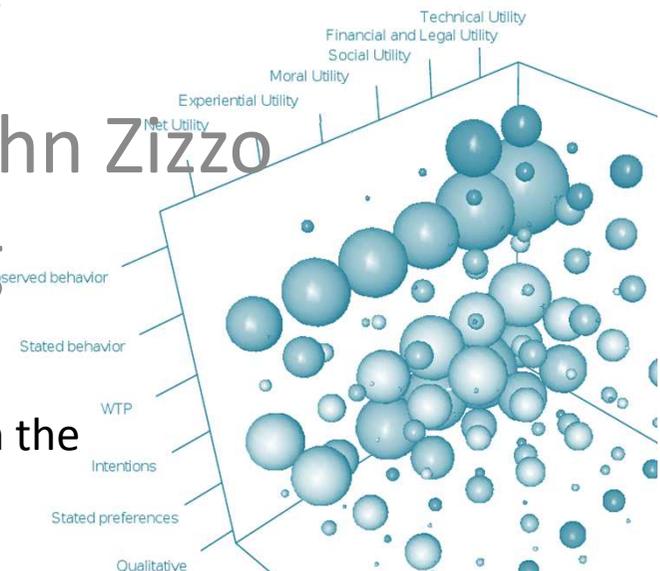


Determinants and Welfare Implications of Unlawful File Sharing

A Scoping Review

Steven Watson, Daniel John Zizzo
and Piers Fleming

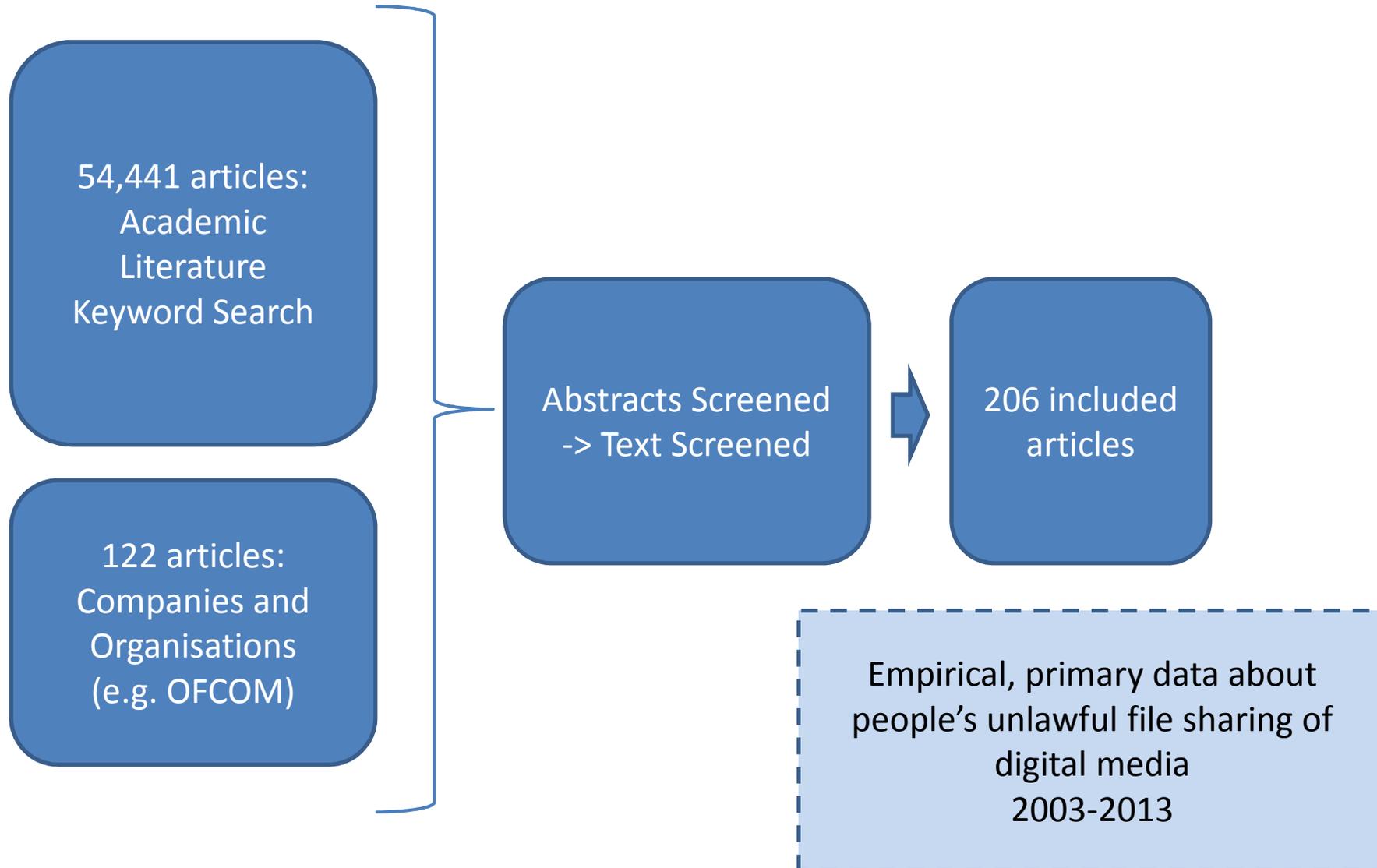
Funding from AHRC Grant Number AH/K000179/1, and from the University of East Anglia are gratefully acknowledged



- What is the evidence that unlawful file sharing causes harm?
 - What questions remain unanswered regarding the costs and/or benefits of unlawful file sharing?
- Why do people choose to file share unlawfully?



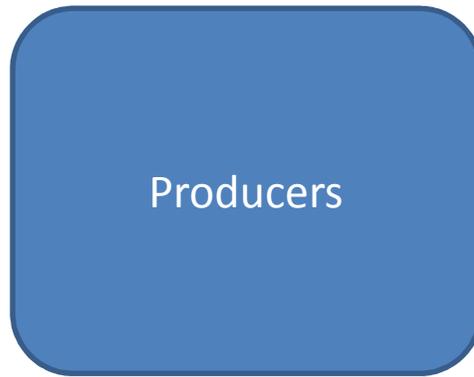
Scoping Review of Existing Research



Proximity to Actual Behaviour

Outcome Measure	Definition
<i>Qualitative research</i>	Explorations of perceptions of or engagement in behaviors without quantitative assessment

Welfare Implications: Two Main Approaches



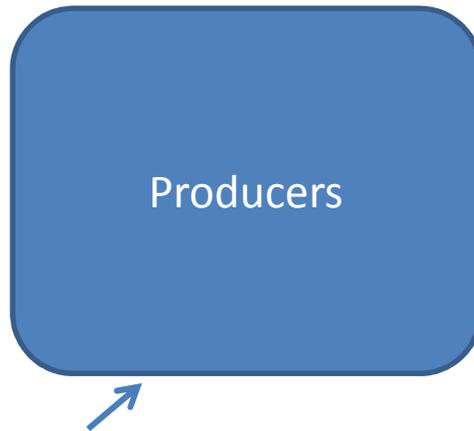
Impact of unlawful file sharing
on legal sales



Measures of willingness to pay
for files

- 39 out of 67 observations: music
- 14 out of 67 observations : movies
- Very few on other mediums

Welfare Implications: Two Main Approaches



Impact of unlawful file sharing
on legal sales

- Most work
- Correlation between UFS and legal file sharing
 - Effects in different directions
- In many cases, reliance on *stated* (even hypothetical) behaviour
- Ignoring consumer side makes it inadequate to look at welfare on its own

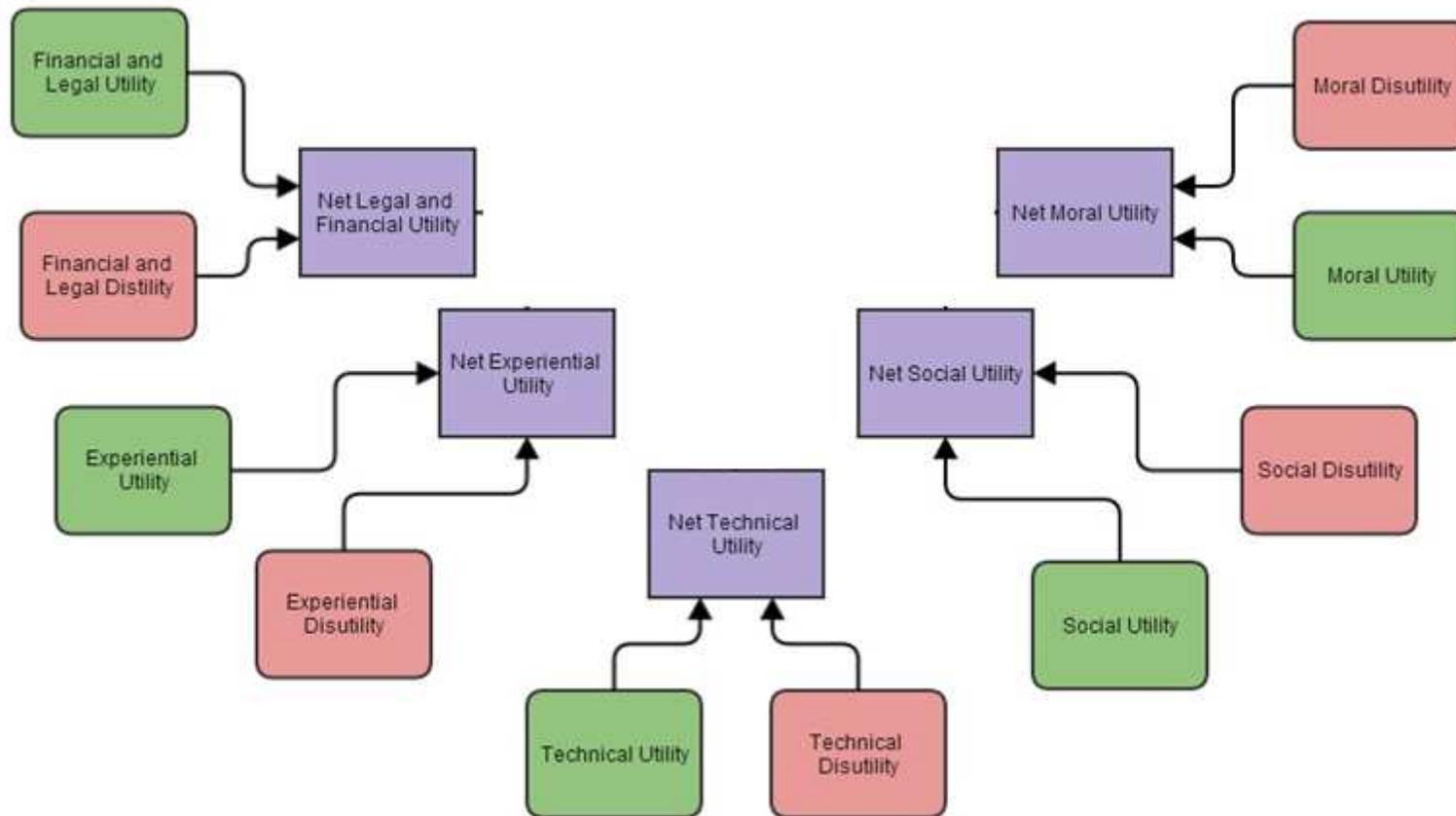
Welfare Implications: Two Main Approaches

- Only 4 studies
- Claiming UFS good for welfare
- But:
 - Better theoretically but (more) unable to capture dynamic welfare effects
 - 3 out of 4 with students, not clear how results are generalizable
 - All based on hypothetical data, likely to lead to upward bias in favour of UFS

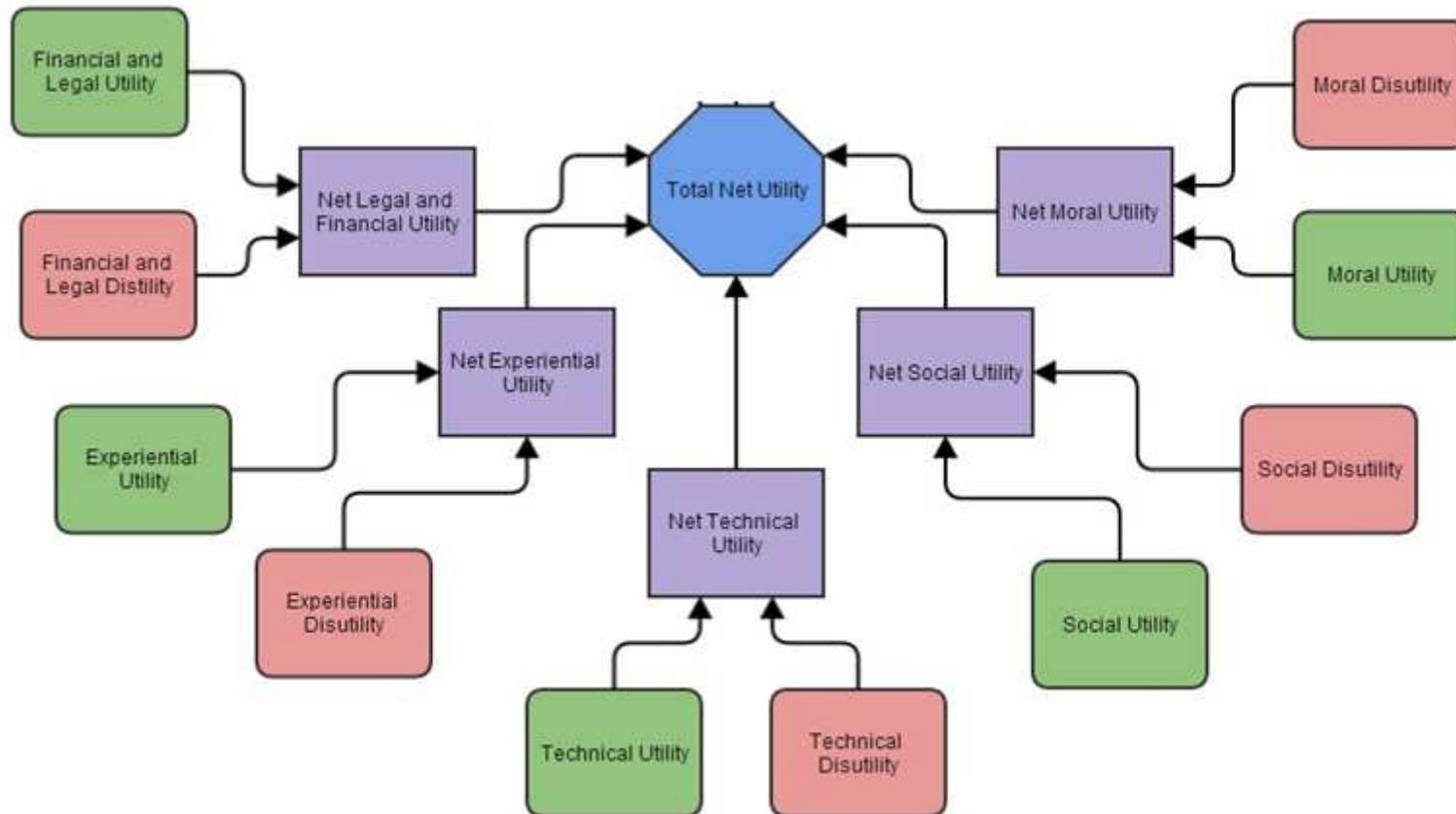


Measures of willingness to pay
for files

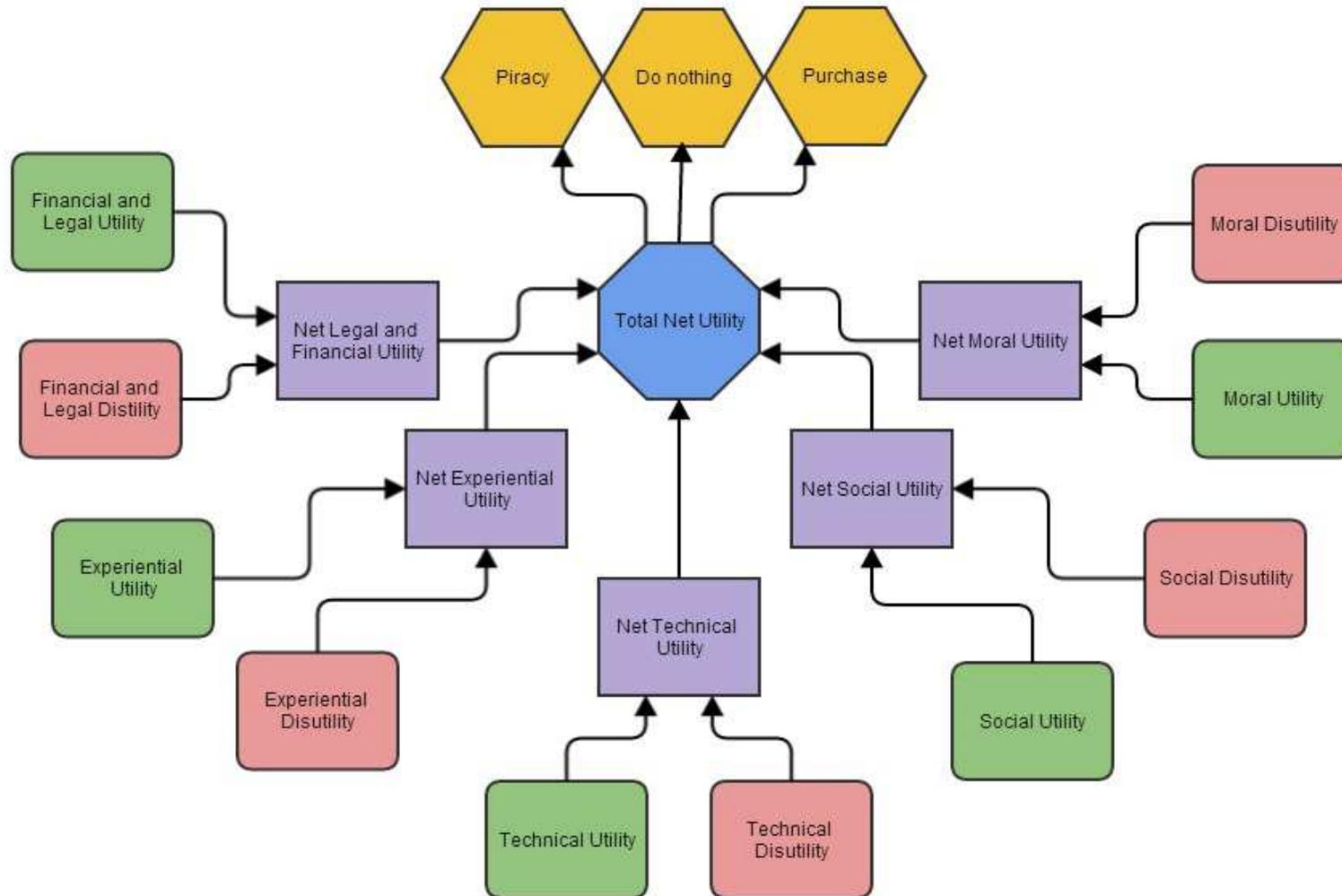
Why Do People File Share Unlawfully?



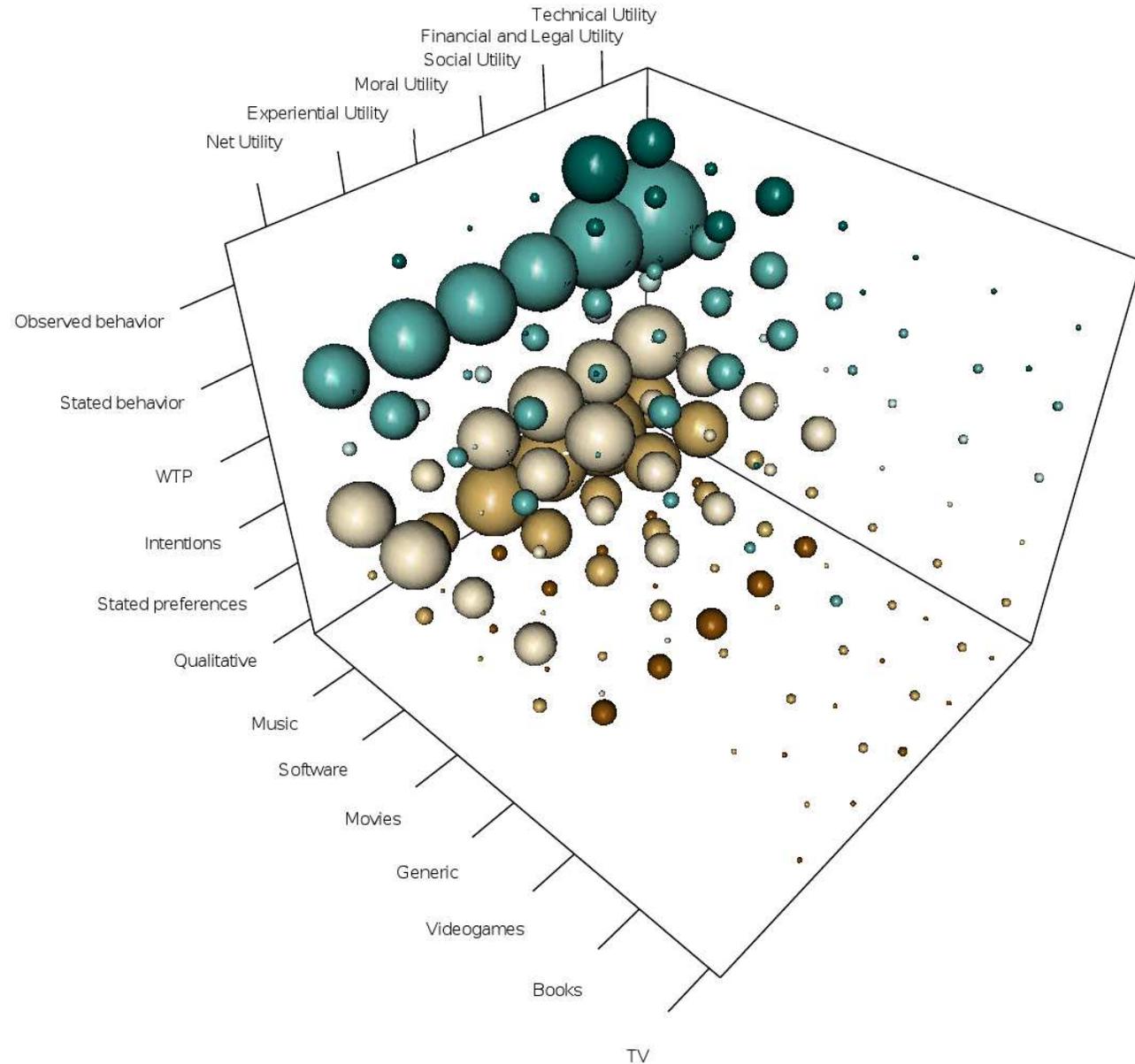
Why Do People File Share Unlawfully?



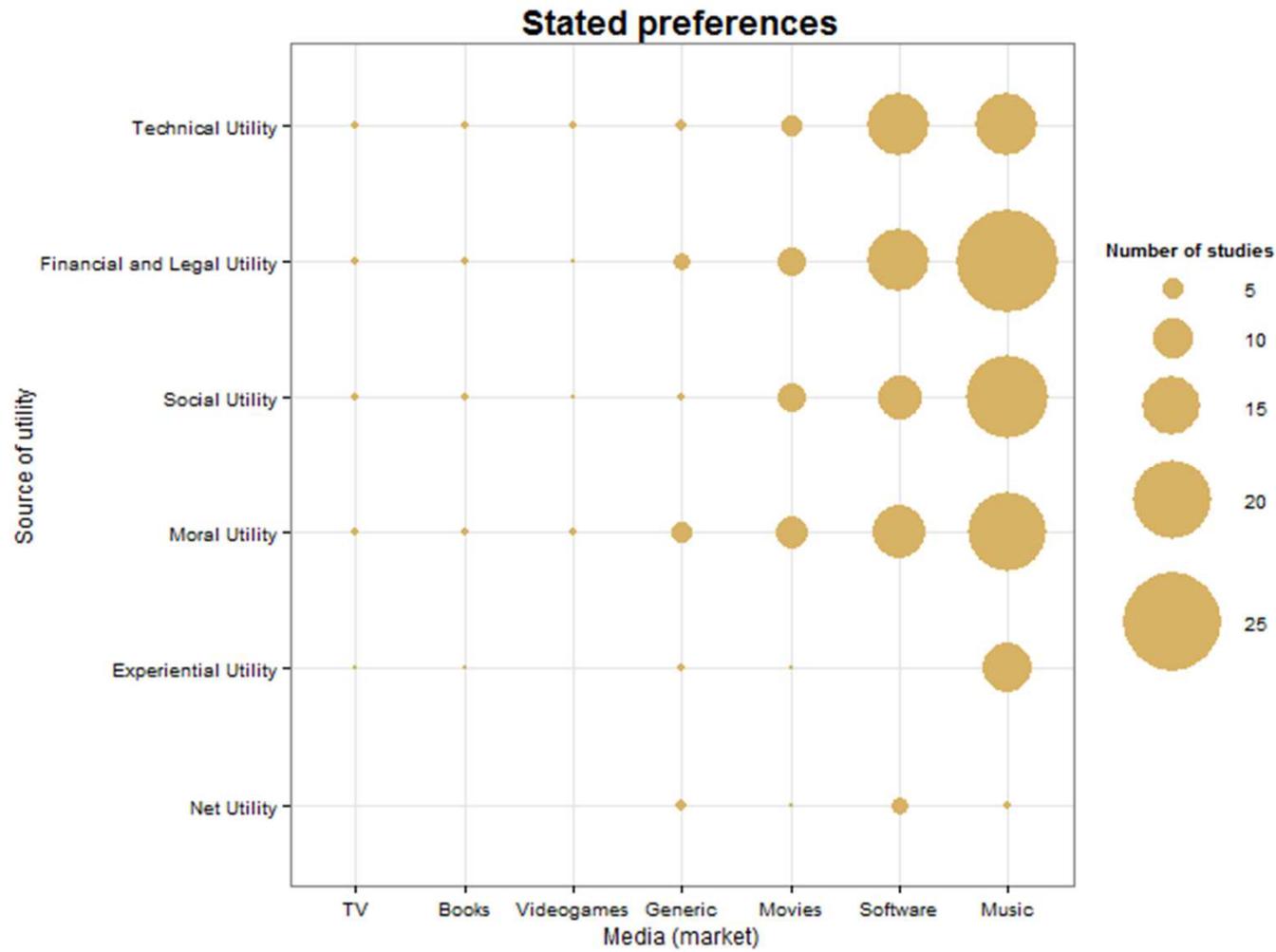
Why Do People File Share Unlawfully?



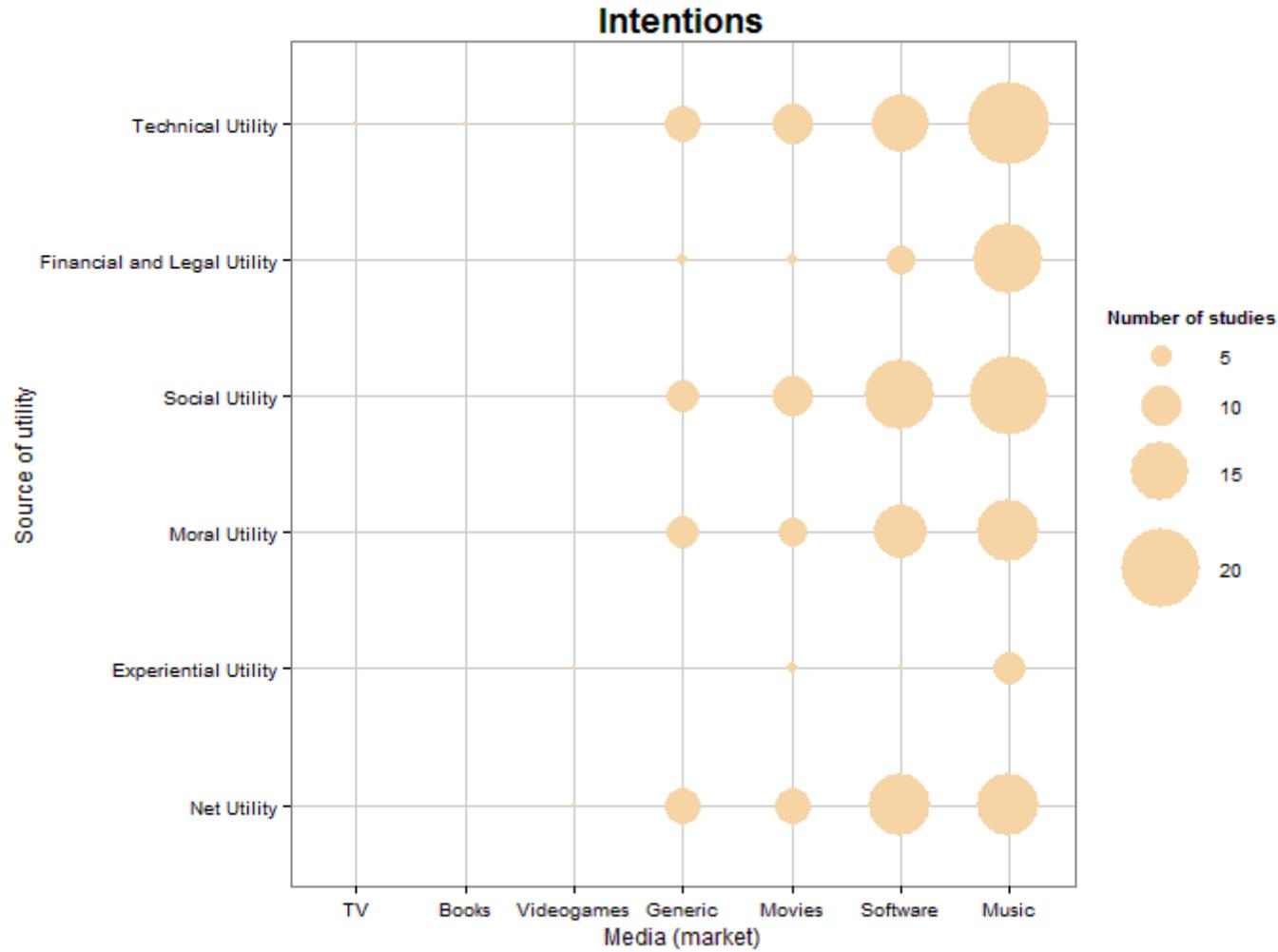
The Cube Of Evidence on Causes of Unlawful File Sharing



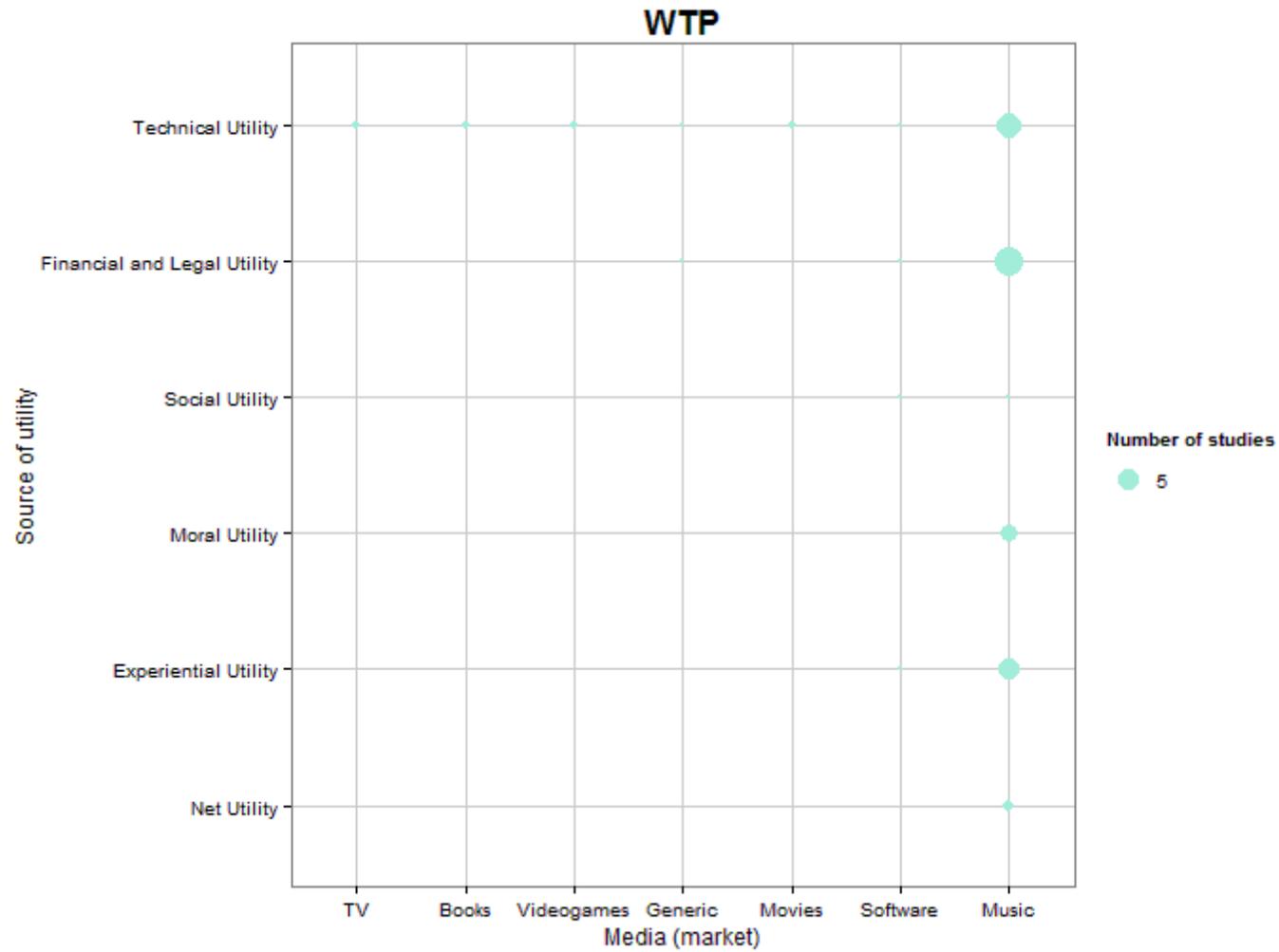
The Cube



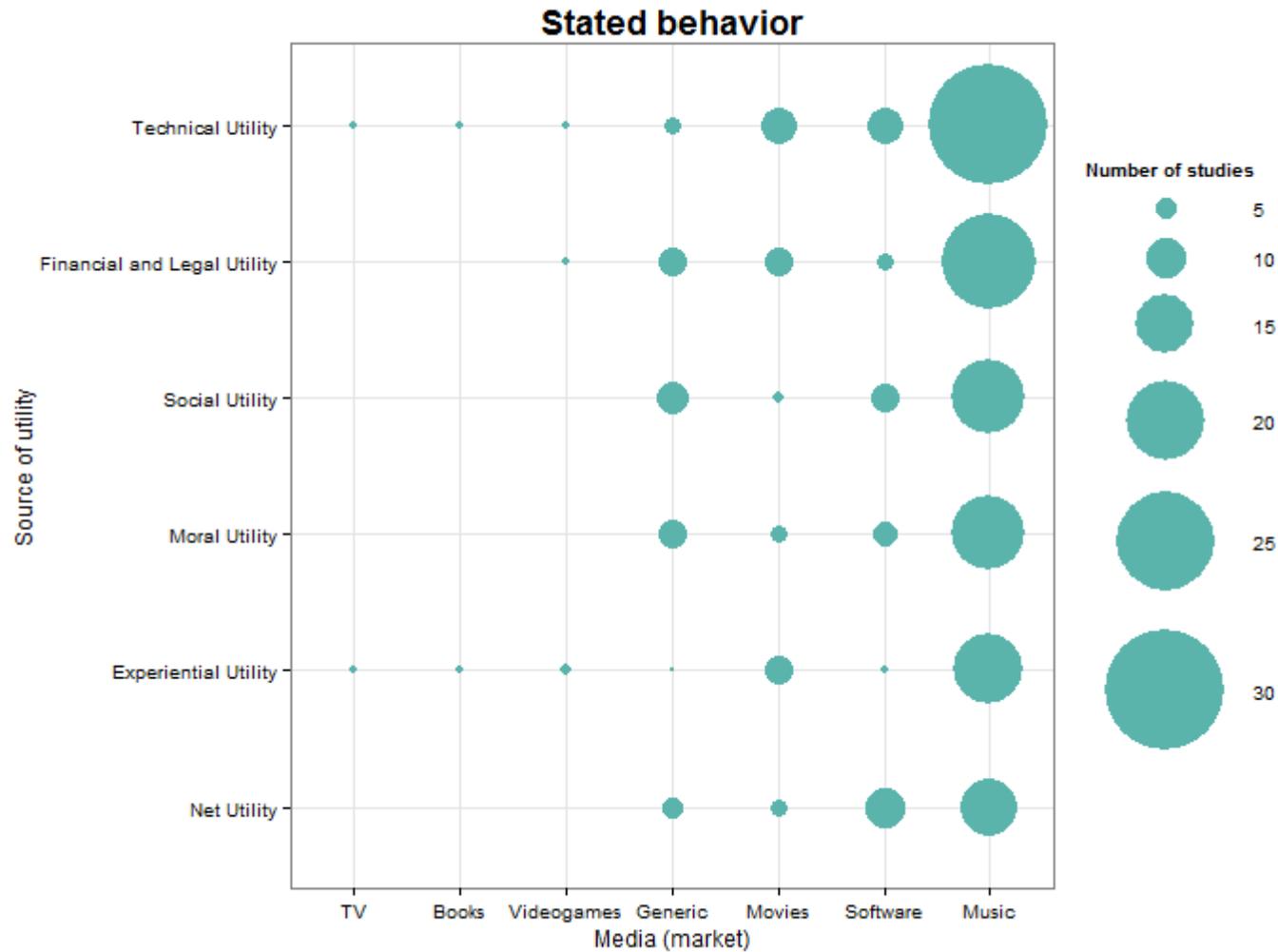
The Cube



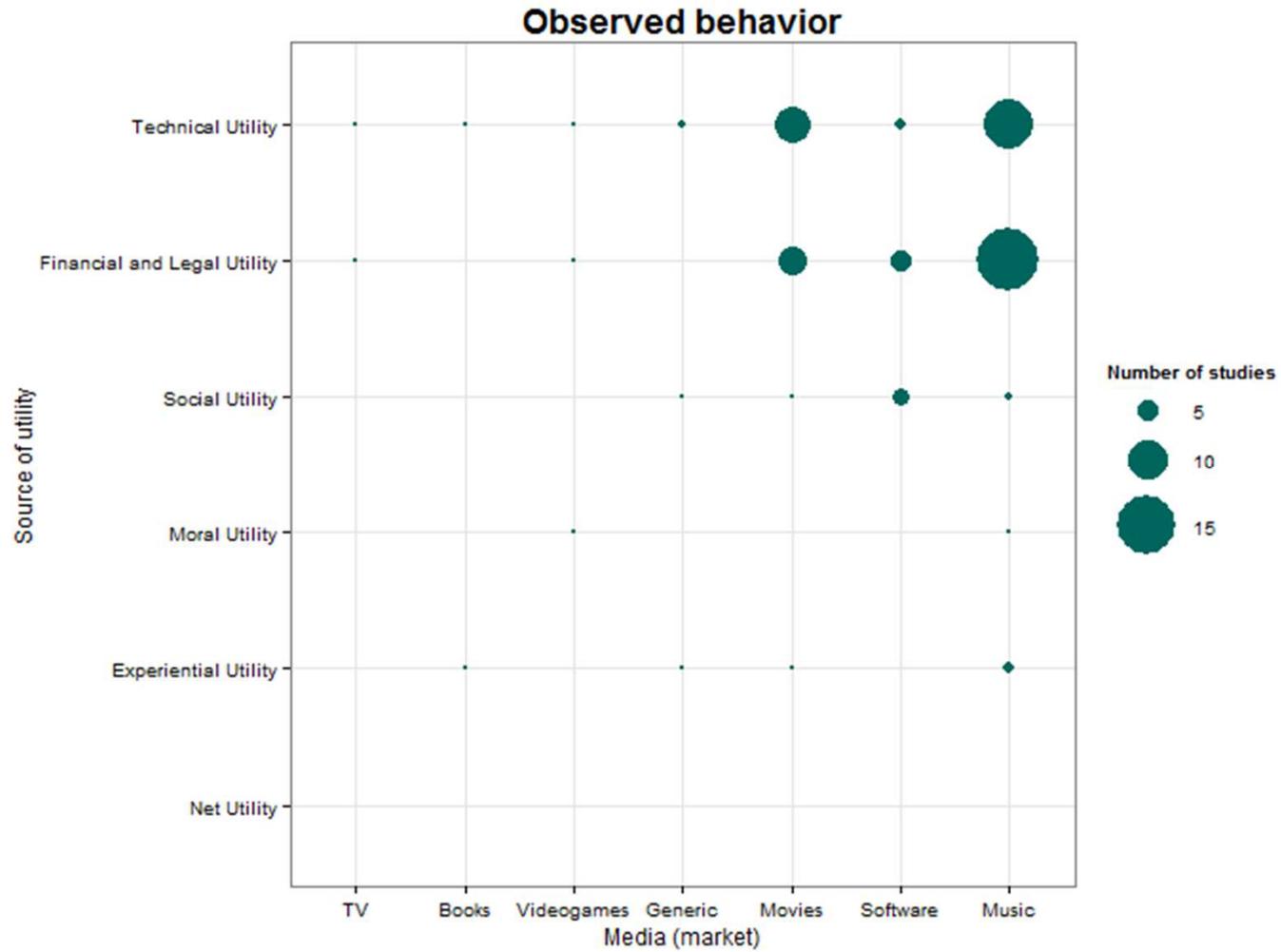
The Cube



The Cube



The Cube

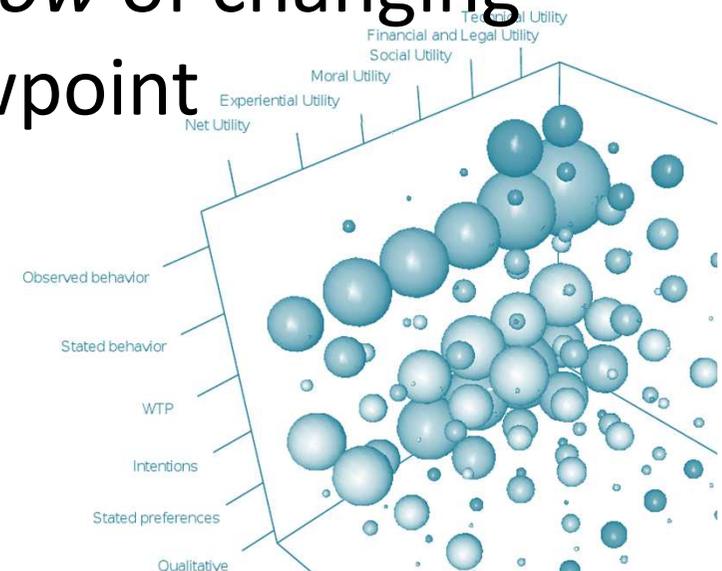


- Financial and legal utility:
 - High prices appear to reduce sales, lower willingness to pay for content
 - Stronger laws appear to reduce unlawful file sharing, but effect may be temporary and limited behavioral data confirming causal legal effect
- Experiential utility:
 - Unlawful file sharing *may* be influenced by a desire to sample new content, to access niche content, to build a collection or general interest in the content

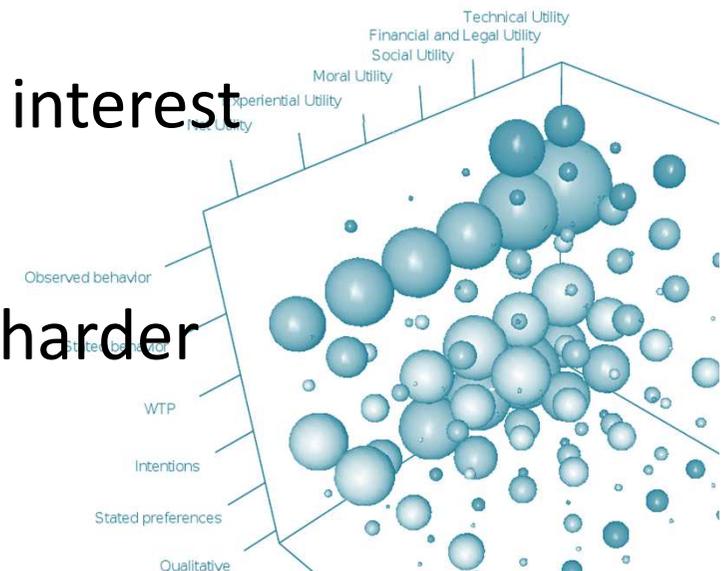
The Cube

- Technical utility:
 - Initial barrier to unlawful file sharing?
 - Need for observed behavioral evidence
- Social utility:
 - Correlation UFS and peer UFS
 - ...but need observed behavioral and causal evidence
- Moral utility:
 - Correlation UFS and moral beliefs
 - ...but need observed behavioral and causal evidence

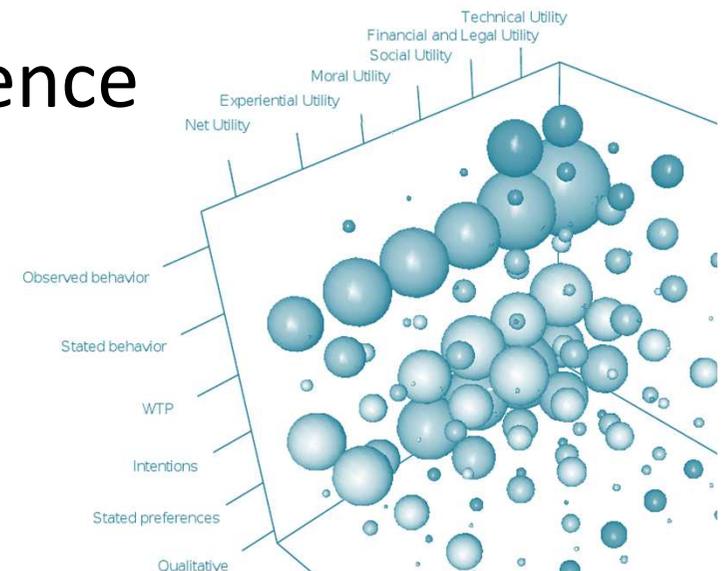
- Beyond the ideological divide:
Evidence, evidence, evidence
- Importance of review methodology
- Understanding the *why* of file sharing is essential to understand the *how* of changing file sharing from a policy viewpoint



- The Cube
- Financial and legal utility:
 - Change price (business model)
 - Change legal consequences (temporary)
- Experiential utility:
 - Target consumers with greater interest
- Technical utility:
 - Make legal easier, make illegal harder



- Social utility:
 - Change social norm
- Moral utility:
 - Change perception of moral value, e.g. perception of no harm
- But evidence, evidence, evidence



Thanks for your attention!

