith is deeply critical of using the consumer-based neo-classical model to understand or explain organisational activity. As Galbraith demonstrates, orthodox neo-classical economics, founded on the principle of ultimate subordination to the will of the individual consumer, is totally unable to provide any explanation for what he sees as “the most basic tendency of modern economic society. That is for constituent firms to become vast and to keep on growing” (99). Expansion, as we have seen, is the most dominant feature of the activities of the Irish Music Rights Organisation in the period 1995-2000, and a feature which we have adequately described, but still not adequately explained. One of the primary effects of neo-classical thinking is to deny, or at least draw attention away from, the power exercised by organisations, such as the Irish Music Rights Organisation. This, in turn, deflects attention away from their governing and self-perpetuating power elites, whose activity, once examined in detail, does not readily conform to the fundamental principles of neo-classical economics. The same effect is achieved by appeals to the member mandate, which likewise reduces all organisational activity to a function of individual choice through member sanction. To appeal to the systematic logic of consumer choice in the market, or producer choice by way of a membership mandate, is effectively to explain organisational expansion away by placing the representatives of the organisation “in the service of a higher deity” (21-22). They need not, then, be responsible for what they do, responding as they do to the theistic instruction of the market or their members. In this way, those interests that are served by an organisation’s expansionary activity can be clothed in a rhetoric of necessity; for the interests of members and consumers *must* be serviced, and in the field of performing right(s) a collection agency provides the only way in which this might be done.

Furthermore, by frequently presenting the role of the Irish Music Rights Organisation as little more than a conduit between producers and consumers, it is possible to argue that the more efficiently IMRO facilitates the economic transactions in question, the less

power the organisation exercises in relation to the parties concerned. Following Lakoff and Johnson, we see how the conduit metaphor provides “a ... subtle case of how a metaphorical concept can hide an aspect of our experience” (1980:10). In the conduit metaphor of performing rights, music is understood as economic units of transaction or “works”, people as containers or “users”, and “performance” as sending. This reinforces the type of thinking that suggests that “works” have meanings independent of contexts and people. However, the conduit metaphor, Lakoff and Johnson note, is “so much the conventional way of thinking ... that it is sometimes hard to imagine that it might not fit reality” (11). By limiting IMRO’s role to that of a conduit it is presented as though it were simply a tube along which “works” pass between producers and consumers, “royalties” passing in the opposite direction. The implicit metaphor conveniently does not allow for the representatives of the Irish Music Rights Organisation to be anything other than facilitators.

Hence, following Galbraith, we might argue that neo-classical economics and the member mandate fulfil an instrumental function in relation to the exercise of power within the Irish Music Rights Organisation, in that they serve, not the understanding or improvement of the system in which the organisation operates, but the goals of those who are in positions of power within that system (Galbraith 1973:23). They can guide attention away from “inconvenient fact and action” and hence offer “a formula for a quiet non-controversial life” (43). Galbraith is careful to point out, however, that “nothing should be attributed to conspiracy and not much to design” (23). What is at issue is that the privileging of consumer-user and producer-member instruction is the standard and accepted way to explain the activities of a performing right(s) organisation. This twin mandate is, then, the widely-accepted explanation for the activities of the Irish Music Rights Organisation: “As such it serves as a surrogate for ... legislators, civil servants, journalists, television commentators, professional prophets - all, indeed, who must speak, write or act on economic questions” (23). This explanation is, however, inadequate.

Galbraith's argument is that modern organisations and their expansionary dynamic provide a clear break with traditional, neo-classical economic doctrine. Continued adherence to orthodox economic doctrine, Galbraith argues, allows the power relations implicated in organisational activity to go unaccounted for. He is therefore keen to displace neo-classical understandings of organisational activity with a more adequate explanatory framework. Likewise, I argue that the activities and expansion of the Irish Music Rights Organisation cannot be adequately explained by the twin mandate of consumer-user and producer-member instruction that is most often used to explain the practices of performing right(s) organisations. Accepting this allows the relational implications of the specificities of IMRO's organisational activity to go largely unaccounted for, unacknowledged, or unrecognised. I am therefore seeking a more adequate explanatory framework that brings the role and activities of the Irish Music Rights Organisation back to visibility. One may be found in Galbraith's theoretical elaboration of the Planning System.

The Planning System

Galbraith draws a distinction between the Market System, to some degree at least adequately served by the neo-classical model, and what he terms the Planning System, for which the neo-classical model cannot provide. In The New Industrial State, Galbraith identifies two meanings of the word *planning*. For the firm it "consists in foreseeing the actions required between the initiation of production and its completion and preparing for the accomplishment of these actions. And it consists also of foreseeing, and having a design for meeting, any unscheduled developments, favourable or otherwise, that may occur along the way" (1967:43). On the other hand, for economists or political scientists, planning "consists of replacing prices and the market as the mechanism for determining what will be produced with an authoritative determination of what will be produced and consumed and at what price" (43). Although it would seem as if 'planning' is being used in two different senses here, we can properly understand what Galbraith characterises as planning as a synthesis of the two, a pervasive systemic tendency

towards the achievement of total predictability, as exhibited in the activities and strategies of those involved in corporate firms.

Following scholars such as Thompson (1967), Ryan (1985), and Dunn (2001), our understanding of planning can also be reconfigured as a general tendency towards the elimination of uncertainty. As sociologist Peter Marris points out, uncertainty arises in relation to our own preconceptions, “because events only appear as uncertain in some context of purposes of some expectation of orderliness. What constitutes as uncertainty depends on what we want to be able to predict, what we can predict, and what we might be able to do about it” (1996:16). For the Irish Music Rights Organisation, and, indeed, any firm conforming to the features of Galbraith’s Planning System, uncertainty can be understood as anything that falls short of complete predictability and control.

Firms that operate within the Planning System are those that could not exist were it not for organisation. Managers and workers in the Planning System strive for predictability and the elimination of uncertainty. They seek to control markets and prices. They also seek to mould and control the opinions and interests of consumers, the state, and their opposition, until such opinions and interests are consistent with their own. Most importantly, though, firms characterised by the Planning System have as their central goals not the maximization of profit, but growth and expansion. We have already seen how the primary dynamic of the Irish Music Rights Organisation during the period 1995-2000 disclosed an aggressive expansionary momentum. In the section that follows, the activities, expansionary practices, and monopoly status of collection agencies, and IMRO in particular, are shown to broadly conform to the characteristics of Galbraith’s Planning System. By detailing the points of correlation between Galbraith’s insights and IMRO’s activities we are provided with a more accurate explanatory framework for the ‘cycle of expansion’. One of the key aspects in Galbraith’s analysis of the Planning System is the role of technology.

Technology

One of the most prevalent themes in discussions of copyright⁴ is that the development of copyright has been hugely influenced by technology, in particular the introduction of the printing press (e.g., Bettig 1996; M. Rose 1993; Stewart and Sandison 1993). Hillel Schwartz has argued generally that “copyright law always lags behind the technologies of copying” (1996:243). The threat posed by the growth of musical technologies such as Berliner’s wax discs (1895), the clock spring motor (1897), shellac discs (1904), and double sided discs (1905) to sales of sheet music contributed directly to the emergence of the performing right (Peacock and Weir 1975:45). Following comments made by Mark Rose (1993:142) in relation to the historical development of copyright, we might say that technology provides for one of the central tensions of performing rights. As copyright is often deemed to have arisen as a result of the rise of printing technology, so performing rights, it is regularly argued, is made possible by technology and the concomitant ability to make large numbers of “copies” (“performances”) of a work available to the public. However, the same technological principles of mass reproduction propel the potential “use” of works to infinity and beyond. If it is assumed in principle that such “use” must be monitored, then the only condition that will adequately satisfy the needs imputed by the logic of performing rights is the ubiquity of the person doing the monitoring. Being in all places at all times is, of course, denied to any but the most extraordinary individuals. Organisations such as the Irish Music Rights Organisation, then, not only fulfil the role of conduit, but also that of ubiquitous surveillance, both roles, of course, facilitated by technology:

The introduction of a computer system is essential if the vast amount of music “consumed” nowadays is to be accompanied by accurate accounts, rapidly drawn up and circulated to authors and publishers. It is therefore advisable, when introducing collective administration of copyright for the first time, to have integrated computer systems available from the outset (WIPO 1997b:533-534).

For Galbraith, the single most important factor in the construction, maintenance, and general character of planning and its tendency towards predictability is the role and effect of technology, which Galbraith understands as “the development and application

⁴ Discourses of copyright will be further examined in Chapter 6.

of scientific or systematic knowledge to practical tasks” (1973:54). This is what Thompson (1967:18) would refer to as “technical rationality”. If planning is the inclination, technology is the method.

Organisation and the Transfer of Power from Individuals to the Technostructure

Firms that operate with the dynamics of the Planning System are governed by the commanding power of a ‘technostructure’ that supercedes the voice or authority of any one individual in the drive towards predictability (Galbraith 1973:98). The collective authority of the technostructure is epitomised by the branding of the organisation with a single name or logo, in this case, the Irish Music Rights Organisation (IMRO). This transfer of power from individuals to the collective authority of the group is a central dynamic of the technostructure. As time passes and the firm increases in size, two factors in particular contribute to this dynamic. The first of these is the authoritarian character of collegial decision-making (100). The second is the concentration of managerial authority in the separation of ownership and control (100-102).

The use of technology, Galbraith argues, invariably requires the shared, specialised knowledge of more than one person, and hence organisation, organisation being defined by Galbraith as “an arrangement for substituting the more specialized effort or knowledge of several or many individuals for that of one” (97). This is particularly the case where recourse is taken to detailed legal and neo-classical economic argument characteristic of the Irish Music Rights Organisation. In addition, the introduction of technological equipment as capital, by all accounts an obligatory step for a performing rights collective, also requires specialists, and more organisation, for it to be effective. In fact, firms such as IMRO that operate with methods of technology in support of a general project of planning could not exist without organisation. There are two factors to keep in mind here. First, organisation is made *possible* by the predictability of standardised products and services. The more standardised the product or service, the less the product or service will be associated with, or complicated by, the personalities of the people involved at any stage. In the Irish Music Rights Organisation, and among

performing rights organisations generally, this is epitomised by the concept of 'harmonisation', or the move towards total compatibility of national copyright legislations and work practices (see Dreier 1991). Changing trade practices and European Directives foster the trend towards a greater harmonisation of copyright legislation across the European Union (IMRO 1998). A major development in harmonisation practices has been the introduction of the CIS initiative among "copyright societies". CIS stands for "Common Information System", and the initiative seeks to improve the speed, accuracy, and cost-effectiveness of distribution systems:

The slogan for the CIS initiative is 'Do it once, do it right!'. The principle is that each society should, on behalf of all societies, maintain authoritative information about its own members, their works and their publishing agreements. By using common data standards and exchange formats, each society can make this information available to all other societies cheaply and quickly (IMRO 1999b:13).

A major phase of IMRO's involvement in the CIS initiative was completed in 1999. A key aspect to the standardisation of the CIS is the application of what is known as the "global unique identifier", or "International Standard Work Code" (ISWC) to each designated "work":

The International Standard Work Code (ISWC) is a numbering system for musical works, similar to the ISBN number used for books. The allocation of an ISWC to a work will mean that all societies will refer to the work by the same number thus reducing conflicts and inaccuracies in payments between societies. This numbering system forms the cornerstone of societies sharing their works information in a common database. We have been using this system for over a year and will continue to press our sister societies to keep up with this vital initiative (IMRO 1998c:8).

Second, organisation is deemed *necessary* on account of the number of specialists with detailed technical knowledge of the processes and products in question who are called into play: "organization is what brings specialists, who as individuals are technically incomplete and largely useless, into a working relationship with other specialists for a complete and useful result" (Galbraith 1973:97). As standardisation and specialisation lead to organisation, so organisation leads to the possibility of increased size. Increased size, as we see in the Irish Music Rights Organisation's cycle of expansion, is often accompanied by increased influence over markets and attitudes, and increased clout with the representatives of the state. This, in turn, calls forth another retinue of specialists to fill the range of occupations that accompanies the exercise of the organisation's increased power: "To perfect and guide the organization in which the

specialists serve also requires specialists” (98). What we get, then, is a complex network of directors, managers, executives, lawyers, accountants, public relations experts, economists, administrators, and other specialists, that Galbraith terms the ‘technostructure’.

We have already noted the importance of specialist knowledge within the structure of the Irish Music Rights Organisation, and that organisations in general arise from the need to combine the knowledge of specialists. When decisions are to be made, therefore, it is necessary to pool all this specialist knowledge, information, and experience, in order that the organisational demands of specialisation be met. This typically happens in the form of committees. Once decisions are made in this structure, obedience is given to the authority of the decision-making body. There is a useful side-effect of this decision-making structure, one which echoes the earlier discussion of the ability of the twin mandate to cloak the activities of the representatives of the Irish Music Rights Organisation in the logic of membership and consumer choice. The collegial process allows “unpopular or socially reprehensible action” to be always attributed to higher authority: “Thus it is possible to have the reality of power without the penalties” (Galbraith 1973:103).

The second significant factor that contributes to the transfer of power from individuals to the collective authority of the technostructure is ‘the separation of ownership and control’. In this arrangement the management of an organisation can exercise a significant degree of control over the use that is made of resources without themselves owning any significant volume of assets. Since Adolf Berle and Gardiner Means published The Modern Corporation and Private Property in 1932, the separation of ownership and managerial control in organised corporate capitalism has been the source of significant interest in theories of management control (Chandler 1962; Hindley 1970; Nodoushani 1999). Galbraith notes that debate in this regard is largely theoretical, and “That power in the mature corporation passes from the stockholder to the management has long been conceded, in practice as distinct from theory, by economists” (1973:105). If we look at the primary contractual arrangement that sustains

the Irish Music Rights Organisation, membership effectively surrenders both ownership *and* control by way of the Deed of Assignment. This means, in practical terms, that almost absolute authority in relation to the performing right is transferred by each individual member to the technostructure of the organisation. This is in contradistinction to claims by IMRO executives that the voting mechanisms of the organisation effectively mean that it is a member society run by a Board of Directors who are under the control of members (Duffy and Quinn unpubl. 1997). The separation of ownership and control creates a problem for the neo-classical assumption of self-interested profit-maximization:

The acquisitiveness, avarice and cupidity that so valuably motivate the system are supplied by the managers - the technostructure - and their fruits go to the owners. The managers are not beholden to the owners. Thus the system works because those who are most acquisitive are also most conscientiously determined to toil on behalf of others. Avarice is philanthropically in the service of others (Galbraith 1973:106).

The case of the Irish Music Rights Organisation complicates the logic by effectively providing separation from ownership and control, but even here we find the same effect. In an article about a former IMRO Chairman, for example, we find that his “open and generous nature drove him to establishing and asserting the rights of his fellow songwriters and composers in Ireland, and he was many years to the forefront in helping to improve their lot” (O’Hara 2001:36). Viewed within the logic of neo-classical economics this is quite clearly a contradiction. A self-interested individual cannot be self-interested for others. However, “It is a problem that neo-classical economics solves mostly by ignoring it. It resorts to the most useful of the intellectual conventions of the economist which is, when inconvenient facts are encountered, to assume them away” (Galbraith 1973:106).

A key element in the perpetuation of the separation of ownership and control is the ritualistic approval of management decisions (Galbraith 1973:101). Authority and power are channelled primarily to the management of the Irish Music Rights Organisation, that is, to those who actively participate in the day-to-day collegial decision-making, those who contribute their specialist knowledge to decisions (100). They, after all, are the only ones with full access to the pool of specialist knowledge. As IMRO increases in size

members become more numerous. Viewed in light of the authoritarian collegial decision-making process, as the members increase in number, so the individual power of each is diminished and the authority of the decision-making bodies is increased. What happens then, Galbraith argues, is that “stockholders [or, in this case, members], accepting the weakness of their position, become passive; they vote their proxies automatically for the management slate or they do not vote them at all” (101). The directors of an organisation also come to realise that their power comes from the management and not from members: “they confine themselves, accordingly, to a ritualistic approval of management decisions” (102). Galbraith suggests that the power of management is “subject to elaborate disguise” (ibid.). This is effected in IMRO by the impression that the Board of Directors of the organisation are powerful, despite meeting, at most, only thirteen days of the year. The need for the Board to ratify financial transactions and accounts heightens this impression, for, as Galbraith remarks: “nothing better sustains an impression of omnipotence than association, however nominal, with large sums of money” (103).

The Protective Purposes of the Technostructure

The distribution of power within the Irish Music Rights Organisation is not, as the twin mandate would suggest, concentrated in the ultimate sanction of the will of individuals. Rather, the distribution of power is concentrated in the collegial decision-making process of the organisation’s technostructure, a shift from individual to collective authority. Not only this, but within the technostructure, power primarily rests with the positions of management. The two major factors in this process are, first, the authoritarian character of collegial decision-making and, second, the separation of ownership and control, or, in the case of IMRO, the separation from both ownership and control. The transfer of power from individuals to the technostructure serves what Galbraith refers to as the ‘protective purposes’ of the technostructure as it tends towards predictability within the Planning System. The two primary protective needs of the technostructure identified by Galbraith are the need to secure existence and the need to minimize interference.

Securing Existence

The Irish Music Rights Organisation, technically speaking, produces nothing. Actively pursuing royalties is the *only way* for the organisation to recoup administrative and other expenses, to ensure a basic and uninterrupted level of earnings. In short, pursuing royalties is the only way for IMRO to survive. Anything that serves this purpose, then, is central to the efforts of IMRO's technostructure: "[W]hen an organisation is faced with uncertainty of demand, adaptive action must be taken until the uncertainty is resolved and the situation returns to normal" (Borch cited in Ryan 1985:117). Most important in this regard is the management of consumer response. As we saw in Chapter 2, most "music users" will not attempt to contact licensing collectives. Often they will only enter into a licensing agreement upon threat of litigation (Sinacore-Guinn 1993:36). As a result, collectives actively identify and pursue all potential "music users". Once again we can quote Sinacore-Guinn:

"It is an unfortunate fact of life that respect for the rights of creators is not the norm. A significant number of users avoid or even actively resist a collective's efforts to control the use of its repertoire of works. It is up to the collective to assert its rights and the rights of its affiliated rights owners in a way that will cause compliance" (1993:39).

As noted previously, strong-arm, coercive tactics are generally avoided, as they are costly and generate bad public relations. The use of debt-collection agencies is standard practice for IMRO as the last attempt at resolution before more substantial coercion. Such measures, we noted, are costly and often generate bad publicity: "They thus expend significant efforts seeking to convince users of the necessity of obtaining proper licensing before any coercive enforcement or litigation efforts are made" (39).

"Supply" is not an issue for the Irish Music Rights Organisation. The "supply" of "works" for the performance of which royalties are to be collected is guaranteed by the existence of 14.25 million works in the catalogues of internationally-affiliated performing rights organisations. It can be further guaranteed in perpetuity by increasing the memberships of these organisations. The only real way in which the income stream of the organisation can be threatened, then, is to question the legitimacy of the claims that are made to justify the pursuit of royalties. If the fundamental bases of the system of

copyright and performing rights can be shown to be spurious, for example, then the claims that representatives of IMRO make are in grave danger of being rejected. In fact, to question the principles of royalty collection is to question the *raison d'être* of the organisation itself, to challenge the purpose for its existence. It follows, then, that the most important way to secure the income stream of the organisation is to reach a situation where “music users” and (at least the most influential) other people accept that what the organisation does is justifiable, fair, and based on solid foundations. The only way to secure existence is to maintain the condition whereby no questions are asked. This is achieved by pursuing what Galbraith calls “the cultivation of useful belief” (1973:22).

Often a performing rights society will undertake cultural activities, programs, and sponsorship in order to encourage the production of new works, educate people as to the purpose and character of creative rights, and garner support for those rights. Sponsorship is perhaps the most successful of IMRO’s strategies in this regard. Through sponsorship of festivals, competitions, and music events across Ireland, the representatives of the organisation achieve the status of bountiful providers. For the Irish Music Rights Organisation persuasion is a key concern, a core strategy in the achievement of a positive environment for the organisation’s activities: “We are continuing to lobby Government, legislators and those who use your music, on the importance of music both economically and culturally” (IMRO Report 1995:iii). This is what Galbraith calls the “cultivation of useful belief”: “It consists ... in inducing the individual to abandon the goals he would normally pursue and accept those of another person or organization” (1973:22). While noting the usefulness of the threats of physical suffering or economic deprivation in this regard, Galbraith argues that persuasion, “the altering of the individual’s belief so that he comes to agree that the goals of another person or organization are superior to his own” (22), is of increasing importance, and may even be regarded as the basic instrument for the exercise of organisational power.

Having persuaded “music users” that the IMRO’s demands are legitimate, it is necessary to consolidate the “useful belief” by the negotiation of contracts. We have

already seen in Chapter 2 that the primary activity of the Irish Music Rights Organisation is licensing, which is, of course, contract based. This would be consistent with Galbraith's remark that "Business in the Planning System, it can be said with only slight exaggeration, is mostly contract negotiation" (1973:143). The mechanism of the contract is central to the protective purposes of the organisation, providing much-needed security for its authority, income, and hence survival. As Dunn remarks: "Contracts and their enforceability are a major source of stability and security for the modern corporation" (2001:166). The stability of the technostructure of the Irish Music Rights Organisation, then, is founded on "a large and extensive web of money-denominated contracts"(ibid.). Most significant, however, are the large long-term contracts, such as those negotiated with the Vintners Federation of Ireland or *Comhaltas Ceoltóirí Éireann*. These could clearly be seen as cooperative strategies between interdependent organisations (Thompson 1967), enabling them to anticipate environmental action as they arrange negotiated environments (Cyert and March 1963). As Galbraith notes, this is not an unduly complicated process: "It is accomplished between friendly men who are concerned, primarily, with reconciling differing assessments of the same interest" (1973:145). Thus, the contract further secures the organisation's existence.

Minimising Interference

The second important protective purpose is the need to minimise the danger of external interference in the collegial decision-making of the Irish Music Rights Organisation. We have already noted the importance of specialist knowledge in the social structure of organisations, and that organisations arise from the need to combine the knowledge of specialists. When decisions are to be made, therefore, it is necessary to pool all this specialist knowledge, information, and experience, in order that the organisational demands of specialisation be met. This typically happens in the form of committees. Once decisions are made in this structure, obedience is given to the authority of the decision-making body. An important consequence of the collegial decision-making process required by specialisation and organisation is an increased sensitivity to the risk of outsider intervention. This, Galbraith says, arises because anyone who is not party to

the multi-specialist deliberations of the group or organisation is regarded as uninformed. This is a necessary protective aspect of authoritarian group decision-making processes. Any attempted interference with group decisions or intrusion in the politics of the organisation is thereby regarded by members of the organisation as potentially damaging as it is 'inadequate'. Such interference or intrusion will, then, be resisted:

An individual can yield to the decision of another individual whom he knows to be more knowledgeable than himself. A group will sense that it cannot so yield. What is often called bureaucratic arrogance reflects, in fact, the need to exclude the even more arrogant individual who does not know what he does not know (Galbraith 1973:101).

Two strategies in particular contribute to the minimisation of external interference within the Irish Music Rights Organisation. First, it is ensured that the members of the organisation receive a certain minimum level of earnings. Second, the use of the twin mandate maintains the exclusion of members, consumers, and government from the decision-making processes of the organisation. These strategies imply three consequential factors. First, the need to exclude outsiders is clearly and logically manifested as a fear of intrusion. Second, the protectionism of these strategies contributes forcefully to a general suspicion of the Irish Music Rights Organisation's activities. Third, following Simmel, the environment of threat that is nurtured by the polarisations of protectionism and suspicion leads to the strengthening of the group identity of the organisation, which further serves the protective purposes of the technostructure (Simmel 1950:193; Duke 1976:109).

One of the most basic strategies used to protect decision-making processes from the intrusion of owners or creditors is to ensure that they receive a certain minimum level of earnings: "Nothing else is so important. Given some basic level of earnings, stockholders are quiescent" (1973:110). In the case of performing rights this is interesting. Approximately two thirds of IMRO members receive no royalties at all. As Burke puts it, "only a fraction of composers in the Industry actually make a significant income: the rest 'live in hope!'" (1993:48).⁵ The rules of the Irish Music Rights

⁵ Within the logic of neo-classical economics this can be conveniently explained away as a consequence of market economics: "the fact that a few artists make large rewards does not necessarily imply a failure in the market as it is the expectation of success that acts as the driving force" (Burke 1997:1). Towse (1997) has demonstrated that performing rights can only make a marginal impact on artists' earnings,

Organisation do ensure, however, that long-term non-earners will have their membership terminated. This may happen, for example, if no royalties are credited to a writer member over a five-year period. This maintains a policed boundary between “successful” and “unsuccessful” members. In fact, it ensures that the only real IMRO members are successful IMRO members. By excluding “unsuccessful” members in this way, decision-making processes are protected from the long-term intrusion of dissatisfied members. These processes are also maintained within the control of a technostructure that benefits financially from their deployment.

The Irish Music Rights Organisation, like any performing rights collective, claims to concern itself with private rights, that is, the property rights of individuals operating in a neo-classical market economy, reinforced by member mandate. Because of IMRO’s private status, it was possible to maintain a veil of secrecy over the agreement with *Comhaltas Ceoltóirí Éireann*, at least until the information came to light by other means (see pp. 103-108). This was because of the agreement’s status as a contract between private parties. This alerts us to another way in which interference with the organisation’s decision-making is minimised. Galbraith has noted that: “One of the instrumental and very useful services of neo-classical economics to the Planning System is in leaving those who are exposed to its instruction with the impression, however vague and undefined, that interference with private business decision is unnecessary and abnormal” (1973:113).

We can extend the scope of this observation in relation to the Irish Music Rights Organisation. The exclusion of members, consumers, or government from decision-making is maintained by the instrumentally-powerful conventions of the twin mandate, critiqued briefly earlier. The member has no reason to interfere with IMRO’s decisions if the organisation is subordinate to the member, through the control of the Board of Directors. The “music user” has no reason to interfere with IMRO’s decisions if the organisation is subordinate to the market and hence to the consumer. Likewise, the

casting doubt on their incentive value for the majority of people living in expectation of financial reward from composition. Throsby (1992) has argued persuasively that artists do not respond to income incentives.

government has no need to intervene on behalf of the consumer. The public, through the consumer, is understood to already be in charge, hence the public through the government need not and should not intervene: “This doctrine, reinforced by convention so nearly unchallenged as to be largely unrecognized, forbids government interference with any managerial decision of a *private* corporation” (Galbraith 1973:113-114). This is one of the central tenets of performing rights administration. As Sinacore-Guinn writes:

Where possible, all collective administration licensing should be allowed to proceed on a private, voluntary basis, with the only governmentally imposed restriction being that it operate fairly and reasonably within the market context within which it exists (Sinacore-Guinn 1993:825).

So it is that Ryan is able to characterise the role of ASCAP as peculiarly being that of a private organisation set up to enforce a public law (1985:17).⁶ One musician who took it upon himself to find out more about copyright and the Irish Music Rights Organisation was quite perplexed by this ambiguous legal status:

My mind was sort of saying, ‘What sort of an organisation is this?’ This is not a public organisation. This is not like a state organisation, like a revenue commission, where you can sort of say ‘Could you show me how you work or what is it that you do exactly?’ That was a new thing to me, to have a seemingly company, well, sort of an organisation, that looked like as if it was a state organisation but it was actually a private company collecting for private people and with the authority of a state sort of thing, which like that’s a big thing ... a lot of people don’t know that. They don’t know the powers that are there for these organisations, for these copyright organisations (Personal interview 2001).

The protective purposes of the technostucture of the Irish Music Rights Organisation contribute, then, to what Thompson (1967) would refer to as the organisational “closure” that accompanies the aspirations of technical rationality and the elimination of uncertainty. Thompson notes, of course, that the complete predictability implied by “technical rationality” is an abstraction that can only be achieved within a system of closed logic, containing all relevant variables, and only relevant variables: “A closed system of action corresponding to a closed system of logic would result in instrumental perfection in reality” (Thompson 1967:18). The hegemonic monopoly control of the Irish Music Rights Organisation, however, allows the representatives of the organisation to labour under the impression that it is indeed a closed system of instrumental perfection,

⁶ It is arguable that the Irish Music Rights Organisation could be loosely classified as a ‘quango’, or ‘quasi-non-governmental organisation’, which Cotterrell (1982:272-273), following Barker, characterises as an agency which carries out designated public responsibilities while not being part of local or central government.

operating in conditions of certainty. The tendency towards closure is epitomised by the rule of practice within IMRO to not engage in litigation unless a court victory is guaranteed, as Hugh Duffy admitted during the Copyright Forum in Letterkenny (see p. 93).

Equally suggestive of such closure is Wallis and Malm's finding that professional administrators of performing right organisations "prefer to be as tight as a limpet when asked to express opinions about publishers, or divulge details of internal conflicts" (1984:170). Wallis and Malm offer a number of explanations for "these rather strange behavioural patterns". Historically, they point out, most collecting societies have had to work hard to establish their existence, all the while pursuing royalty payments and defending the activities of the organisation against dissatisfied members (166). Added to this, they say, is a general feeling of uncertainty about the future of the music industry, particularly in a technological climate where, despite all protestations to the contrary, it is "virtually impossible to keep track of the actual works that are performed" (173).⁷ By viewing these tendencies within the general framework of Galbraith's Planning System, however, we are provided with a more satisfactory explanation.

We have seen that firms that conform to the dynamics of Galbraith's Planning System exhibit a pervasive systemic tendency towards the achievement of total predictability, the elimination of uncertainty. We have shown the importance of technology as a central methodological support for such planning. We have looked at the part that technology, standardisation, and specialisation play in the development of organisation and what Galbraith terms the 'technostructure'. We have explored the transfer of authority from individuals to the technostructure, and shown how this transfer is supported by authoritarian collegial decision-making and the separation of ownership and control, or, rather, separation from ownership and control. We have examined what Galbraith terms the 'protective purposes' of the technostructure, in particular identifying the need to secure the firm's existence, and the need to minimise interference with the decision-making processes of the firm. At each step we have shown that the Irish Music Rights

⁷ "New sources of income are constantly sought after ... without knowing whether any such remuneration can be correctly analyzed in respect to the rightful owners" (Wallis and Malm 1984:173).

Organisation broadly conforms to the features of the Planning System. It would follow, then, that IMRO would also conform to perhaps the most significant dynamic of the Planning System - expansion.

The Affirmative Purposes of the Technostructure

If securing the existence of the organisation and the minimization of interference can be considered the primary protective purposes of the Irish Music Rights Organisation, then IMRO's primary *affirmative* purposes are growth and expansion. These arise as a consequence of technology, organisation, and the tendency towards predictability and control implied by the Planning System. The felt need to control the environment encourages growth in the size of the Irish Music Rights Organisation and expansion of its activities. The greater the size and expansion of the organisation, the greater will be its ability to cultivate useful belief. We have already noted that within the market system the growth of firms may be curtailed by geographically dispersed and unstandardised tasks, a demand for personalised service, or the limiting influence of professional ethos, trade union, or legislation. It follows, then, that the more that the tasks of a firm lend themselves to standardisation, depersonalisation, specialisation, and thus to organisation, the less likely it is that there will be a set limit to the size or expansion of the firm (1973:98). The growth of the firm and the expansion of its activities constitute, then, the dominant manifestations and primary goals of the tendency towards predictability of complex, organised, economic development (Galbraith 1973:56, 98-99). Growth and expansion are the most significant goals of the Planning System, and not the maximization of profit that neo-classical analysis would suggest.⁸

⁸ Again, growth and expansion are features which pass unexplained by the tenets of neo-classical economics. In the neo-classical model, as we have stated, the maximization of profits is the primary motivation. Costs, demand, and technology are largely determined by circumstances external to the firm. This leads to an optimal scale of operations, where the difference between cost and price, multiplied by sales, is greatest. If this optimal scale of operations is exceeded by the management it is explained away by "a malignant and irrational tendency to gigantism which causes it to seek size in conflict with interest" (Galbraith 1973:99). As Galbraith remarks, the attribution of one of the most significant aspects of the modern corporation to simple stupidity is hardly intellectually satisfying (1973:122-123).

We have already seen how important expansion is in the role and activities of the Irish Music Rights Organisation. In Chapters 3 and 4 we detailed aspects of what was termed IMRO's 'cycle of expansion' during the period 1995-2000. We saw that this cycle is characterised by claiming authority in one new domain after another, resistance to such extension of their authority, and, in each case, eventual acceptance of their activities as legitimate. Statistics confirm the steady annual trend of growth and expansion within the Irish Music Rights Organisation since gaining independence from PRS. IMRO's 1999 Annual Report announced a Gross Licence Revenue increase of 11% to 17.4m (€22.2m). Since 1995 licence revenue has increased by 57%. Public Performance licensing for 1999 increased by 12.5% to over £7m (€8.9m). Membership during 1999 increased by 371 to 2,900, while net distributable revenue increased 7.5% from the 1998 figure to IR£13.8m (€17.5) (IMRO 1999b:3).

Galbraith identifies two significant effects of growth and expansion (1973:116). The first is the reinforcement of the protective purposes of the technostructure. The larger the firm, the better able it is both to secure existence and minimise interference in its decision-making processes. As we have noted, for the Irish Music Rights Organisation "supply" is unlimited. Achieving acceptance of their authority is the primary way in which predictability is achieved within the organisation's working environment. This is because the authority of the organisation, as noted before, is all it has to rely on. If growth is generally understood here as the process of increasing a firm's productive capacity, and expansion relates to the extension of the authority of the organisation, then two things follow from IMRO's unlimited "supply". First, growth and expansion are largely coterminous, if not synonymous, when applied in the context of the Irish Music Rights Organisation. Second, as long as "useful belief" continues to be successfully cultivated there need be no clear limit to the organisation's expansion. IMRO has, after all, been cleared of monopoly abuse, which effectively provides official sanction for its monopoly position and its unlimited expansion. The more the organisation expands, the stronger is its monopoly position, and the less likely anyone will be to question it.

The second effect of growth and expansion is that they serve the direct pecuniary interest of the technostucture. Galbraith notes that people who work in firms that remain static tend to advance upon the death, disability, or retirement of people above them in the hierarchy. With an expanding organisation such as IMRO, however, new jobs are created, and promotion becomes a regular, viable possibility: "Promotion ceases to be a zero sum game in which what one wins, another loses. All can advance. All can succeed" (Galbraith 1973:116). This, of course, contributes greatly to organisational loyalty, and consolidates the centrality of growth as a priority: "Growth ... gains in importance as a goal because of the close relationship between those responsible for it and the resulting reward" (Galbraith 1973:117). Within the Irish Music Rights Organisation the relationship between responsibility and reward is even more important, given the commission structure of much payment within the organisation. Collectors, for example, are paid by commission, which greatly contributes to their motivation to expand the authority of the organisation continually, to seek out new venues, and new commercial premises, and to go where no performing rights society has gone before. Likewise, being registered as a non-profit organisation does not mean that growth and expansion have no effect on the financial benefits accruing to staff. It is common practice for performing rights organisations to deduct 10% of takings for administrative expenses (Sinacore-Guinn 1993). As the takings of the organisation increase so do the administrative expenses. This is often offset by increased sponsorship of cultural events, which once again contributes to the further cultivation of useful belief. As Galbraith notes of the firm (1973:118), with so many people finding the growth of the Irish Music Rights Organisation to their advantage, it is hardly surprising that they conclude that growth and expansion are 'good things', and that therefore the expansion of IMRO should remain unquestioned and unchallenged.

Summary

The role, activities, and expansion of the Irish Music Rights Organisation can be broadly shown to conform to the features outlined by Galbraith in his elaboration of what he calls the "Planning System". From an awareness of the importance of technology,

standardisation, and specialisation, and organisation to an understanding of the protective and affirmative purposes of the organisation's 'technostructure', an analysis of IMRO discloses a pervasive systemic tendency towards planning and the achievement of total predictability, a tendency towards the elimination of uncertainty. Acknowledging this allows us to see that the use of rhetoric espousing a twin mandate of member and consumer instruction simply deflects attention away from the organisation's propensity towards control of its environment. An awareness of this draws us away from the twin mandate towards an examination of the specificities of IMRO's organisational activity, and the crucial importance of claims to authority for the organisation's survival.