

Pirate Party UK Press Statement:

Pirate Party UK criticises inconsistencies in BASCAP report

Wednesday 17 March 2010

The Business Action to Stop Counterfeiting and Piracy (BASCAP) today released a study¹ on the supposed effects piracy has and will have on the EU's Creative Industries. The Pirate Party has criticised the report for containing dubious facts, inconsistencies and sloppy methodology.

The report vastly overestimated the size of the creative industries in Europe by including manufacturers of TVs, photocopiers, paper, transport and even the postal system, all of which are unlikely to be affected at all by piracy.

Andrew Robinson, Pirate Party UK leader, said

This is just the latest round in an industry-sponsored campaign of scaremongering that began with the infamous 'home taping is killing music' hyperbole in the 1970s and 80s. Their grossly inflated figures are achieved by including anything even tangentially related to creativity as an 'interdependent industry.' We are expected to believe that piracy damages paper pulp producers, accounting machine manufacturers and railway operators. Yet again, we are asked to swallow the lie that every download is a lost sale.

In calculating the "losses" due to piracy, the study uses the highly flawed "lost sales" model. The figures used for the music industry alone contradict figures provided by the British Phonographic Industry (BPI), which suggest that, despite a global recession, the total revenue to the music industry has increased over the last few years. The data also contradicts recent statements by the film industry, which has also announced box office sales at their highest since 2002 and second highest since 1971.²

The predictions for the future are similarly flawed and based on the notion that the "retail losses" caused by piracy will increase 560% by 2015; something that could only conceivably happen if the content publishing industries continue to actively persecute their consumers, but are ludicrous when considering the slow but steady rise in legitimate online distribution models being developed both within and without the creative industries.

The study did highlight the huge growth in digital markets. It is worth noting that most of the advances made in this area have been implemented by the content industry only in response to the demands of consumers for content available in digital formats - indicated by the rise of piracy.

1 <http://www.iccwbo.org/bascap/index.html?id=35360> - Building a Digital Economy

2 http://www.ukfilmcouncil.org.uk/media/pdf/k/s/The_UK_box_office_in_2009_Final_Version.pdf - The UK Box Office in 2009



Andrew Robinson continued "The claimed losses of £1200 per household in the UK are clearly ludicrous. I certainly don't know anyone who has an extra £1200 in their pockets thanks to piracy."

EMI takes a much honest approach to reporting the effects of piracy in their 2008 financial accounts (the same year as covered by the BASCAP report):

However, the impact of piracy is complex and some have argued that pirated tracks consumed cannot be proven to equate directly to lost sales (people who cannot afford to buy CDs may pirate them) and that pirating may sometimes promote consumption by helping to create a reputation for music. There is also evidence that people who pirate music buy more music than some other consumer groups.³

Why would EMI tell a different story to the rest of the music industry? Because their new owners - equity capital firm Terra Firma - had to explain the need to turn around a business they considered all too similar to the rest of the music industry: overblown salaries, excessive expense accounts, huge advances to musicians that could never be repaid with sales. Terra Firma have since made huge cuts in staff, turning around EMI, through cutting back on the 'fat cat' mentality that saw, again per their own accounts, "£700,000 [on taxis] in the last year. This was only slightly less than the bills of 3 investment banks, with 8-10 times more staff than EMI Music."

Andrew Robinson went on to say:

Piracy is not the clean-cut issue this report pretends that it is. Complex factors are at work, and this country needs a well informed debate on the issues. I'm deeply saddened that the Digital Economy Bill is being rushed through parliament with assumptions based on biased research like this.

Most of the evidence available seems to indicate that more money is going into the creative industries than ever - those sectors and businesses that have embraced the Internet and the distribution and marketing potential that it offers are flourishing and it is the other areas, if any, that are suffering. Perhaps organisations such as the BPI should focus more on investing their resources in new, progressive, and genuinely innovative business models and content rather than on advertising campaigns complaining how their outdated methods are failing and lobbying governments for legislation that is unlikely to help them but comes at the expense of those businesses that are adapting and the rights, freedoms and privacy of the general public.

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The Pirate Party UK is a political organisation registered with the electoral commission. It campaigns for significant reform to copyright and patent law, protection for personal privacy and government transparency, and greater freedoms of speech and communication. For more information contact the Press Office via press@pirateparty.org.uk or visit the website.⁴

³ <http://www.emimusic.com/about/reports/> - Maltby Capital Ltd Annual Review 2008

⁴ <http://www.pirateparty.org.uk>

