

# **Will Stronger Copyright Protection Encourage Development of Copyright Sectors in Indonesia? Survey Evidence**

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# Copyright Protection in Indonesia

- Objectives of paper
  - Consider nature of legal reforms.
  - Study whether development of copyright sectors would be encouraged by stronger protection.
  - Comment on potential short-term costs of stronger copyright enforcement.
- Approaches used

# Why Indonesia?

- Strong cultural traditions should support business development.
- Few local artists receive income for their creative works.
- Indonesian government targets IT sectors as sources of growth.
- Adjustment issues may be difficult politically.

# Economics of Copyrights

- Issue of balancing interests in IPR.
- Problems raised by piracy for domestic business development.
- Need for well specified rights in creative industries and related institutions.
- Link to poverty?

# Information from Interviews

- Evolving legal structure is TRIPS consistent.
- New CR law goes beyond minimum TRIPS standards in software and fair use.
- Stronger enforcement mechanisms put into place.
- Significant enforcement problems remain.

# Results from Software Survey

- Status of industry and characteristics.
- Size estimates.
- Information on inputs and licensing.
- Concerns about copying and business reactions.
- Anticipated business impacts with stronger enforcement.
- Mixed picture in short term.

# Results from Music Survey

- Status of industry and characteristics.
- Size estimates.
- Extensive domestic licensing activity.
- Views of collection society (KCI) and small number of artists served.
- Concerns about piracy.
- Anticipated increases in business with stronger enforcement.

# Results from Film Survey

- Status of industry and characteristics.
- Size estimates.
- Copying focused on foreign movies (VCDs and DVDs).
- Yet widespread concern over copying, especially by small firms.
- Anticipated impacts on business with stronger enforcement.

# Results from Publishing Survey

- Status of industry and characteristics.
- Size estimates.
- Relatively greater export orientation.
- Insulation from piracy.
- Yet there are concerns about copying.
- Modest anticipate impacts with stronger enforcement.

# Conclusions

- Legal structure and enforcement.
- Scope for growth in copyright sectors.
- Copyright problems exist especially in software and music.
- Widespread preference for greater government efforts.
- Long-term expansion depends on numerous factors.