

Connecting digital work to the society: Professional live streaming

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Abstract

Live streaming of various content is a relatively new digital activity, which is starting to be recognised especially by the younger generations. Even they have difficulties seeing it as a profitable business model. It is an activity where the audience pays the streamer, who does his work on an online streaming platform e.g., plays video games, entertains, and communicates with them. Many find this idea too simple and unrealistic.

Live streaming success – the number of followers – depends on the streamer's goals, audience support and other factors. A digital environment for the creation of streaming materials, sharing channels, and marketing support are directly connected to streaming success. Since streaming is a new form of digital activity, it is not fully consolidated with the social interaction norms and standards. To better understand the wider socially responsible perspective the relations between the society towards streamers and streamers toward society should be illuminated. These include the economic effects of producing income, complying with the local tax regulations, personal data governance, and the protection of intellectual property rights on live streaming platforms. It is important to understand what is the role of the streaming platforms, and the personal engagement of streamers, the role of institutions and society in the development of the new streaming frameworks in a digital world.

With a combination of literature analysis, examination of streaming platforms, and the help of in-depth interviews with streamers, this research examines streaming integration in society on multiple levels. We could establish that streaming related incomes are not yet fully incorporated into the taxation system. Digital work incomes are to be properly included in the taxation system. Regarding the protection of the streamer's intellectual rights and personal data, in some cases, streaming platforms are bound by law, but many proactively form their internal ruleset

due to various motives. Streamers need to thoroughly research obligations and regulations to understand and comply with them. The area of personal data protection and intellectual property rights is particularly problematic. With the rise of the internet, risks and disadvantages that were unknown until then came.

This research will provide insights on the regulators, the streaming platforms organisers and the streamers on how to design the environment that will help the streamers and their communities get integrated into society in a socially responsible way.

Keywords: Live streaming, Personal income, Fiscal policy, Intellectual property rights, Personal data protection, social responsibility

1 Introduction

With the rise of digitalization, more and more entertainment providers are appearing online, including streaming. Viewers experience streaming as creating entertainment provided by the streamer in a variety of ways, and the action is set in real-time. Because it is happening live, the content cannot be rearranged, cut or otherwise changed, which gives the whole activity a special charm. This gives the audience a sense of being part of the action.

But few people think that streaming is not only fun but it can also be earned. The audience is ready to pay for good entertainment. This raises the question of how to use streaming as a source of income and in Slovenia to properly declare income from this activity so that the streamer aligns with applicable tax legislation.

Streaming platforms are the main tool that allows you to stream and share your content with your audience. The responsibility of streaming platforms, however, is not only to enable streamers to do their work but to provide security and protection to their users to the best of their ability. Digitization, on the one hand, has certain advantages and, on the other hand, disadvantages – one of them is exposing an individual online. The intellectual property rights of streamers and their personal data are particularly highlighted.

However, not only streaming platforms are the ones to provide adequate protection of intellectual property rights and the protection of personal data. The user should also actively contribute to this by acting responsibly and carefully on streaming platforms. Last but not least, it is the responsibility of society as a whole to take care of each other even in the field of streaming and not to harm ourselves in our actions.

We examined how the currently most popular streaming platforms (Twitch, YouTube Gaming Live and Facebook Gaming) protect the intellectual property and personal data of streamers and the ways that streamers can implement them themselves.

The paper is organised as follows: In the second chapter, backgrounds on streaming, streaming platforms, the tax system in Slovenia, protection of personal data and author rights are presented, in the third chapter, the research used is explained, followed by results and summary part.

2 Backgrounds

2.1 Streaming

Streaming is defined as sending and receiving a set of data in a continuous stream over a network. Allows the content to start playing while the rest of the data is still in transit. Web streaming is commonly used for audio, video and games. As soon as a device, e.g. phone or computer, receives information corresponding to the beginning of the movie, watching the movie can begin. When the movie is played, however, the remaining data is transferred to the device. As long as the internet connection is reliable, the device can play the entire movie without interruption. Any use of a music service such as Spotify or Apple Music, applications such as Twitch, or video players such as YouTube or Netflix is an example of streaming (Latto, 2022).

Streaming is a technology used to send content to computers and mobile devices over the Internet without having to download it. Streaming transmits data, usually audio and video data, and increasingly other types, in a continuous stream, allowing recipients to watch or listen to content almost instantly (Costello, 2021).

2.2 Streaming platforms

Live streaming platforms are video hosting solutions that allow users to upload and broadcast any video content to their audience (Wilbert, 2022).

A live streaming platform is a website, application, or software that allows users to stream live videos. Once the video is uploaded to the platform, viewers can watch it in real-time. A good live streaming platform provides tools for video hosting and video content management, as well as basic tools for embedding, analytics and monetization (Bous, 2021).

2.3 Tax system in Slovenia

A streamer can choose to perform streaming activities with a legal-organizational form, but it can also do so without it. In the latter case, the personal income tax return is important. ZDoh-2 (Zdoh-2, 2006) defines personal income tax as a personal income tax.

2.4 Protection of intellectual property rights

Intellectual property refers to three categories or pillars of rights: Industrial property, copyright and related rights and other rights (Slovenian Intellectual Property Office, 2021).

Copyright ensures that the author (ie. the natural person who created the copyrighted work) receives payment for his or her copyrighted work and also protects it. However, with the spread of digital technology, the security of copyrighted works has deteriorated, as the way of production, distribution and access to this content has changed. The Directive 2001/29 / EC of May 2001 is not in line with the rapid changes in the digital world (Bux, 2021).

2.5 Protection of personal data

On 27 April 2016, the European Parliament and the EU Council adopted the General Data Protection Regulation – EU 2016/679 (GDPR) (Official Journal of the European Union, 2016). It defines the meanings of the terms:

- **Personal data** are any data relating to an individual, regardless of the form in which they are expressed.
- **An individual** is a specific or identifiable natural person to whom personal data relates. This is identifiable if it can be identified directly or indirectly.
- **The processing of personal data** refers to any processing of personal data, whether manual or automated, e.g., collecting, retrieving, subscribing, editing, saving, modifying, viewing, disseminating, etc.
- **Automated processing** is the processing of personal data using information technology.
- **A personal data file** is any structured set of data containing at least one personal data accessible based on a set of criteria that allow the use or aggregation of data.
- **Anonymisation or pseudonymization** means such a change in the form of personal data that it cannot be associated with a particular individual or it is possible if more effort, time or cost is invested in it.

The territorial validity of the GDPR (Official Journal of the European Union, 2016) is set out in Chapter I, Article 3. It applies to the processing of personal data in the context of the activities of the controller's or processor's registered office in the EU, whether or not the processing takes place in the EU. It is used for the processing of personal data of data subjects located in the EU by a controller or processor not established in the EU, where the processing activities are related to:

- by providing goods or services to such individuals in the EU, whether or not payment is required from the data subject, or
- by monitoring their behaviour as far as the EU is concerned.

3 Research

We undertook the research by first describing and summarizing the already researched starting points from various professional articles and other literature.

In researching the question of whether streaming can be a gainful activity, we interviewed selected streamers. We inquired about their motives and reasons for streaming, why they do it, and what streaming represents to them. Specifically, also about their average monthly earnings. We compared these with the minimum monthly wage of the country in which they live for 2021 to make it easier to estimate the profitability of the streaming business they are engaged in. Where the minimum wage is not legally determined, we compared the income from streaming with the average amounts of the lowest monthly wage paid in such a country in 2021.

With the help of a review of the regulation of Slovenian tax legislation, we determined whether this regulates the field of streaming activities. We discussed in more detail the existing ways of reporting income from streaming activities.

The protection of intellectual property was examined by reviewing Slovenian and European legislation in this field. Additionally, we found some of the sources in US laws, as these are included in the policies and guidelines for the protection of intellectual property of streaming platforms. With an insight and detailed analysis of the rules in this area, we were able to analyse how streaming platforms provide adequate protection and safeguarding of intellectual property. Using the interview method, we determined among the selected streamers how the streamers themselves can take care of the protection of intellectual property on streaming platforms.

We undertook the analysis of personal data protection by analysing Slovenian legislation in this field in connection with European legislation, as the two are directly related. We've also included a review of U.S. legislation in some areas that include personal data protection, as it involves streaming platforms. We then analysed the policies and guidelines of streaming platforms in the field of personal data protection and determined the extent to which they take care of the protection of users' personal data. Through an interview with selected streamers, we researched how they can protect their personal data on streaming platforms.

4 Results

In researching the live streaming characteristics, we combined the perspectives of income generation, taxation rules, personal data protection and intellectual rights protection. Because live streaming is a digital activity, the results of our investigation pointed to the level of inclusiveness (or the lack of it) of digital activities in society.

Live streaming is an increasingly recognizable activity that allows the viewer to have fun, the streamer who does it may create a certain income. We found that for more than half of the interviewees who disclosed information on their indicative average monthly income in recent years, the income is more than the minimum monthly wage in the country of residence. In our opinion, the main finding is that live streaming not only brings in extra income but is also considered an activity that can enable survival. For the four out of six interviewees, streaming is the main or only source of income.

Slovenian streamers have multiple options for reporting income from streaming, although streaming is not yet well recognized in Slovenia. One of them is reporting income activities as individual, without a legal-organizational form, which is suitable for beginners or streamers who do it in their free time and do not expect reoccurring income. In such cases, the individual announces the amount of income from abroad, based on which (s)he receives an official statement on personal income tax. When the activity becomes more profitable and the inflows are higher or more frequent, it is most appropriate to register the activity as a sole trader or small (micro) company.

In our opinion, a sole trader is the most appropriate legal and organizational form for streaming in Slovenia. The individual can decide whether to choose the determination of the tax base with actual or standardized expenses. The first method is more suitable for production activities with higher purchase costs and fixed assets, and the second for service activities, which include streaming. However, we note that streaming (or other digital activities) are not properly classified, so we assess that this area needs updates and adjustments. We note that an activity such as streaming is very specific, and should be addressed separately. The same goes for several digital services, which should be added to the standard services classification.

An analysis of the rules for the protection of intellectual property rights on selected streaming platforms shows that they are aware of their importance. All analysed platforms are guided by policies that are committed to protecting and maintaining the protection of these rights to the best of their ability. Accordingly, they also keep various periodic reports. With their help, they have an insight into what is happening on the platform, which is directly related to the implementation of their policies, and policies in the field of intellectual property rights. They also regularly update and check their compliance with current legislation. Therefore, we estimate that the providers of all analysed global streaming platforms put efforts into protecting the intellectual property rights of streamers. Of all the platforms analysed, we believe that Facebook is a particularly diligent platform that publishes annual reports and informs users about controversial practices and violations. At the same time, it educates and teaches them of better behaviour in this area.

An analysis of the policies related to the protection of personal data on selected streaming platforms shows that they are aware of their importance. All analysed platforms are guided by policies that are committed to protecting and maintaining the protection of users' personal data to the best of their ability. Among other things, they collect personal data for a better user experience on the platform. Rules and policies on personal data protection are regularly updated and their compliance with current legislation is checked. For this reason, we estimate that the providers of all analysed global streaming platforms also adequately protect the personal data of streamers.

We found that the selected interviewees are more proactive in protecting personal data than in protecting intellectual property, which they believe is impossible to fully protect. The most common measures of personal data protection that they mention are the protection of name, surname and address, antivirus and VPN protection and the fact that they do not disclose all information about themselves.

5 Summary

In the research, we found that streaming is one of the gainful activities, but it is not yet so recognized. Nevertheless, Slovenia has a good enough tax mechanism that Slovenian streamers can properly and responsibly declare income from this activity. We see room for improvement in the classification of activities according to the Standard classification of activities (SKD),

which, in our opinion, should treat streaming separately, as this is a very specific area that does not fall under the classic digital activities.

We note that the policies and guidelines of streaming platforms on the issue of intellectual property protection and personal data protection act responsibly and work for the benefit of the user. We believe that streaming platforms not only follow the applicable legislation but also work proactively to improve the user experience on the platforms, as they are aware of the responsibilities they have and the harmful consequences for individuals and society in case of abuse and irresponsible behaviour.

As we have found out from the interviews of selected streamers on how they take care of the protection of intellectual property rights and personal data, the question remains what the actual users of streaming platforms, especially streamers, think about the protection of their intellectual property rights and personal data on streaming platforms.

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