

The Democratic Financialisation of the Music Industries: On JKBX and the Assetization of Music Rights

Research Article

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Abstract: This paper examines the implications of JKBX's entry in the fractional song trading market. JKBX is positioned as a platform that offers inclusive access to a facility typically limited to institutional investors in the music industries. Their messaging suggests that their services have the capacity to disrupt the socio-political foundations of the music industries through economic offerings to a large pool of music-loving investors. Yet, the purchase restrictions for the sale of royalty shares in JKBX's offering circulars outline preconditions that are discordant with claims of wide scale democratisation of access to music assets. This paper argues that the wide scale emergence of music as an asset class is a reproduction of hybridised forms of existing modes of extraction disguised as democratic enterprising.

Keywords: *assetization • fractional song trading • music assetization • music rights • music royalty marketplaces*

1. Introduction

There has been growing excitement about the wide-scale availability of music as an asset class within the last 3 years (Robinson & Wells 2021). Bullish investors and music aficionados alike feverishly responded to the new possibilities of an “exciting new asset class” due to the dominance of platform-based music streaming and their resulting profitability (Shapiro 2024; Meier & Manzerolle 2019). The economisation of music rights is a node on the larger shift towards the growing seepage of financial industries logic in the music industries. This seepage has produced developments such as the assetization of music rights through facilities such as fractionalised music royalties (fractionalised royalty shares) offered through music royalty marketplaces. Fractionalised royalty shares allow investors and music fans, to own percentages of their favourite recording. This is still a fairly recent development within the wider realm of the economisation of music rights in the North American context. Fractionalised royalty shares and music royalty marketplaces have existed from as early as 2014 when Austrian fintech firm Global Rockstar commenced operation. Since then, a cadre of music royalty marketplaces have emerged across the European “investmentscape”. These include Bolero from France, OG Music from Italy, ANote from Luxembourg, Sonomo from the Netherlands, Parca from Turkey, Anotherblock, Master Exchange and Tangy Market from Sweden as well as the now defunct Fanvestory from Estonia. Galuszka and Legiedz (2024) argued that these offerings have opened the doors for large-scale financial service players in the music rights market (2). Their entry signals a new era for artists and the music industries at large, in the music rights market, which was typically comprised of music industries institutional players (Meier & Manzerolle 2019). The timing of this shift aligns with the broader optimisation of culture whereby cultural goods have been optimised for platforms and have forced artists and music business practitioners, to renegotiate

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their relationship with digital culture and the platforms that enable the circulation of music (Morris 2020: 2). The optimisation of music can be witnessed in key processes, such as music production, music marketing and, perhaps most importantly, audience engagement. Morris highlights the dominance of that platform-specific tactics that govern the discoverability of music (Morris 2020: 7). Within this configuration, the production and circulation of music have taken up the characteristics and features of software through digitisation whereby musicians and labels continue to apply a software developer-approach as they produce music to feed the algorithm and trigger profitable outcomes (Morris 2020: 7). These processes represent the materialisation of yet another hybridised form of surplus extraction in the music industries.

The wide-scale emergence of music as an asset class in the North American “investmentscape” is significant because this type of investment was once only accessible to a closed group of institutional players within the music industries. Assetization is the process of the valuation and transformation of human capital into an asset (Birch & Muniesa 2020). This process is inherently dialectical in nature as it requires a delicate balance between the contemporary context and the future. Nappert and Plante (2023: 11) argued that assetization involves a promise of the future, which is measured against a current valuation, in a process that “implies both evaluating and valorising”. With assetization, platforms, such as JKBX (pronounced jukebox), have emerged with promises of democratising access to music as an asset class that allows music fans to own parts of their favourite recordings, through fractional song trading. Jukebox Technology LLC is a Delaware limited liability company founded in 2022 by Sam Handel and John Chapman of venture capital and private equity firm Dundee Partners (Peoples 2024). Jukebox Technology LLC owns and operates the JKBX platform, and their head office is in Culver City, California (SEC). JKBX's platform features royalty shares from hit songs that you can buy as easily as any other security (JKBX n.d.). JKBX's messaging proposes a platform that will allow music fans to own percentages of their favourite songs. JKBX is not alone in this lane as similar American platforms, such as Band Royalty, Royalty Exchange, sliceNote and SongVest, have been offering what is touted as “fractional” song trading since as early as 2021 whilst Musicow was founded in 2016 in South Korea (Musicow 2025). These developments undoubtedly laid the foundation that allowed JKBX to position itself for a more expansive launch in September 2023 (Hochberg 2023). JKBX distinguished itself as a game-changing platform amongst music business insiders and artists due to the strong support of institutional backers, the vastness of its song catalogue and validation from the United States Securities and Exchange Commission (SEC).

The SEC's registration of Jukebox Hits Vol. 1 LLC in March 2024 created the conditions that allowed JKBX to facilitate and manage income interests related to or derived from music assets (SEC). People noted that Tier 2 of Regulation A under the Securities Act is the mechanism that facilitates JKBX's sales of royalty shares to retail investors (2024). JKBX's development is significant as it proposes democratised access to an asset class that was typically only available to institutional investors in the American “investmentscape”. Yet, part II of JKBX's preliminary offering circular highlights “different rules for accredited investors” (SEC 2023: 6). The purchase restrictions for the sale of royalty shares in the same document continue to outline specific criteria that “a natural person” must satisfy as one of the tests to prove their status as a “qualified purchaser” (SEC 2023: 13). These preconditions include having a net worth or joint net worth that exceeds US\$1 million; or an annual income of at least US\$200,000 in each of the last 2 years; or joint income with a spousal equivalent exceeding US\$300,000 for the last 2 years with the reasonable expectation that this income level will be sustained in the current year. These preconditions are discordant with claims of wide-scale democratisation of access to music assets. It can be argued that the “accredited investor” criteria are analogous to the characteristics of preexisting institutional investors, as the aforementioned annual income and net worth figures fit that of a high net worth individual in the United States context. This dynamic becomes even more striking when the language in the offering circulars is examined in relation to that of the accessible and inclusive framing on JKBX's website and the accompanying marketing assets. JKBX's focus on highly liquid accredited investors highlights the exclusionary underbelly of the democratic framing of their platform's offering. Nevertheless, the potentiality in the democratic positioning of these offerings in their marketing assets as well as qualification from the SEC are key factors that gave JKBX a significant starting advantage over other fractional song trading platforms (Marshall 2023). This study argues that the wide-scale emergence of music as an asset class is a reproduction of hybridised forms of existing modes of extraction disguised as democratic enterprising.

Technological advancements continue to influence the way that the business of music is transacted. As a historically data-driven practice, music business administration has always been a data-driven endeavour. Success in the music industries is as inextricably linked to access and understanding of relevant data sets as it is to a “feel good” factor. In prior eras, there was arguably more room for affective quotients, or a “feel good factor”. In the contemporary music business, cultural optimisation has created conditions whereby producers are required to

possess a very thorough understanding of the relevant algorithms that drive their sector(s). Cultural optimisation highlights the nature of contemporary business conditions within the music industries. Yet, it is important to examine how contemporary datafication efforts and their resulting systems coat “deeper, uneven and shifting layers of histories” of music industries “development and change” (Reilly & Flores 2022: 2). Music industries have always had varying degrees of lingering unease about economic equity, artist compensation models and power dynamics at the business-to-business level between corporations and creators. The music industries supposed “golden era of financialisation” threatens to heighten these points of tension. This article acknowledges this complex, tension-filled dynamic, whilst highlighting the impacts that the ethos of digital capitalism has had on the business of music through cultural optimisation. This article does not outrightly seek to resolve these issues. Instead, this study highlights the potentially soft underbellies of music business financial technology novelties with proposed revolutionary socio-political and cultural outcomes. This article also contributes to growing discourse on the financialisation of music industries and the assetization of music royalties.

2. The Cruel Optimism of Digital Capitalism

Scholars, such as Postman (1985), Innis (1950, 1951) and McLuhan (1962), have highlighted an intricate interrelation between the development of a society’s culture and the scope or limits of its media technology. Harvey (2005) occupied a more granular position when he argued that cultural shifts can be linked to developments in “the regime of accumulation”. The regime of accumulation is characterised by increasing concentration of wealth and power by a limited group of institutional players who achieve these conditions by dispossessing smaller players in the public and private sectors. Within the scope of the music industries, the concentration of wealth and power hinges on the access and control of the attention economy. Music industries are intrinsically reliant on an attention economy approach insofar as the global model for the business of music hinges on revenue resulting from engagement with consumers (Goldhaber 1997). Altogether, these ideas highlight some of the ways that the music industries rely on the consistent growth and development of a “regime of accumulation” that continues to be shaped by the technological gains of the digital era (Harvey 2005). This regime’s success is contingent on the use of optimism to mobilise music fans, whose affective labour fuels the attention economy. A thorough understanding of the development of this “regime of accumulation” is situated within the intersection of digital capitalism and cruel optimism. This dynamic also calls for nuanced readings of the ways in which new systems form on the foundation of uneven and inequitable layers that form the histories and *modus operandi* of music industries (Reilly & Flores 2022: 2).

Pace (2018: 255) asserted that digital capitalism encapsulates a sort of duality in its identity as is as much of an abstract system that has core features as well as a nominal series of historical developments. Digital capitalism is a concept that represents an entangled relationship between digital technology and capitalist economy insofar as it is the collection of processes, sites and moments in which digital technology mediates structural tendencies of capitalism (Pace 2018: 262). Pace (2018: 263) argued that digital capitalism is not the structural cause of certain developments but can instead be intricately linked to nominal developments to the extent that these developments emerge from the intersection of digital process and capitalist structure. Pace’s core assertions underpin Fuchs’ idea that digital infrastructure has become an important property type insofar as digital networks formed a fairly weighty portion of total capital assets worldwide, though financial and industrial capital continuously dominate as the most popular property types (Pace 2018: 414). As far back as 1989, Harvey argued that changes in the regime of accumulation produced cultural shifts in the 1970s and 1980s (Harvey 2005: 149). Törnberg and Uitermark (2022: 575) expanded Harvey’s arguments by suggesting that the condition(s) of capital accumulation play an essential role in determining the structure of emerging technology which resultantly come to doubly shape the medium and the message. The authors further noted that media technologies can be considered as mediators between the regime of accumulation and the logic of culture (Törnberg & Uitermark 2022: 575). Törnberg and Uitermark (2022: 575) continued this line of reasoning by contending that the digitalisation of the economy has resulted in a scenario where capitalism has been perched on the precipice of a new regime of accumulation insofar as production and advertising have become data driven activities. Interestingly, Schrape (2014: 30) occupied a more fundamentalist position by proposing the redirection of the understanding of the relationship between data and development away from a technological intervention that has already happened, towards a historical social process shaped only partially by technological change that may or may not be happening, or that is happening in specific ways. Schrape’s assertion could be read as a form of conceptual preventative barrier against occupying

a technological deterministic lens for this issue. This barrier is functional within the realm of reasoning that views the roots of issue of the wide-scale availability of music as an asset class as deeply rooted in political and social systems that produced the conditions that enabled platforms, such as JKBX.

JKBX's emergence raises economic and political concerns. Communicative capitalism is a conceptual lens that can assist with the task unpicking JKBX's development. Communicative capitalism is a "strange" union of democracy and capitalism (Dean 2005: 55). Within this framework, measures meant to provide "access, inclusion, discussion and participation" are realised within mechanisms that are deeply entrenched in global telecommunications networks (Dean 2005: 55). This compromises the transformative or revolutionary capacity of these mechanisms. Instead of bearing the elixir of access and inclusivity that can result in more equitable flow of wealth, influence, access and creating the more abundant qualities of life rich in freedom and access to resources, these networks are oftentimes impair, threaten or sabotage the promised political opportunity and potency for the masses (Dean 2005: 55). Dean's pragmatic rebuke is much like the Adornoian notion of regressive progress that identifies the potentially punitive nature of progressive mechanisms that are allegedly designed to improve the current conditions under which the masses exist. Yet, these progressive mechanisms sometimes do so by sacrificing some of their liberties. These hegemonic networks have the capacity to reinforce pre-existing interlocking systems of oppression (hooks 1986: 124).

Communicative capitalism, as a framework, is heavily reliant on the idea of mobilising people through optimism. This notion is conceptually framed as "cruel optimism", which is described as the relationship of attachment to compromised conditions of possibility (Berlant 2006: 21). Berlant (2006: 21) noted that these attachments are not merely inconvenient or tragic insofar as this condition hinges on the parasitic maintenance of an attachment to an ultimately problematic object in advance of its loss. This condition creates a pseudo-hamster wheel of magnetic capitalistic desire that its seekers consistently chase though the circular nature of the wheel means that they can never attain it. This cycle is deeply enigmatic in nature as it thrives on the (un)productive tension that manifests in the "projection into an enabling object that is also disabling" (Berlant 2006: 21). In her essay, Berlant leans on Barbara Johnson's text on "apostrophe and free indirect discourse" to examine the consequences of cruel optimism through the lens of Johnsonian projection which sees this cruel optimism as a form of foetal personhood that is inherently ruthless (Berlant 2006: 21). This text highlights very clear connections between identity and desire, which are said to be articulated and lived sensually within capitalist culture whilst producing futurist counterintuitive overlaps that are utopias of structural inequality that allows its subjects to survive in zones of compromised ordinariness (Berlant 2006: 35).

Unpicking JKBX's emergence is an issue that requires a multidimensional lens for thorough examination. This deeply complex issue is a microcosm of an expansive, intricately woven network that supports the activities of the music industries. It is then crucial to avoid a deterministic position in the process of unpicking the wide-scale emergence of music as an asset class. The convergence of digital capitalism, communicative capitalism and cruel optimism provide sturdy theoretical coverage for the project of understanding the complex implications of JKBX's emergence and business model, within the overarching context of surplus extraction and regimes of capital accumulation. This issue is not necessarily about deciphering what systems are inherently good or bad. This article ardently strives to resist the seduction of dichotomous modes of reasoning throughout this discussion in support of this mandate.

It is difficult to imagine that JKBX will produce the change they have advertised in their campaigns as the nature of this novelty appears to be an economically inspired technological and political development. Moten (2017: xii) posited that "the social and the political have the tendency to rub up against one another in a mutual overstepping of bounds also meant to indicate common effort as well as differential approach". Music industries are not different in this regard insofar as they are generally constituted by an intricate trespassing web of social and political relationships that are deeply underpinned by capitalist desires that regulate the vitality of this system. Moten's (2017: xii) ideas are particularly useful in this discussion as he posited that the social and political strands that constitute the systemic framework can be doubly seen as a mutualistic relationship because these inherently distinctive facets work together and benefit each other by design. In the case of music industries, the social and the political strands are generally conflated, though practitioners understand that there are distinct mandates that must be honoured, and respected, although they may appear to be closely related. Before unpicking JKBX's developments, it is important to situate this development within the larger context of the historical and contemporary business of music.

3. The Business of Music

Music industries are generally comprised of a myriad of interrelating, complex and dynamic ecosystems. In a global context, music industries can be likened to expansive oceanic bodies of water that are home to a myriad of ecosystems at various depths. These ecosystems all house their own complex community networks that have their distinct characteristics. Yet, regardless of their distinctive qualities and their varied geographic locations, these ecosystems are essentially parts of the same vast oceanic body. Global music industries are much alike vast oceanic bodies with distinct ecosystems that vary in depth, size and geographic locations. In the West, a country's music industries are typically microcosms of larger "global" music industries networks that mobilise, standardise and enforce sonic, infrastructural and data developments (Morris 2020: 2). These industries are deeply dichotomous in nature as there is ubiquitous productive tension between change and or innovation and sameness or tradition. Institutional success in Western music industries requires practitioners to consistently produce novel yet familiar cultural products and services. Music industries have historically framed as sites where sameness is institutionally reproduced and enforced. The issue of "sameness" has remained contentious issue for cultural critics and pundits alike since the emergence of the American popular music industries. Critics, such as Theodor Adorno and Max Horkheimer, denounced this sameness as a brutal, perhaps fundamental flaw, inflicted by an obsession with the business of music (or its profit generating capacity) instead of organic artistic desires (Hesmondhalgh 2018: 29). Success in these industries require a nuanced approach that balances these interests in a bid to access its transformative powers. For experienced practitioners, this process is refined to a pseudo-scientific degree which materialises in an individualised formula for success within popular music industries. It is not unusual for practitioners to opt for a formulaic approach that has produced similar kinds of success for their peers, in a bid to replicate career trajectories akin to creative talent that are seen as convincingly successful. Music industries, even at a micro or local level, are typically saturated spaces wherein the potential for success is as limited as it is boundless. This raises the stakes for practitioners seeking access to the institutional domains, or upper echelons, of the music industries.

Technological advancements have historically played a consequential role in shaping the culture of the music business. Music industries have long been considered as data driven spaces, even in the analogue eras. Success in these industries have always been quantifiable by identifiable metrics. Even in the "*Tin Pan Alley*" era, music publishers and record labels had various metrics such as the number of records sold, the number of live performances, and the size of the venues that artists played that indicated the level of success that an artist was experiencing (Wooley 2022). Technological advancements, especially in the digital era, have played a crucial role in the process of optimising music industries through their ability to influence trends that dominate popular music industries (Morris 2020). Researchers assert that the transition from physical formats to digital modes of production and distribution have democratised the process of music distribution (Brusila, Cloonan & Ramstedt 2022) This democratisation allowed the creative masses to gain access to mechanisms once only accessible by institutional players in music industries and their affiliates, who were typically signed to a major record label. Platforms, such as CD Baby, provide an accessible, i.e., affordable, "one-stop-shop" of global music distribution facilities to independent artists in a manner only once afforded to major label artists. These shifts in "regimes of accumulation" (Harvey 2005) due to digitalisation were driven by promotional narratives that were steeped in promises of a new democratic paradigm for the most precarious practitioners in the music industries. The shift towards increased accessibility in global music distribution reinvested the average artist with increased agency for their career prospects. In the post-accessible music distribution dispensation, practitioners were mobilised through optimism towards a cause that is intrinsically attached to conditions of possibilities related to the wide-scale benefits of open access to global music distribution networks. This development provided artists with unprecedented earning opportunities through global exposure.

The next round of sweeping infrastructural changes in the music industries was ushered in as a result of the shift in global music distribution standards. The resulting turn towards platform-based music streaming services debased inequitable sale models across the global music industries. This supposedly democratised paradigm was duly embedded with its own challenges as the "regime of accumulation" shifted from being solely located within the scope of major record labels' control, to being one that favoured the owners of these distribution platforms (Harvey 2005). Accessible music distribution characterised the optimisation of music infrastructures and data to a further extent (Morris 2020). The optimised system of music distribution was perched on the precipice of an alleged new era of music business that was deeply contingent on one's performance in the platform-based music streaming realm. This new configuration presented its own challenges for artists and music practitioners alike as music streaming

platforms have been seemingly hardwired to dispossess artists through unfair compensation models that seek to maximise profitability for the benefit of platform-based streaming services.

The issue of unfair compensation models has been germane to the business of music since its inception. In previous eras, this issue was significantly less multidimensional. In a contemporary context, artists and music business practitioners are forced to contend with unfair compensation from their labels, artist managers and various digital platforms, in addition to platform-based music streaming organisations. In an era characterised by strong ethos of agency and independence, artists and music business practitioners are perpetually in search of alternative mechanisms that can extract value from systems and processes that were designed to extract their surplus value. To do so, they must constantly seek to maintain a productive tension between music (or artistic desires and autonomy) and industry (or the business of music). Navigating this dichotomous relationship requires practitioners to be duly knowledgeable of music industries in addition to nurturing an inherent capacity to harness ample creative faculties to generate novel ideas that re-presents cultural texts with just enough novelty to differentiate their product in a marketplace steeped in sameness. This process requires an exceedingly nuanced understanding and appreciation of the optimisation of culture through a thorough comprehension of the conditions that inspire and produce technological innovation, artistic autonomy and a particularly firm grasp of the attention economy (Morris 2020). The most successful practitioners in the contemporary music industries tend to be equipped with the requisite business acumen that facilitate the lucrative exploration of the dichotomous tensions germane to music industries. Yet, this exploration tends to unfold at the peril of other practitioners who typically have far more at stake. These are some of the underpinning conditions that fostered the creation of platforms, such as JKBX, that are presented as means of democratising the music industries.

4. JKBX

"Every time you hear a song, somebody's getting paid. That somebody could be you" (JKBX n.d.). This is the opening line that greets visitors to JKBX's website. JKBX is positioned as a revolutionary platform that will turn fans from mere consumers into genuine stakeholders. This transformation is possible because these "fansumers" become fans who not only support their favourite artists through consumption of their musical texts, but they also end up profiting from their affective labour (Girgis 2023). JKBX's messaging highlights the proposed opportunity to reinvent the artist-fan relationship through potential mutualistic profitability. JKBX posits that investing in royalty shares of sound recordings and/or compositions on their platform provides fans with an opportunity to share in the timeless value of some of the most popular music ever recorded instead of just providing another way to engage with music (JKBX n.d.). Girgis (2023) argued that the cultural-economic logic of a platform, such as JKBX, is built on the irrationality of fandom which then lies in its one-sided investment in that fans pour their time, energy and money into supporting their favourite artists, often without any tangible return. This messaging indicates that JKBX is betting on the unimaginable irrationality of fandom and the abundance of affective labour to yield sizable returns. JKBX's platform emerged as a revolutionary novelty in mid-2023. In true music industry fashion, the core offering is not new by any measure. However, their complimentary service offerings re-present a seemingly hybridised model of surplus extraction. JKBX asserts that music has been offered as an asset class for over one hundred (100) years (JKBX n.d.). Prior to JKBX's wide-scale emergence, the financial benefits of royalty streams have historically only been accessible to a very limited pool of socially and politically apt institutional investors. JKBX posits that they created this service because they believe that wide-scale accessibility to the financial benefits to royalty streams holds immense promise for the general public, artists, and rights holders when this asset class becomes accessible to the world (JKBX n.d.). JKBX's overarching vision is framed in a very simple mandate, which is: "to unlock shared value from things people love" (JKBX n.d.). This vision hints at the precarious nature of JKBX's intentions that hinge on the affective extraction of surplus value from their key stakeholders. JKBX's business model is heavily reliant on love and labour from fans. Interestingly, this platform emerged at a time when fans were said to be wielding more power than ever due to social media platforms, such as TikTok, that can revive music from yesteryears in the blink of an eye or hurl songs from obscurity to stardom. One can only wonder what can happen if this power is weaponised against an artist? JKBX's model takes future promises of earning potential, that is the medium to long term prospects, into consideration in an era when the popular music industries are driven by consumerist, fragmented markets.

Girgis (2023) suggests that platforms, such as JKBX, have the capacity to usher in the era of democratised music investment that affords young people a safe point of entry to the investment realm by investing in a financial instrument that they can genuinely understand instead of volatile cryptocurrencies. Unlike cryptocurrencies and similar blockchain reliant networks, the return on investment is loosely tied to the success of the music product they are investing in which, according to JKBX, creates a “win-win scenario for both the industries and the fan experience” (Girgis 2023). In JKBX’s case, the royalty shares of sound recordings and/or compositions are offered in accordance with Regulation A of the SEC’s Securities Act of 1933 (JKBX n.d.). JKBX’s immediate aim is geared towards making investment in music royalties transparent and most importantly transparent for retail investors (JKBX n.d.). Transparency is a key aspect of this equation to the extent that this issue has historically been a significant sore point between artists, administrators and music royalty gatekeepers since the genesis of the music industries. Bakare (2023) asserted that in 2021, England’s House of Commons had a select committee that surveyed the streaming economy and artist compensation models after generating “a landmark number of recommendations meant to inspire a ‘reset’ across the music industry” that would create fairer compensation models intended to make streaming fairer for both artists and songwriters. The committee’s process included testimonies from established musicians, such as Nile Rogers, who highlighted the “cut-throat” profit-driven business acumen of the contemporary music industries that sought to exist on the backs of artists and music industries practitioners (Bakare 2023). This is where JKBX’s model is inherently disruptive in that they have proposed a model that hinges on transparency. They have already committed to providing comprehensive disclosures about royalty shares so that investors remain duly informed and equipped with the tools to make prudent investment decisions (JKBX n.d.). This development unfolded against the backdrop of a black-box-esque *modus operandi* that regularly produces conditions that dispossess artists. This dispossession is typically the product of encounters with platform-based music streaming services as the mechanics of the music streaming industry are oftentimes sealed in a black box. There are intelligible and accessible, input and output resources. Yet, the detailed inner-workings and detailed computation of the administrative costs of platform-based music streaming is generally not accessible by royalty owners. Administrative costs are usually extracted from gross earnings by music streaming companies before the income is split between the royalty owners. In pre-digitalisation eras, record labels would deduct various service fees and administrative costs from the gross income of a record before splitting the income amongst royalty owners. Thus, leaving these individuals with micro fractions, of what could be a sizable sum, when an artist produces a global hit record or project. JKBX’s core mandate seemingly diverts from this historically extractive practice by committing to comprehensive disclosures about royalty shares whilst doubly operating under state and federal security laws that protect both the investment and the investor (JKBX n.d.). This platform is inherently futurist in nature as music royalty investment hinges on the potential for these assets to gain value over time. Yet, this platform has the potential to significantly impact the global business of music in both a contemporary and future sense as it presents a very meaningful opportunity for music practitioners and aficionados alike, to explore the tension-laden relationships between art and industry, commodification and assetization, the present and the future and perhaps most significantly, possession and dispossession.

5. Un/Productive Tensions: The Darkness of the “Golden Age”

Music industries have always thrived on the productive tension between its artistic interests and its business interests. This widely explored issue has been addressed in both early and more contemporary seminal works such as Adorno and Horkheimer’s “The Culture Industry: Enlightenment as Mass Deception” and Hesmondhalgh’s “The Cultural Industries”. Adorno and Horkheimer argued that capitalism debased the critical capacity of art as culture and industry were inherently oppositional in nature (quoted in Hesmondhalgh 2018: 28). The authors also argued that culture and industry collapsed under what they saw as modern capitalist democratic conditions (quoted in Hesmondhalgh 2018: 28). This work has been often scrutinised for its “pessimistic view of the industrialisation of culture” (Hesmondhalgh 2018: 28). Instead, Hesmondhalgh (2018: 466) argued for “an open-minded attitude towards the kinds of pleasures that people may take from texts and towards the uses to which people may put them”. Hesmondhalgh advocated for an approach to the cultural industries that does not pre-emptively assume that any text has a negative impact on society.

The issues unpinning JKBX’s emergence is rooted in the core dialectic relationship between possession and dispossession in music industries. Regimes of accumulation and their shifts have long influenced the ebb and flows

of infrastructural development in music industries. Additionally, these shifts are characterised by the actualisation of the intersection of digital processes and capitalist structures (Pace 2018: 263). Pace (2018: 263) posited that digital capitalism is the *modus operandi* by which the structural needs of capital are tailored to digital conditions. Digital capitalism perpetuates pre-existing regimes of accumulation in the music industries. For institutional players, the music industries' core activities have historically been deeply reliant on the extraction of surplus value towards the aim of power and wealth concentration through music rights ownership. This form of surplus extraction has long since shaped the cultural logic of music industries.

Royalty shares have always been the defining commodity of the music industries as institutional gatekeepers have always sought to gain and retain ownership of music rights (Törnberg & Uitermark 2022: 586). During their launch campaign, JKBX's messaging positioned services that had the capacity to usurp the structural foundations of popular music industries as we know it. This dynamic reformation was said to be possible through the ability to reinvest artists and fans with the ability to partake in the financial benefits of royalty shares (JKBX n.d.). This game-changing proposition poses the risk of heightened dispossession for artists. In the first instance, many artists, especially those who are signed to major recording labels, do not own the rights to their recorded music. There is a significant number of well documented cases of popular artists (such as Frank Ocean, Prince, Rihanna, Taylor Swift, and U2) who have tackled contentious legal battles with their record labels to regain the master/recording rights to their recordings (WIPO n.d.). The very existence and popularity of a platform, such as JKBX, would have made it impossible for these artists to even attempt the gargantuan task of regaining their master rights. JKBX's services would have offered shares of these recordings to an open market of bullish investors. Instead of tackling a single, though formidable opponent in their record labels, artists would have to plan and execute expansive affective buy-back campaigns. Popular artists would have to somehow persuade investors to resell their purchased shares back to the artists, to regain their master rights. JKBX has made deals with labels, music publishers and catalogue funds that own copyrights (Marshall 2023). These deals will pave the way for JKBX to develop a position of power over time, as they consistently gain access to music rights whilst bypassing the middlemen, the artists. Ironically, artists have historically been regarded as middlemen in music rights matters. This outlook places key emphasis on music rights as an asset and the commodification and overlooks the artist's inherent right to their music rights. There is immense potential for JKBX to benefit from fans' affective labour when they leverage the power of fandom for a profit-making outcome. JKBX's platform was initially positioned as a potentially transformative income stream that would be driven by large pools of affective fandoms (Marshall 2023). The possibility of income generation hinges on the ability of the masses to maximise the ongoing earning ability of songs, thereby relying on the affective labour of music fans.

Music industries are inherently reliant on the weaponization of affective labour through their ability to mobilise fandom for the realisation of profits. Yet, JKBX's offering appears to be a "trap" in the Seaverian sense. Seaver (2019: 433) defined a trap as an "arrangement designed to entice and hold particular kinds of envisioned agents, according to culturally specific cosmological preconceptions". JKBX's operation is overseen by an assemblage of titans from the institutional core of the global music industries in addition to private equity and music rights behemoths. These actors are all considered to be music business insiders at the institutional level. They were enticed by JKBX's strategy that is contingent on using audience engagement to drive the long-term success of their investments on an ongoing basis. This method requires an abundance of affective labour to maintain steady engagement with the catalogues that have been fractionally traded in a bid to maintain and encourage substantial income generation. JKBX's strategy leverages a firm grasp of the attention economy with expert level financial services logic. This pairing has the capacity to usher in what is being referred to as the golden age of the music industries for investors.

The International Federation of the Phonographic Industry's (IFPI) Global Music Report 2025 reflects a tenth year of consecutive growth in 2024 whereby recorded music revenues grew by 4.8 percent to US\$29.6 billion (IFPI). The annual report also highlights the significant growth in global streaming revenue, with income in excess of US\$20 billion, which is a first for the immensely popular format that continues to gain traction as it transforms our relationship with music, as well as our listening and consumption practices. This growth is significant because over 50 percent of global recorded music revenues in 2024 can be credited to subscription streaming revenues (IFPI). The consistency and stability of the recorded music industries has increasingly attracted large financial services providers who predominantly operate in the private equity realm. Firms, such as Blackstone, Goldman Sachs, Round Hill Music and Shamrock Capital, are key examples (Stone 2024). Steady annual streaming growth,

with increased fan engagement and fans' unyielding affective labour continue to produce favourable conditions for investors that increase the attractiveness of music royalties as an asset class.

Very little is known about the granular details of JKBX's annual revenue and income at this time. In 2024, the company released select insights on their best performing assets from their 2023 income report. It is therefore exceedingly difficult to examine the market uptake at this time. In a more general sense, most of the coverage of music royalty marketplaces in the American context highlights the enthusiastic uptake of this asset class while unpicking various investments in the acquisition of music catalogues, music bond sales as well as the investment in startups by financial service providers. However, the enthusiastic response from investors and the promise of steady return on investment are key characteristics that drive the "golden age" narrative as seen in investment material and press coverage.

One must consider that one person's "golden age" may be another's "darkest hour". The degree of brightness will be dependent on how close one is to the "light". In this context, the light refers to the institutional resources. The darkness-light dichotomy is the inherently cruellest facet of this endeavour. JKBX's messaging prominently features the optimistic promises of democratic access, inclusivity and financial gain. Yet, the wide-scale availability of music as an asset class presents serious challenges for artists. JKBX has been exceedingly intentional with their messaging. JKBX's promotional material highlights the benefits to be garnered from this platform, especially the access to royalty shares as an asset class, which was "previously restricted to institutional investors, private equity and music publishers" (Marshall 2023). Within this configuration, artists will further lose fractions of their music rights as fans purchase shares of their recordings. Artists may opt-in to JKBX's offerings, or their work may become entangled in complex ownership relationships when their catalogue is sold to investors before they are able to reclaim ownership. It is exceedingly difficult to imagine the complexities of the process that an artist would have to endure to try to regain fractional rights from what could ultimately be thousands of investors worldwide, whenever they become financially able to do so.

A core facet of JKBX's revolutionary offering involves the promise or possibility to reduce the reproduction of history (Berlant 2006: 32). JKBX hopes to drastically reduce the gatekeeping of the access to music as an asset class. Yet, JKBX's services also hold the promise of reproducing traumatic conditions of prior eras of the popular music industries. Since the inception of popular music industries, artists have struggled with music rights management due to a general lack of subject knowledge and an overall lack of financial literacy. In many cases, artists' passion for artistry has been weaponised against them in the effort to retain total or partial control of their music rights in exchange for a financial investment in their careers. The overlaps between possession and dispossession can sometimes be seen as counterintuitive. Berlant (2006: 31) argued that these overlaps result from the particular ways that identity and desire are articulated and lived sensually within capitalist culture. Artists generally desire both creative fulfilment and financial success through their work. JKBX offers the promise of a potentially dynamic income stream that can fundamentally diversify how artists and music rights owners make a living and prepare for the future. On the flip side of this promise lies the opportunity for record labels and music rights owners to divest their interests in recordings for a more expeditious return on their investment through a platform that is open to a global market of investors. JKBX has been positioned as a remedial mechanism that can positively contribute to the effort of resolving centuries of music rights dispossession and resulting trauma. However, this time, music fans will play a consequential role in the dispossession of their favourite artist's music rights for their own financial gain.

6. Conclusion

This study has examined the implications of JKBX's entry in the fractional song trading market. JKBX's messaging proposes inclusive access to a facility typically limited to institutional actors in the music industries. However, this offering re-presents strains of age-old music rights dispossession and resulting trauma, which are deeply embedded in the music industries' socio-political and cultural fabric. An amalgamation of scholarship from communication, media and political economy areas of study provided theoretical coverage for the examination of JKBX's development. Key aims of this study sought to examine two things: first, the cultural logic of the music industries and second, if the wide-scale emergence of music as an asset class alters this cultural logic. This study has argued that music rights have always been the defining commodity of the music industries. Institutional gatekeepers have always sought to gain and retain ownership through mechanisms that extract surplus value towards the goal of profit generation. Platforms, such as JKBX, fundamentally lack the ability to alter the music industries' cultural logic,

as “the master’s tool will never dismantle the master’s house” (Lorde 2018). The music business’ institution will never promote mechanisms that can disrupt or deconstruct its very constitution.

JKBX’s effort to usher in “the golden age” or financialisation of the music industries is riddled with social and political connotations though it is an inherently economic offering. It is quite difficult to imagine that this platform’s revolutionary capacities will be actualised through their current offerings. JKBX’s messaging suggests that their services have the capacity to disrupt the socio-political foundations of the music industries through economic offerings to a large pool of music-loving investors. However, this service offering could dispossess artists indefinitely. Dean (2005: 55) argued against relying on the market as a system for delivering political outcomes. JKBX could be a very transformative mechanism if it was instead positioned in a manner that does not trap artists into dispossession through promises of financial gain. Instead, JKBX could provide an accessible platform that allows artists to regain their ownership rights from major labels, equity firms and other music industry institutions. Seaver (2019: 432) asked us to consider that traps might very well be predatory but also productive. This perspective requires us to resist a reductionist outlook where we view the trap as inherently predatory (Seaver 2019: 432). JKBX, such as other music royalty marketplaces, is not different from any other trap in the music industries as there is inherent value in its offering. We ought not entirely resist this trap. Instead, we should seek to identify ways of extracting value from JKBX and similar platforms, whilst being critically mindful of the risks that this platform will undoubtedly pose.

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