Advantages of Free Software for European Economy

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ftp://gnudd.com/pub/talks/portoroz-0509.pdf

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We talk about "Free Software"

1984, Free Software (free as in freedom)
- Slovenian: prosto programje
- Italian: software libero
- German: freie software
- French: logiciel libre
- Europe: libre software

1998, Open Source Initiative
- "The Open Source Initiative is a marketing program for free software."
- http://www.opensource.org/advocacy/faq.html

"What good is source without freedom?"

http://fsfeurope.org/documents/whyfs.html

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What is software?

More and more tasks are performed using a computer
- This means hardware, but it means software too

Information and program code are controlling our lives
- As stated by Lawrence Lessig: «code is law»

Information is not a physical good, and software too:
- Code is information and nothing more
- The software we use is a cultural achievement
- Programs are scientific results
- Copying software has zero cost
- Software has a functional role, and can be adapted

Software is not a product, it is service

The market nowadays is based on services, and rightly so
- The market of physical goods is not sustainable

IT market is affected by strong dominant positions
- This is not the problem, it's just a side effect

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Working as a programmer

A technician can study and fix what his mates have done
- technicians earn their wage because they work

A lawyer can study what mates have done, and apply it
- lawyers earn their wage because they work

A programmer can't study and fix what her mates had done
- software distributors get rich because they have a tax on copying

Whoever studies and fixes software is a "pirate"

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The very nature of Free Software

Libre Software is a model for distributing information, meant to preserve and extend intellectual produtions by means of four basic grants (rights, freedoms, warranties) that are offered to every user:

you are granted the right to use such software forever, for whatever reason.

you are granted the right to study such software and change it to fit your needs.

you are granted the right to copy it as much as you want.

you are granted the right to distribute your own changes, either gratis of in exchange of a fee.

While enforcing copyright, we grant rights and freedom to our users

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Copyleft, "permesso d'autore"

"Copyleft" is exploiting positive feedback
- to protect intellectual authorship
- to increase the amount of available software.

It protects investments
- nobody can hide copylefted works

It creates wealth
- anybody can build a commercial activity on free software

It creates employment
- there is no constraint on installations, customizations, innovations

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Why Users should choose GNU/Linux

Cost of the item

| Arbitrary, unfathomable | Related to actual work |
| Mandatory udates | Optional updates |

Multiple installations

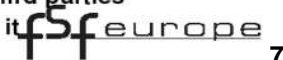| Not allowed, or expensive | Allowed and encouraged |
| Growing is costly | Growing is not a cost |

Exclusivity

| Only when you acquire the copyright | Can be agreed to with the author |
| Often impossible in practice | according to specific requirements |

Availability (hw, formats)

| Runs only on recent hardware | Multi-platform and obsolete hw |
| Data are prisoners of the application | Data formats are all available |

Support

| Bound to the initial vendor | Can be bought from third parties |
| | You can avoid buying it |

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Why Developers Should Choose Free Licences

Getting Knowledgeable

| Expensive courses | All the information is available |
| NDA contracts | |

Developing Code

| Development from scratch | Pre-existing code can be reused |
| Expensive contracts | Other solutions can be adapted |

Marketing Your Work

| Advertisement campaign | Personal contact |
| Distribution network | Distribution on the Net |

Customization

| Mandatory for every customer | The customer can do it autonomously |
| Can't be delegated | It can be delegated |

Support

| Support is mandatory | The author can offer support |
| | or avoid offering it |

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Free Software in practice

Some widespread myths:

- It is _not_ software developed by the community
- It does _not_ grant better quality
- It does _not_ grant security

In a production environment, choosing free software:

- Requires new commercial models
- Asks for a different approach to quality
- Means access to a huge amount of existing knowledge
- Needs different skills
- Also means being able to evaluate licensing models

Competitive advantages

For those who use software to create something else:

- Vendor independence
- Huge savings in licence costs
- Building internal skills
- Companies can support themselves

For those who develop software:

- Vendor independence
- More freedom in technical choices
- Direct access to technology
- Being able to innovate over the state of the art

And if they sell software:

- A better service to the customer
- Long term reliability
- Support-based business models
- Customization-based business models
- Brand-based business models
- Insurance-like business models

If they sell other things

- Complete freedom in hardware choices

Classes of companies

Companies can be divided in three classes

There are companies that

use software
to create something else

create software
to sell it

create software
to sell something else

Criticisms

Software has always been proprietary
> That's false: software was born free
> Proprietarization came later

The poor developer must earn a living
> Earning a living is already hard for developers
> As everyone else, she earns out of her work

Current companies will face big troubles
> Current companies abuse copyright protection
> Every company must adapt to changing markets

We must protect «intellectual property»
> «Intellectual property» doesn't exist
> Our licenses are based on copyright and droit d'auteur

Development and innovation will stop
> Free availability of ideas fosters development
> Free competition in the market fosters innovation

My competitor can copy my ideas
> Unfortunately, there are cases where these criticisms apply;

Are these ideas utopic?

Are there other "information-available" markets
to prove that this is not only demagogy?

The health market
The legal market
The financial advisors market
The work of architects

Each with its own specifics, these markets are wealthy
Although these are "pure information" markets,
people working there don't need a monopoly on
the information they use and they create.

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«Legal protection» of programs

Those who develop market products wants exclusivity
  With author rights
  With industrial secrets
  With industrial patents

These three positions are incompatible, but:
  Software is an author creation
  Software is absolutely secret
  There is a tendency towards patenting ideas in software

The biggest issue for european companies today
is the introduction of patents on abstract ideas,
the so called «software patents»

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Access to information

Information wants to be free
  - **Information is reproduced at zero cost**
  - **We cannot accept that our own information is managed by others**

Do we control technology or are controlled by it?
  - **Machines are made to help and serve humans**
  - **Every person must be able to choose what their machines do**

Choosing from different solutions
  - **In free software, you often have multiple choices**
  - **Having multiple approaches is wealthy for culture and society**
  - **Having multiple software packages guarantees interoperability**

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The digital divide

Learning by oneself
  - **The user can pay a technician to solve a problem**
  - **But can also invest time and solve the problem by himself**

Using obsolete hardware
  - **Our software doesn't need very fast computers**
  - **But runnign on old hardware takes more man-time**

Using non-monopolistic hardware
  - **Our software runs on tens of platforms**
  - **Harware choices go back to the hardware developer**

Export of brains
  - **Sharing informations make remote cooperation easy**

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Legal and technical diversions

The EUCD (European Union Copyright Directive)
- It erodes users' rights with "effective technological measures"
- Working around those measures is a crime

It's a very bad form of technocracy

The directive on software patents
- To "harmonize" laws, they want to make ideas patentable

The IPRED (Intellectual Property Rights Enforcement D.)
- To "harmonize", publisher's rights are made stronger

Security or control?
- TCPA ("Trusted Computer Platform Architecture")
- Palladium (NGSCB, "Next Generation Secure Computing Base")

Freedom or power?
- Is the author free in choosing use terms for her work?
- Or is she using unfair power on users?

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We accept donations and contributions
to grant you better software

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Conclusions and digressions

Software is a service, not a product

All companies (except two or three) should think about
moving towards free software

The current software market is stalled

If you're not a monopolist, trying to become one is a loosing strategy

New distribution methods need new economic models

Obviously, changing the model brings in switching costs

It's not a revolution, it's not demagogy, it's not communism.

You must pay attention on which licenses you choose
("persistent" or not, free o almost-free)

Social aspects can't be forgotten,
although I had to talk very briefly about them.

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