

Appeal of European publishers to the European institutions

Books need Europe's help!

1. The reason for an appeal

Culture is important for the future of Europe; Creative sectors are a core asset of the European economy. These are clear statements repeated by all the European institutions over the last years. Today is the time to demonstrate that cultural industries are really a priority for Europe! In this picture, book publishing plays a key role: as Europe's largest cultural industry, book and journal publishing contributes significantly to the European economy in terms of annual turnover (22-24 billion in direct turnover), jobs and growth; with 150,000 direct employees and more than half a million people employed in the entire value chain.

The impact of the current crisis on the cultural industries is unprecedented and more severe than in other economic sectors, for a very simple reason: culture is built upon social relations in bookshops, cinemas, theatres, museums. The measures to limit the spread of the epidemic consist essentially of reducing such relations. Publishing is hit hard by the health crisis and it will take a number of supportive measures to sustain a thriving sector able to contribute to the economy and society in general.

Despite their serious financial and logistical difficulties, European publishers are supporting society with many initiatives during the crisis., Examples are trade publishers promoting "reading-at-home" campaigns and supporting booksellers or numerous educational publishers supporting schools with their digital content and didactic platforms, , and there are many more.

In order to continue delivering benefit to society, the cultural sectors need concrete and urgent help. Obviously, we call on all Member States to support their authors, publishers, booksellers with an array of measures. But there is also a role for the European Union. It is essential to move quickly: the effect of the crisis is immediate, with sources of revenues and cash flow suddenly stopped, which implies a severe liquidity shortage to the sector. Our sector needs both immediate measures, from the existing EU budget, and medium-term measures to allow the industry to restart once the situation changes.

2. Immediate measures

2.1. Financial guarantee

The existing instrument for financial guarantees dedicated to the creative sectors must be quickly upgraded to cover the urgent liquidity needs of enterprises in the publishing value chain during this period of crisis. We call on the European Central Bank to instruct banks to start making loans to publishers and other stakeholders of the sector a priority.

2.2. Creative Europe

The budget of Creative Europe is very small and should be significantly increased. We need a courageous step forward. The minimum is to swiftly confirm the doubling of that budget, as approved by the Parliament in the last EU legislature. This will be a strong signal that culture is a priority, whilst having only a minor impact on the current EU budget. In particular, we ask that significant funds be allocated to the

new sector-specific streams dedicated to creative industries, and that the new streams be moved up to 2020¹.

2.3. Horizon Europe

Horizon Europe already has action lines to support culture. However, they are marginal and should acquire more relevance. Adequate funds should be dedicated to the most important fields of innovation in the book and other creative sectors, including those areas addressed by recent Directives shaping the Digital Single Market (e.g. copyright and accessibility) and in the areas set as priorities by the new Commission, such as artificial intelligence. If creative industries are left alone in investing in R&D&I at the beginning of a dramatic crisis, the risk of weakening the competitiveness of the European industry in the global market is very high. We urge significant support for innovation, dedicated to the entire spectrum of creative sectors.

3. Short- and medium-term actions

3.1. Creative Europe: an effective BOOK programme

We call for a new programme specifically dedicated to the book sector, with funds and scope similar to that of the MEDIA programme for the audio-visual industry. Our sector was traditionally never subsidised, and we aim at returning to this situation very soon. However, today we need help to survive and restart activities.

We are ready to collaborate in the design of the programme.

Timing is important: all preparatory actions should be completed by 2020 so that projects under the programme could start by January 2021.

3.2. Full and fair implementation of the Copyright Directive

In this difficult phase, it is more important than ever that the key objectives of the Directive are not jeopardised by non-coordinated transpositions that could limit the liability of platforms, impede the development of a Digital Single Market for licenses in different contexts, broaden the exceptions beyond the balanced limits set by the Directive, and/or reduce the cases when rightholders are remunerated.

The role of the Member States and the Commission is crucial in this phase. We ask the EU institutions to remember that we need a fair Digital Single Market where European creative industries can flourish.

In this framework, we also call for appropriate funding to creative industries to create the “rights data infrastructure” that has been envisaged by the Finnish Presidency and confirmed by the Croatian presidency as a core objective in this area.

3.3. Implementing a European level playing field in digital markets

By asking large web platforms to be more responsible, and thus liable, the Copyright Directive must be one element of a broader strategy towards a level playing field. The crisis underlines the urgent need to implement rapidly other provisions that have been called for by the industry for years:

- A tax regime that curbs unfair competition from the large multi-national web corporations and increases the revenues of all Member States
- Rules on interoperability of platforms to avoid customers being locked in to “walled gardens” controlled by few players

¹ At the same time, additional funds should be allocated to support all the projects submitted to the last call of Creative Europe that passed the threshold for funding. The funds needed are minimal when compared to the budget of other programmes, and even less significant when compared to the positive impact in terms of solutions it can help build for the sector in the near future.

- An ex-ante competition policy focussed on long-term effects going beyond the current ex-post anti-trust measures
- A policy on artificial intelligence that avoids abusive behaviour by players with dominant positions and allows all players to access non-personal data, including publicly available works for which rightholders have not reserved the TDM rights, for AI applications.

Brussels 25th March 2020