

Price 'drives global media piracy'

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(PhysOrg.com) -- Fines and tougher laws are likely to have little impact on the worldwide growth in piracy of movies, music, books and software, copyright experts have warned.

Media [Piracy](#) in *Emerging Economies*, the world's first study on piracy from a developing-world perspective, shows that the 'recipe' for global media piracy is high prices for media goods, low incomes of consumers, and cheap digital technology that enables easy copying to occur.

The study was carried out by the New York-based Social Science Research Council. Mr. Joe Karaganis, the lead author of the report, will present the research findings in a public talk in Melbourne organized by the ARC Centre of Excellence in Creative Industries and Innovation and Swinburne University of Technology.

Based on three years of studying pirate networks in India, China, Brazil, Bolivia, Mexico and Russia, the report argues that global anti-piracy enforcement has largely failed and that the main problem in these countries is the lack of affordable media in legal markets.

"Previous policies have focused on enforcement, like tougher laws, stronger police powers and heavier penalties to curb piracy," Mr. Karaganis says. "However, our studies of [developing countries](#) show that piracy should be viewed as an economic problem, not merely a crime.

"The choice isn't between high piracy and low piracy in most media markets. Rather, it is between high-piracy, high-price markets and high-

piracy, low price markets.”

Mr Karaganis says that the report shows that media businesses can survive in both environments and developing countries have a strong interest in promoting the latter.

“This problem has little to do with enforcement and a lot to do with fostering competition.”

Professor Julian Thomas, Director of Swinburne University’s Institute for Social Research, says that the international research will help put Australian debates over media piracy into a broader perspective.

“The Social Science Research Council’s work demonstrates the value of independent research in a field which has so far been dominated by partisan studies,” he says.

“Compared to the emerging economies, price may be a less important contributor to piracy in Australia. But this report will have a major influence internationally, and should inform a more sophisticated policy debate in Australia.”

Primary key findings of the report include:

- Piracy provides the main form of access in developing countries to a wide range of media goods, from recorded music, to film, to software.
- Prices of legal media goods in developing countries are too high. Relative to local income levels, the cost of a CD or a copy of Microsoft Office is typically five to ten times higher in Russia, Brazil or South Africa than in the US or Europe.
- The growth of digital piracy since the mid-1990s has undermined a

wide range of [media](#) business models, but it has also created opportunities in [emerging economies](#) for price and service innovations that leverage the new technologies.

Provided by Swinburne University of Technology

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