



Book The Pirate's Dilemma

How Youth Culture Is Reinventing Capitalism

Matt Mason
Free Press, 2008

Recommendation

You’ve been sleeping through an earthquake if you haven’t noticed teenagers freely creating and sharing digital music, photos and videos through the Internet. This is just one example of young pirates blurring the boundaries between ownership and invention, and rebelliously creating new innovations that ultimately transform society and the commercial marketplace. In a book that is both hipster and academic, author Matt Mason makes the case that idea pirates and other rebels who draw from pop culture to create new forms (thus often defying intellectual property laws) can, and often do, benefit society. Mason surveys the landscape for piracy and finds it everywhere, from music remixing to viral hip-hop videos. Although he sometimes slips into the youthful delusion that creativity began with his own generation, Mason does highlight an important point: pirate innovations can help steer society’s course. *BooksInShort* recommends this book to C-level executives seeking to understand changes in the competitive landscape, creative marketers who want to think outside the box and anyone interested in the underground’s influence on mainstream culture.

Take-Aways

- Rebellious youth often channel their creative energy into “piracy” to fly in the face of the societal or cultural *status quo*.
- These cultural pirates appropriate existing resources, art, music or other intellectual property, and then alter and splice it to create new hybrids.
- Rightful owners often challenge such piracy as theft or plagiarism, yet cultural pirates typically provide a service or product the marketplace wants.
- Pirates have innovated in many areas, from music and art to software development.
- Modern-day pirates who have ignored existing boundaries and broken new ground include dance club disc jockeys, graffiti artists and remix hip-hop artists.
- Public spaces can become a canvas for pirates’ self-expression.
- Jaded by ubiquitous ads, youthful consumers reject inauthentic marketing.
- Businesses and pirates are both motivated by social benefit as well as self-interest.
- Once pirates create new hybrid forms, or “remixes,” their work threatens existing vested interests, which engage the pirates in power struggles.
- Smart enterprises find ways to compete with pirates or to co-opt their efforts.

Summary

Playing the Piracy Game

Game theorists study a hypothetical situation called “The Prisoner’s Dilemma.” In this scenario, police are trying to make a case against either or both of two suspects they have apprehended for the same crime. Each possible outcome carries risks and opportunities. If the two prisoners refuse to incriminate each other, they both will receive the lightest sentence, six months in jail. If one fingers the other, he will go free and the other will serve five years. If they blame each other, both must serve two years. Usually, the prisoners act out of self-interest and not for the good of their mutual two-person community. As a result, this situation typically leads to a suboptimal outcome for both criminals. Neither wants to risk the heaviest sentence if the other tattles. So they point the finger at each other, and both get the medium sentence. If they had kept quiet, essentially working together as a community, they’d each have gotten the lightest sentence.

“From radio pirates to graffiti artists to open-source culture to the remix, the ideas behind youth cultures have evolved into powerful forces that are changing the world.”

Game theory illuminates the issue of modern cultural piracy in a similar fashion. This analysis does not deal with maritime pirates who hijack boats. Instead, it addresses the type of pirate that appropriates intellectual property and public space. Today's cultural pirates are innovators working outside common boundaries and reworking existing art forms, software, music, digitized information and other creative expressions. The other participants in these industries, including the rightful owners of the pirated intellectual property, face a problem that could be called "The Pirate's Dilemma." How do existing enterprises deal with pirates who encroach on their territory and commercial marketplace? A legal battle is one possibility. But turf wars that suppress creativity and restrict new developments are rarely the wisest choice for those in power.

Pirate Playlist

In numerous situations, pirates have commandeered popular music and culture, and, in turn, have left a lasting impact. History shows that cultural pirates made many advances. In fact, the word "Yankee" derives from the Dutch slang for "pirate," because early colonial Americans were reputed to be bootleggers. Working musicians initially saw Thomas Edison, inventor of the first sound recordings, as a pirate who stole their music. Later pirates who employed Edison's filmmaking technology for their own profit ended up establishing Hollywood when they fled west to escape the inventor's demands for licensing fees.

"Illegal pirates, legitimate companies, and law-abiding citizens are now all in the same space, working out how to share and control information in new ways."

The punk rock music genre was born from a pirate sensibility. It expressed youthful rebellion and the idea that just doing something is more important than being an expert at it. Punk music is played with such simple musical chords that anyone can create it. Amateurs with a do-it-yourself sensibility and do-it-yourself haircuts execute this music meant for everybody. As a cultural trend, it empowered ordinary youth, and blurred the line between the band and the audience. Grabbing modern culture by the throat, punk rockers believed they could benefit the world while acting in their own self-interest.

"Youth cultures often embody some previously invisible, unacknowledged feeling in society and give it an identity."

Some former punksters went on to make names for themselves in businesses, including Suroosh Alvi, Gavin McInnes and Shane Smith, publishers of *Vice*, an international anti-establishment magazine. Punk's do-it-yourself impulse spurred Dov Charney to create American Apparel, a hipster brand devoid of corporate logos that now generates \$250 million a year, all without using sweatshop labor. Rock stars turned philanthropists, such as U2 singer Bono, use the term "punk capitalism" to refer to a system where society's interests merge with marketers' interests.

"Punk was an angry outburst, a reaction to mass culture, but it offered new ideas about how mass culture could be replaced with a more personalized, less centralized worldview."

Urban disc jockeys followed the defiant punk rockers. These pirate DJs used vinyl LPs to piece together, or "remix," idiosyncratic continuous dance music to play in underground clubs. Another type of common piracy occurs over the airwaves. Outlaw radio stations broadcast forbidden ideologies or music. One set of broadcasters used an abandoned sea base off the shore of England to establish a pirate radio station. The sea base's new owners declared that their manmade island was, in fact, an independent sovereign nation, "The Principality of Sealand." Their unusual micro-nation later became home to a variety of dubious (i.e., pirate) enterprises that other countries rejected.

What's That Music?

The history of musical remixing began in Jamaica with a man named Duke Reid. In 1967, a fortuitous accident at Reid's recording studio led to the first "dub version" of a song, an instrumental track without vocals. This track became a building block for remixing popular dance music. The second step in remixing's emergence occurred in New York in 1972 at The Loft, an underground club where inventive DJs collaborated on dance versions of long-playing disco. Here, dance music originated from the concept of sharing.

"The barriers to entry are being kicked down, and this new breed of fans-turned-performers...is rushing the world stage."

Hip-hop represents the maturation of the remix. A 1981 record called "The Adventures of Grandmaster Flash on the Wheels of Steel" ushered in this innovation, followed a year later by Afrika Bambaataa's "Planet Rock." Its innovators wanted hip-hop to bring peace to former gang enemies, using dance to unite people away from the violence of the streets. The essence of remixing is separating elements and reorganizing them into a new whole.

"The history of modern dance music, rave and club culture as we know it can be traced back to the Loft. Its legacy is difficult to overestimate."

Remixing hit the screen with the advent of videos, as moviemakers and bootleggers both created movies edited from pieces of other movies. In one famous example, fans were unhappy with the 2001 *Star Wars* movie. An unknown pirate editor revised the commercially released movie and distributed his own version. In a similar fashion, computer geeks led a phenomenon called "modding," modifying or remixing computer games. In 1983, three high school kids created a satiric "mod" hit that remixed Smurf cartoon characters, a touch of Monty Python and a Nazi shoot-'em-up computer game. Computer gaming companies ultimately hired many "modders."

"Some still view the remix as nothing more than plagiarism."

Remixing even hit the fashion world. Nike kept market dominance by changing elements of its Air Force One sneaker and creating limited editions. A Japanese designer, Nigo, created his own successful riff on the footwear, manufacturing an expensive hip-hop sneaker in glossy, garish colors. Fashion, unlike other commercial arts, does not resist borrowing other people's designs.

"If suing customers for consuming pirate copies becomes central to a company or industry's business model, then the truth is that that company or industry no longer has a competitive business model."

In the 1970s, disc jockeys at New York dance clubs became frustrated because record companies would not share their latest releases with them. They banded

together into something called the “Record Pool.” This new collective achieved bargaining clout with the music companies and struck a deal allowing the DJs to receive early releases for test purposes. In turn, they provided the record companies with valuable feedback.

“Wildly successful Net-based businesses such as eBay, Amazon, and MySpace are based on the strength of their communities and the content their users contribute for free.”

A couple of decades later, a 17-year-old pirate named Shawn Fanning cracked conventional music distribution wide open. He created online file sharing through a Web site called Napster, which millions of people used to trade digitized songs. Napster got shut down for copyright infringement, but the concept remains and legal versions are widespread. Online file sharing is just another example of open sourcing or, in many cases, piracy. While several record companies sued their customers for file sharing, others embraced the new distribution format. Traditional copyright law frowns on remixing. Now, a new alternative called “Creative Commons,” allows the original artist to retain power and yet legalizes remixing. This creative, democratic innovation promotes new forms of expression.

Pirate Painters

In the early '70s, New York City graffiti artists used spray paint to assert their domination over social spaces. A “graffiti war” escalated as “taggers” transformed entire subway cars with elaborate painted designs. Eventually the police and the transit system forced out the graffiti artists. They resurfaced in trendy art galleries that welcomed this hip form of expression. MIT researchers found similarities between graffiti and French cooking. Graffiti artists and French chefs both had tight-knit social groups with informal rule systems and status hierarchies that helped ensure that new creations were credited to the right people. At the same time, both communities welcomed innovative adjustments and interpretations of other people’s work.

“Open source isn’t just a case of letting others use your work; it’s also about allowing your work to be transformative, so both you and others can benefit.”

Street artists are the latest form of graffiti artists. These pirates must work quickly to make their mark and avoid being caught. They transform parking meters into yellow tape lollipops, or create cellophane tape sculptures of ducks and leave them floating in a park pond. Graffiti art often mimics public advertising posters. Yet, companies also sometimes stage such events for publicity. In 2007, one campaign backfired terribly when people confused LED advertising displays with bombs. The authorities levied a huge fine on the perpetrators.

“Each story in this book is about boundaries coming down.”

Graffiti artists rebel against the pervasive advertising culture, which, ironically, often attempts to mimic them. Talking back on this social, artistic level is called “culture jamming.” One example is a magazine called *Adbusters*, which opposes the “zombie-like consumer culture.” Another example is the work of artist Ji Li, who became disenchanted with working for an ad agency. He began affixing cartoon-like speech bubbles to pictures of people on billboards and would return later to see what passersby had written on them.

Dominating the Digital Age

The collective creative commons concept permeates music and dance trends. Open-source computing came from the same spirit. The members of the “Homebrew Computer Club,” which formed in California in the 1970s, had a do-it-yourself attitude and a transformative vision of what computers could mean to society. They saw computing as more of a social collaboration than a commercial venture, although a few members went on to form the Apple Computer Company. In 1976, Bill Gates, then 21, objected to the club’s use of his proprietary intellectual product, an early software program called Altair BASIC. Perhaps signaling things to come, the future founder of Microsoft put an end to the hippie, free-love era of computing.

“One man’s copyright terrorist is another’s creative freedom fighter; many forms of piracy transform society for the better.”

Since then, others have led efforts to resume free access via other open-source developments, such as UNIX and Linux. The open-source movement has a fundamentally different operating model than the commercial world. Take *Wikipedia*, an online encyclopedia created by Jimmy Wales to offer information from anyone who wants to contribute. A 2005 study compared the accuracy of 42 science entries from *Wikipedia* and the *Encyclopedia Britannica*, finding four inaccuracies per entry in the former and three per entry in the latter. However, people can and do correct online errors. *Wikipedia* proves the power of shared information, but it does not “guarantee” accuracy.

“Economist Joseph Schumpeter once said economic development requires ‘gales of creative destruction.’ Punk was a category five hurricane.”

Technology continues to enable more of the punk pirates’ do-it-yourself sensibility. Everyone can become an author at a reasonable cost via Web-based, print-on-demand book publishing. Wannabe musicians and filmmakers can express themselves in music or video with computer gear that’s easily available for the home studio. Technology is decentralizing creative power. Today, bloggers are scooping mainstream news media and amateur videographers are creating YouTube mega-hits. As computing becomes more advanced, graffiti artists and advertisers will probably continue to wrestle for dominance over public spaces. In that battle, even cyberspace can be subject to piracy.

Making the Most of Piracy

Businesses and individuals should remember:

- Having a bootleg mindset can help you see situations in new ways, making them ripe with creative possibilities.
- Piracy reflects true democracy; it empowers people to push the envelope.
- If you stumble on an idea or product with wide appeal, but step on a few toes in the process, it’s possible that governments may even change the law to accommodate your innovation.
- Be open to capitalizing on new revenue channels once your efforts gain widespread acceptance. Consider forming partnerships with established corporations.

- New markets opened up by piracy ultimately can add value to society.

About the Author

Former pirate radio DJ **Matt Mason** is co-founder of WEdia, a Web media portal highlighting worldwide, nonprofit efforts. He was founding editor-in-chief of the alternative music magazine *RWD*, which created the satiric viral hit, “The Booo Krooo.”
