

**Press Release** on the 3<sup>rd</sup> Anniversary of the entry into force of the Directive on Copyright and Related Rights in the Digital Single Market (2019/790 (EU)) on 7<sup>th</sup> June 2024:

## No reason to light a candle?

- **EWC publishes its in-depth report on contractual clauses, fiction writers' income, and lack of transparency in 19 European countries.**
- **Authors' rights often only exist on paper: legal provisions are rarely enforced.**
- **The accompanying EWC Position Paper calls for more transparency as a commitment to fairness and on enforcement of EU rules towards non-EU streaming monopolies as well as on EU public interest institutions.**

Brussels, 6<sup>th</sup> of June 2024

One in two writers receives no advance payment for their book or has to wait up to two years for their first royalty, transparency is overall lacking in the digital and streaming areas, and most contracts last over 100 years: **On 7<sup>th</sup> of June, the 3<sup>rd</sup> anniversary of the entry into force of the Directive on Copyright and related Rights in the Digital Single Market (2019/790 (EU)), the EWC publishes its 45-page in-depth report on the impact of Articles 18-23 on the contractual situation of writers in the European sector.**

From March to July 2023 the EWC monitored the contractual situation of fiction writers in 19 EU, non-EU, and EEA countries and the effect of the Directive on Copyright and Related Rights in the Digital Single Market (2019/790 (EU)) (hereafter: CDSM Directive) on legal agreements in the European book sector, where applicable, within an online survey comprising 43 quantitative and qualitative questions and case studies.

### **23 WRITERS' ORGANISATIONS FROM 19 COUNTRIES RESPONDED TO ASPECTS OF:**

- transferred rights and limits, including buy-out-practices, where relevant;
- remuneration and royalties, including lump sum payment, where relevant;
- digital and electronic rights and usages;
- transparency and accounting;
- Public Lending Right (PLR) and e-lending, where applicable.

The report also provides an overview of legal systems, fixed book prices, literature agencies.

### **Selected findings of the 45-page report on Writers' Contracts under the CDSM Directive**

- **Art. 18 / No consistent appropriate remuneration:** Advance payment is only common for 42 percent of writers. New and emerging writers do not or rarely get any advance. **Proportionate remuneration as 20 years ago:** Writers are never paid for their work, but only receive a financial share of the usage-related revenues – between 5% to 8% of the sales price for pocketbooks and between 8% to 10% for hardcovers as royalty (in fixed book price countries). There has been no increase in this share since decades. **Digital value gap:** Proportionate remuneration in streaming and digital uses of e- and audio books is a mission impossible.
- **Art. 19 / Gaps in transparency:** Authors receive financial statements once a year. Better practices (bi-annual accountings) are only reported for Sweden, Portugal, Denmark, Germany. More than 60 percent miss information such as the number of

digital sales (25 percent), of digital loans (up to 80 percent), of retrievals in digital flat rates or subscription models (85 percent) for e- and audio books.

- **Art. 20 & Art. 23 / Absence of mediation bodies:** Pursuant to Art. 23 CDSM Directive, EU Member States are obliged to guarantee that provisions implementing alternative dispute resolution procedures are unwaivable. To date, none of the monitored countries had put mediation protocols or dispute entities in place.
- **Art. 22 / Life-long transfers of rights:** Seventy-five percent of fiction writers grant rights for the full length of legislation (up to 70 years after death = 100-120 years).
- **Positive effects:** In 70 percent of countries, buy-out contracts are not common.

**In addition, the EWC analyses the Member States' implementation of the Articles 18-23 and verifies shortcomings or lack of effect.** The European Commission is asked to act on aspects such as the enforcement of transparency vis-à-vis European and non-European digital distributors, to call on the member states to set up mediation bodies, and to initiate sanctions against the member states Bulgaria, Portugal and Romania for insufficient or non-implementation of the 1992 Directive on Rental and Lending Right (reconstituted in 2006).

#### **RARELY ENFORCED DESPITE IMPLEMENTATION: BACKGROUND AND EWC POSITION**

The [CDSM Directive](#) of the European Parliament and of the Council of 17<sup>th</sup> of April 2019, which entered into force on 7<sup>th</sup> of June 2021, and in particular its Title IV, Chapter 3, Arts. 18-23, was aimed at improving the contractual position of authors, as they are often unable to assert their legitimate interests as sources of the entire cultural and creative sector (Recital 72). “The bargaining power of writers is weak”, confirms Miguel Ángel Serrano, President of the EWC. “As the EWC report shows, most of the commercial practices, such as royalty percentages, have remained the same for years. It is difficult for most of our colleagues to propose changes, and the imbalance in the relationship between authors and publishers stays almost a “tradition”. — “After the very important implementation of the CDSM Directive, the EWC alerts Member States on the fact that legislative words should not remain passive”, demands Maïa Bensimon, leader of the report and Vice President of EWC. “Appropriate remuneration and full transparency on uses of works should now reach a phase of concrete measures for a fair share of the economic value generated by the sources of the book sector.”

**The 45-pages report including diagrams to download is to be found under:**

<https://europeanwriterscouncil.eu/writers-contracts-ewcsurvey-2024/>

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**To the EWC Position Paper:** <https://europeanwriterscouncil.eu/transparency-is-the-needed-commitment-to-fairness>

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**The European Writers' Council (EWC)** is a non-profit non-governmental federation constituted by currently 50 national professional writers' and literary translators' associations and unions in 32 countries, from EU member states, the EEA countries Iceland and Norway, as well as Belarus, Montenegro, North Macedonia, Switzerland, and the United Kingdom. EWC members comprise over 220,000 professional authors in the book sector, writing and publishing in 35 languages. [www.europeanwriterscouncil.eu](http://www.europeanwriterscouncil.eu)