



---

## Digital Nightmares or Digital Dreams? A Test of Positive Thinking

A reflection on “Building a Digital Economy: The Importance of Saving Jobs in the EU Creative Industries”, a report commissioned by International Chamber of Commerce/BASCAP Initiative

---

# Digital Nightmares or Digital Dreams? A Test of Positive Thinking

A reflection on “Building a Digital Economy: The Importance of Saving Jobs in the EU Creative Industries”, a report commissioned by International Chamber of Commerce/BASCAP Initiative (March 2010)

---

There must have been a few heart palpitations when the International Chamber of Commerce released its commissioned study, “Building a Digital Economy: The Importance of Saving Jobs in the EU Creative Industries”. The study concluded that “based on current projections and assuming no significant policy changes, the European Union’s creative industries could expect to see cumulative retail losses of as much as €240 billion by 2015, resulting in 1.2 million jobs lost by 2015.”

Not unnaturally, the reactions of the major unions and industry organisations to this nightmare scenario were peppered with words such as “threat”, “suffer”, “loss” and “grave”. The emphasis, of course, is on the need to protect...copyright, the industry, jobs. This of course is wholly understandable. Jobs are important and organisations have to look after their members. My concern, however, is that studies that are framed in this way throw people into a protectionist mindset and there is a certain self-fulfilling aspect to this that will not be helpful. As Master Oogway, the wise old tortoise in the fabulous film Kung Fu Panda, put it, “a man often meets his destiny on the road he takes to avoid it”.

When I learned to ride a motorbike, I was told “never look at the thing you don’t want to hit”. This is because, if your eyes focus on it, your head turns towards it, your shoulders and hips follow, and the bike then moves inexorably towards the spot that is the object of your fear. I later found this advice to be good and I had the bruises to prove it. Now, this is just a metaphor, but it is my strongly held belief that this principle applies in the metaphysical realm too. When the fear-inducing scenario is in the spotlight of public attention, the positive alternatives fade into obscurity. Those who have most to gain and to lose in the fear scenario compete for public opinion and resources. Leaders and politicians are obliged to hold an opinion, take sides and to make the issue part of their agenda. Surely, though, this is

a good thing if they are trying to “save jobs”? Perhaps, but what if saving jobs in one sector comes at the price of saving or creating jobs in another? What if protectionism becomes a nationalist policy? What if our protectionist instincts produce laws that restrict the creativity that is the driver of prosperity in the first place? What if tales of doom have a negative effect on private investment in the creative industries? Wouldn't that be taking us in the direction of the very thing we were trying to avoid – a slowdown in legitimate business and loss of jobs? What, instead, if we were to spend that time, energy and resources generating positive outcomes?

Now, I understand that the principal thrust of the research is to encourage lawmakers to stem the tide of digital piracy and, as part of its remit, the study was also telling a positive story about the contribution of the creative industries to European economies. However, once we are collectively mobilised in a perceived struggle for survival, we will spend more of our resources fighting instead of creating. No-one wants to see criminals grow fat from the skill of others, and the policing of this criminality must be supported and paid for. However, it doesn't help to cast the other type of “pirate”, the non-paying social user, as the enemy of the working person. This is not a zero-sum game. It is a potential win-win scenario, albeit one with risks attached.

What we refer to as “piracy” is often a by-product of the path of least resistance when it comes to discovery of media. Its motivation is often ease of access rather than the avoidance of payment. We must acknowledge, though, that where the prime motivator is that the content is free, it is not necessarily true that the consumer would have paid for it if that was the only option. However, this isn't always as bad as it sounds. Even from a business perspective. Those on the cusp of the 'viral' distribution of media understand that a consumer of their content who doesn't pay isn't just a pirate, he/she is also a potential advocate and marketing voice that may help lead to sales downstream. Nowhere is this more evident than in Facebook gaming. Farmville, which has 82 million users and is the biggest game in the world, only generates revenue from around 5% of its consumers. However, without the remaining 78m users virally distributing the game, Farmville would have never found the 4.1 million who actually are prepared to pay. Other media businesses have lots to learn from this experience.

So, how much better then to evaluate the situation in terms of the overwhelming strength of people's desire to be entertained and the opportunities and challenges which that presents? The facts haven't changed, but in the latter scenario, our minds become solution-orientated. Instead of victims, we are entrepreneurs and pioneers. We're more likely to cooperate, invest and invent.

It's worth bearing in mind too that, like all socio-economic projections, the ICC study can only incorporate the factors that it can identify as being important *right now*. The methodology of this study linked job losses directly to piracy (both physical and digital) and assumed that online piracy is likely to grow at a rate somewhere between the projected growth rate of filesharing traffic (the conservative estimate) or the growth in consumer IP traffic trends (the liberal estimate). It's a legitimate way to forecast possible scenarios but it shouldn't become received wisdom as to what the future will actually look like. It doesn't take into account and can never take into account the constantly evolving nature of society. For example, in the 1970s it was commonly assumed that the downturn in the fortunes of cinema would be directly related to the upswing in the availability of TV and video, and no doubt some interesting and expensive statistical work was done. It certainly wouldn't have been an unreasonable assumption....except that it didn't quite turn out that way. Certainly cinemas had a hard time of it for a while, independent cinemas particularly, but the multiplex came along to meet the change in people's social habits and it wasn't the bloodbath that was predicted. It is these social habits that are the key to the unpredictability of prediction. If ten years ago you had been trying to predict how the internet would impact printed books, would you have been able to anticipate the rise of the book club? Could anyone have predicted that an online game based on farming could have become the biggest collective media event on the planet? When we look at the future from where we are right now, which of us really has a clear idea of how social networking is going to impact our businesses?

The big point here is that social and commercial reality is not concrete and eternal. It is something we create with our minds, and it is continually evolving. Culture is a commodity not because we have record companies, film companies and the Internet, but because we enjoy artistic expression and the way it helps us to relate to each other. For better or worse, we have created an industry out of it through our ability to create powerful concepts. We may take it for granted that copyrights are property, but copyright is really only an ephemeral idea that was turned into an industry because people accepted it as a good one.

And it is the same human mind that also creates art that inspires and entertains us. And it will be ever thus. History teaches us that human ingenuity, like water, will always find a way.

So, although the rate of piracy may or may not grow apace with filesharing traffic or consumer IP traffic, we know for sure that society will look slightly different by the time that we have worked out whether or not the consultants employed by the ICC were right. Moreover, human imagination will, once again, have surprised us with its ingenuity in offering up new commercial opportunities, and creators will have continued to create. The truth is that, simply because individuals and organisations have managed to flourish in the past by selling us creativity does not mean that the same individuals and organisations will flourish in the future. They might, but there is a cost to adjusting to new markets just as there is a cost to starting a completely new business, and if they don't, others will take their place.

So, let's not spend too long predicting our own demise and tying up our energy and resources trying to fight these demons. Let's release the power of our minds and create!