

Remuneration for creators

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Regardless of our own situation and the position that we take, the debate over the commercialisation or free distribution of culture always ends with the same point: remunerating creators.

Creator / Remuneration

Let us lay the foundations for this debate.

Who is a «creator»? We all are. Creation, with communication, is the essence of intelligence, which, in turn, is the essence of what makes us «human». We all create. What's more, technology allows us to create and express ourselves in ways that are becoming richer, more complete and more interesting all the time. But to take this definition into the field in which the current debate usually takes place, we will refer to a «creator» as someone who spends their days creating and/or performing (which is another way of creating) cultural works, and thus needs to generate an income from their creations in order to make a living.

While it's not true that cultural works would stop existing without this kind of income (there are millions of people who compose or perform music, paint, make short films, act in plays, write books, etc in their free time and without any kind of expectations of doing business), it's still desirable to have an economic incentive that allows large productions to be put on and maintains the professional status of some creators.

What are the forms of remuneration? Without going into specific details (which I will do below), we can talk about three types of remuneration in general: «for the love of art» (such as in volunteer/solidarity projects, or the work of many artists who need to express themselves), «for commissioned work» (what most people do: someone needs a job done, and the person that does it receives payment in return), and «for speculation» (when an indefinite number of products are released into the market, which is then manipulated as much as possible through marketing and other techniques in order to try and sell the greatest number of products at the most profitable price possible).

Of these three forms of remuneration, we will leave out the first (because there's nothing to discuss: if a creator doesn't want financial compensation, and the user receives the creation for free, everybody's happy!) And we'll focus on the other two, essentially showing that the current model of most «cultural industries» is based on the speculative model, which requires control and manipulation, while a model based on «commissioned work» would be much more profitable (and allow much greater freedom).

The current situation

To many people it seems contradictory that a creator can be paid while still allowing free distribution / access to culture. I don't think anyone is opposed to it, but there are some (such as multinational record companies or the ministry of culture) who don't under-

stand how it can be possible. This is because the current commercial model is anchored in the past. Very anchored. Long past.

Since the technological revolution that allowed the mass reproduction of cultural works (whether it be through the printing press, wax cylinders for the gramophone, or daguerreotypes) the business model of these «industries» has been based on the distribution and marketing of the physical medium. To a large extent, this is still the case today, whether through Books, eBooks, CDs or MP3s.

They also base their business model on the distribution of mainly free access (radio, open television). What, free? Impossible! If «everybody knows» that cultural works cannot be free (as the Minister for Culture said recently, a few days after SGAE representatives had coined the phrase).

Those models of free and open access entail some form of remuneration, say the merchants of culture. It's not free, just that it's not the consumers who pay, or at least not directly.

Bingo.

At the bottom of this puzzle is the essence of value. Why do people pay when they go to the movies, to a concert, to the theatre, when they buy a record, a film, a photograph or a book? It's not really for the object / physical medium in itself, as the industry believes (or has made us believe) until now.

Let's look at a surprisingly similar example: water.

We need water to live. Nobody questions it. Taking water to our homes entails enormous investments, and many professionals make their living from ensuring that water reaches us. Nobody questions it.

However, unlimited and on-call access to water is provided at very low cost, nobody dreams of charging me to wash my hands in the bathrooms of a shopping centre, and nobody is outraged by the existence of public fountains. Nobody even threatens to take me to court for giving a glass of water to my neighbour (even if I try to sell it to him). What's more, I could even turn on a tap during a conference, drink water from a tap that isn't mine, invite everybody to do the same, and nobody would threaten to take me to court to defend my actions, or show their disapproval by taking their hands to their heads and accusing me of being a radical and dangerous extremist.

At the same time, bottled water is sold at prices that are sometimes higher than wine, or even petrol! How can this be? The key is in the value and the essence of the «product». Firstly, although water is physical and tangible, it is not a «product» in the strictest sense. It's more like a service (access to water) that entails a product (water, drinkable and controlled). And when it is sold in bottled form, value is added (at least in the mind of the consumer) according to: the brand, the portability that comes from being in a bottle, a perception of greater purity, the fact that it is cold, or even a different flavour.

Why can't the «cultural industry» do the same? It could even do much more, given that water, for better or for worse, cannot be digitalized, while cultural content can. The key is: are we talking about products, services...or even something more important still: ideas and expression?

New business models

Let's begin with a *sine qua non* condition: the work must be free (freely copied, distributed, accessed, enjoyed and «versioned»). If we manage to make this compatible with attractive financial compensation (perhaps

greater than what exists now), what creator wouldn't want it to be so? It is impossible to create except freely. The freer creators are, and the freer the works, the easier and more satisfying it is to create.

We should, therefore, look to business models that make this condition possible. These could be: based on the physical medium, without a medium, or mixed.

If carry out an analysis by «industry» (cinema, TV, music, literature, photography, plastic arts, performance arts, etc) we will soon see that each has its particular characteristics, and the «value» in each case resides in very different aspects. But they all share the essence of creation, and the demand of «consumers» who want to have an experience. That's what it's about. Not a record, or a canvas with pretty colours.

What does the buyer of a Picasso want? The painting in itself? If so, a very good reproduction would be enough. But does a Picasso reproduction cost the same as an original? Obviously not. The buyer of a Picasso may be motivated by a multitude of reasons (from social status to the habit of collecting, as an investment with the hope that the price will increase, for financial ostentation, or the satisfaction of having something unique and exclusive).

What does the person who goes to a concert (or a basketball game, which for this purpose is the same thing) want? If some tickets to a concert are ten times more expensive than others, but everyone enjoys the same music and the same atmosphere, why pay more to be in the first row than in the last? Generally the sound isn't even better in the first row. Once again, what the «consumer» wants is the experience. To be close to her idols, come out in the photo, tell her friends that she was in the first row, the chance to catch the shirt that the singer throws to the audi-

ence...is an experience. Not a product.

What do filmgoers want? We all know that watching a movie on the home VHS (or the DiVX on the computer) is not at all the same as going to the cinema, with the «big screen». Not even with a good DVD player and *Home Cinema Surround Sound System Dolby Pro Logic 5.1*. To go to the cinema is to go out to dinner with friends, to put an arm around the girl that we like...

There are not many people who don't go out to restaurants just because they can eat at home, who don't buy bottled water because they have tap water, or who don't go to a concert because music on the radio is free, or to the cinema because movies are on TV.

If we allow works to flow freely (like water through the pipes), there would be no less demand for them (be they music, movies or books). Luckily, there are many examples to back this up: Cory Doctorow's wonderful books can be downloaded free from his web page, and even so he sells more than 5 editions of each, and easily lives from it; the same can be said of Lawrence Lessig's books; Wilco have sold more records since they made their music downloadable free from the Internet than when their record company didn't let them; the BBC achieved record audiences (and income) when episodes of one of their science fiction series were shared on P2P networks before US release (*SciFi Channel*); 50 Cent's last record appeared on P2P networks before hitting the stores, and when it went on sale it broke records with sales of 9 million copies.

But apart the sale of the works themselves, creators can market a whole series of elements and experiences that generate an undoubted added value, allowing them to make a lot more money without limiting the free circulation of the work. Of the more than 12 billion dollars that hip hop labels turn

over each year (mostly from artists such as LL Cool J, Eminem, Puff Daddy, etc), to concerts (Bruce Springsteen made more money in a week of concerts than his whole record selling career) and passing through sponsorship contracts (like *Movistar* with Alejandro Sanz), or «commissioned» works (like the one that made Celine Dion famous, when she created the song for Disney's *Beauty and the Beast*), or merchandising (*Star Wars* has earned more than 5 times more money for its creators in merchandising than from cinemas and DVDs), and works on new media (such as videogames, which have now surpassed both music and film in generating «industry» income, and which are responsible for launching many music groups through the promotional impact of one of their songs appearing in a game), as well as work and income that are less «glamorous» but perfectly valid for any creator as a way of living (classes, conferences, manuals, consulting, etc.)

The conclusion is that the middlemen (who until now have been in charge of the promotion, production and distribution of works, which gave them enormous power and a capacity for manipulation and concentration that were dangerous for creators and the «market») are increasingly less necessary, that technology has changed the rules of the game, that there are many different business models (although they have to be adapted) and that everybody (in particular creators, but also the rest of humanity) would come out winning if we didn't allow those who see their business models that are outdated and anachronistic (due to a lack of vision, imagination and a desire to adapt) to manipulate public opinion and pressure legislators, law enforcers and judges to adopt increasingly restrictive measures to restrict citizen rights.

Free. Culture. Now.



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