

## Empirical evidence on authors' careers and earnings:

### The role of copyright<sup>1</sup>

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In 1776, Adam Smith diagnosed an oversupply in “that unprosperous race of men” called *men of letters*: “...their numbers are every-where so great as commonly to reduce the price of their labour to a very paltry recompense.” (*The Wealth of Nations*, Book I, Ch. 10) By the nineteenth century, it was thought that copyright law may provide a solution. As Thomas Babington (Lord) Macaulay argued in a famous speech on copyright reform in the House of Commons (5 February 1841): “...there are only two ways in which [*men of letters*] can be remunerated. One of those is patronage; the other is copyright.”

In a continuous line of reasoning, the thought persisted into the recitals of current European legislation. The 2001 Information Society Directive (2001/29/EC) is introduced thus: “*If authors or performers are to continue their creative and artistic work, they have to receive appropriate reward for the use of their work...*” (Recital 10). “*A rigorous, effective system for the protection of copyright and related rights is one of the main ways of ensuring that European cultural creativity and production receive the necessary resources and of safeguarding the independence and dignity of artistic creators and performers*” (Recital 11).

This paper reports new evidence on authors' careers and earnings from a survey of 25,000 authors in Britain and Germany which shows quite conclusively that current copyright law has empirically failed to meet these aims. The winner-take-all characteristics of cultural markets are most pronounced in the music sector where the top 10% of composers/songwriters account for almost 90% of the total earnings of the profession. For composers, earnings from copyright royalties account on average for less than a quarter of creative income; for musicians, earnings from royalties account for about 1% of creative income. For literary and audio-visual authors too, most professional authors and artists rely on a second job to survive. For less than half of the surveyed authors in Germany and the UK, writing is the main source of income. Typical earnings of professional authors are less than half of the national median wage in Germany, and one third below the national median wage in the UK. The rewards to best-selling writers are indeed high but as a profession, writing has remained resolutely unprosperous.

Throughout the study, we have attempted to differentiate between copyright and non-copyright earnings (following concepts developed for a pilot study on music for the Arts Council: M. Kretschmer, 2005, “Artists' Earnings and Copyright”, [www.firstmonday.org](http://www.firstmonday.org)). We also have analysed for the first time systematically the distribution of income in a creative profession, calculating the Gini Coefficient for all earnings data collected.

Copyright law in its current form is a weak and skewed regulatory mechanism for awarding authors and artists.

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<sup>1</sup> This paper reports findings from a long term study on the earnings of authors which, most recently, included a questionnaire survey of British and German literary writers funded by the UK collecting society ALCS (2005-07). The study, co-authored with Prof. Philip Hardwick, is available at [www.cippm.org.uk](http://www.cippm.org.uk).