

Reducing software piracy can create jobs, stimulate economy

Preventing software piracy and protecting intellectual property rights is becoming a global challenge in a world where most information is free. The main form of software piracy in SA involves people buying a single copy of software and installing it on multiple computers.

At 35%, South Africa has one of the lowest business software piracy rates in the developing world. However, decreasing this rate further could result in valuable economic benefits for the country, says AxizWorkgroup business unit manager, Sally Berimbau. The commercial value of unlicensed software installed on personal computers in 2010 was valued at over R3,6-billion.

Ripple effect generates new spending

"Reducing software piracy could result in a number of benefits for the South African economy in terms of fostering IT innovation and job creation. Reducing software piracy creates a ripple effect throughout the economy, generating new spending on related IT services and distribution. That spending, in turn, creates jobs and delivers new tax revenues," explains Berimbau.

"Reducing software piracy is an opportunity to inject much-needed stimulus into the economy. For every US\$1 spent on legitimate packaged software, an additional US\$1.25 is spent on related services, such as installing the software, training personnel, and providing maintenance services. Most of these benefits accrue to locally-based software services and channel firms - meaning the greatest proportion of the economic benefits from lowering software piracy stays within the country. With more and better job opportunities, a stronger, more secure business environment, and greater economic contributions from the already robust IT sector, reducing software piracy would deliver tangible benefits to the local economy," says Berimbau.

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