

Copyright and structure of authors' earnings

Eckhard Höffner

Copyright, Contracts and Creativity

Economic assumptions

- Intellectual property rights offer an incentive for the production of knowledge and other public goods.
- Exclusive rights result in higher authors' earnings, hence more new books written and published.
- A theory which is not at least in some extent reflected in reality is worthless how evident the theory may appear.
- A comparison between a system with and without IPR is missing.

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Systems with and without effective IPR

Great Britain

- 1710 – Statute of Anne: 14/28 years copyright from the time of the first publication.
- 1801 – The effect of Statute of Anne was extended to Ireland.
- 1814 – Prolongation of copyright duration to 28 years or lifetime of the author.

Germany

- The Holy Roman Empire of the German Nation was divided in over 300 states (having legislative power).
- 1805 – Napoleonic Wars.
- 1815 – German Confederation consisting of 39 states. No wars for half a century.
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Great Britain (wealthy country)

- 1770 – 8.4 millions
- 1800 – 12 millions (50 % living in towns)
- 1830 – 22 millions (incl. Ireland)

Germany (poor country)

- 1770 – 21 millions
- 1800 – 24 millions (20 % living in towns)
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Ability to buy and read books.

Despite a larger population it is not obvious, that in Germany more people (in numbers) could afford books than in Great Britain.

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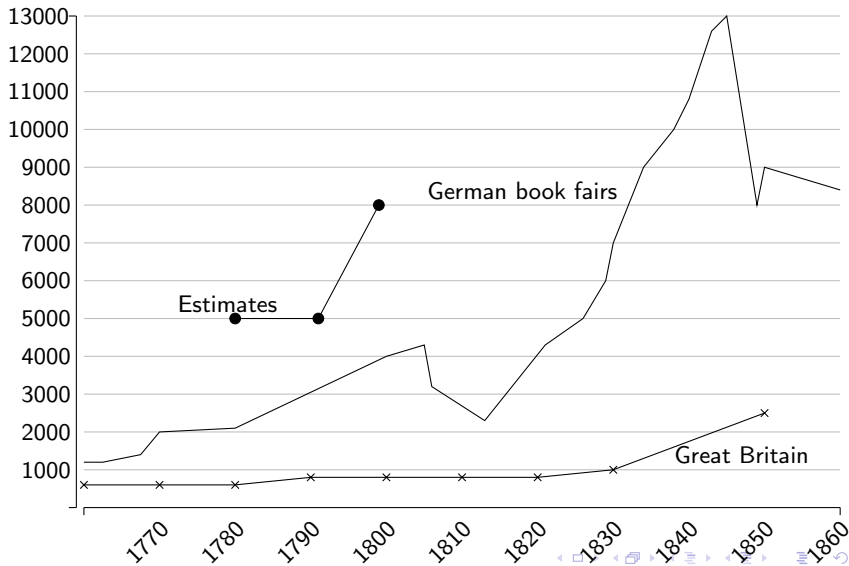
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New released titles



Obvious discrepancy

Great Britain

- Wealthy and most advanced country.
- Low numbers of new titles.
- Regressive development.

Germany

- Poor country with a high numbers of new titles.
- Dynamic development.

Without IPR more new books were published.

What can be said about authors' earnings?

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Great Britain

- Outright sale of rights (most common, esp. Grub Street authors)
- Commission (often since 1820)
- Sale of rights by edition (seldom)
- Profit sharing (seldom)
- Self-Publication, Subscription (academic books)

Germany

- 1770 – Payment by sheet (buy out).
- 1775 – Self-Publication (with and without subscription).
- 1780–1840 – Payment by sheet and edition.
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Average incomes per year

Great Britain

1770–1830 – subsistence: £25–30

1770 – academic middle class: £120–170

1800 – academic middle class: £200–400

1830 – academic middle class: £400–800

Germany

1770–1830 – subsistence: 90–100 Taler

1770 – academic middle class: 300–500 Taler

1770–1830 – academic middle class: 600–1000 Taler

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- Until 1770 – Authors' earnings have been poor.
- 1770 – Reprinting era: Honoraries were increasing from day to day (J. GOLDFRIEDRICH, 1912).
- 1792 – There are so many poor books, because authors can live from writing (A. v. KNIGGE).
- 1795 – Some booksellers from Leipzig have raised payments six times more than it was the average (J. G. HEINZMANN).

Earnings of authors

Great Britain

- Bestsellers (less than 1%) could earn a fortune.
- A slightly larger group (e.g. Wordsworth or Austen) did receive an income similar to a gentleman for a book (not on the long term).
- For an average author an honorary of £50 was already a financial success.

Germany

- Due to the strong competition during the reprinting era (1770–90), an efficient book industry was established with increasing author fees, a variety of novelties, efficient sales and low priced current books.
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Strahan and Cadell (example)

Great Britain

	Author	Date	Honorary
total	514 books (Strahan)	1767–1785	approx. £40 000
	William Robertson	1769, 1777	£7167
	William Buchan	1770	£500
	Henry Mackenzie	1771–1773	£250
	John Hawkesworth	1773	£6000
	Lord Kames	1774	£1000
	Adam Smith	1776–1785	£800 (– £1500?)
	Adam Ferguson	1776	£2000
	Robert Watson	1777	£800
	Hugh Blair	1783	£1500
	Robert Henry	1785	£1000
rest	approx. 500 authors		£18,983

Germany

Germany – Payment per sheet

Date	One edition	
until 1750	books, ½–2 Taler	
1750–1770	1–2 Taler	
1770	12-½ Taler	known authors
1780	5–6 Taler	average
1770–1800	5–6,6 Taler	average
1770–1800	10–20 Taler	known authors
1800–1840	7–10 Taler	average
1800–1840	12–30 Taler	known authors

Comparison

Great Britain

- The average payment for a book was about a tenth of the yearly income of an academic member of the middle class.
- Very few books were published and written (mostly classical canon and novels).
- Copyright was not trivial, but harmed the average author.

Germany

- The average payment for a book was about a quarter up to an half of the yearly income of an academic member of the middle class.
- Many books on any topics were written, published and paid.

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There is no money in that

Great Britain

»There is lifelong penury in it : starvation : suicide : a debtor's prison : hard and grinding work for miserable pay : a cruel task-master : work done to order paid for by the yard. As for the wished-for life among books, these unfortunate poets could not afford to buy books : as for freedom, quiet, ease, they never had any at all. Even the joy of composition, which one would think could not be taken from them, they could never enjoy, because they wrote to order and what they were told to write : they were paid servants : they lived in a garret : they never rose out of poverty and misery : they were buried in the paupers' corner.«

WALTER BESANT (founder and chairman from the SOCIETY OF AUTHORS in 1884 till 1892).