

Setting a fix European book price

Give the European Union a legal device protecting the book industry

Étienne GALLIAND – International Alliance of Independent Publishers – April 2009

Issues at stake

In 1981, France endorsed a law regulating the public price of books, dubbed the ‘Lang Law’. Since then, the price of books will be the same for the whole territory, regardless of where they are bought (also known as a “fixed” price). A maximum discount of 5% off of the public price is allowed.

For the 25th anniversary of the Lang law, numerous studies highlighting the positive effects of the system were performed. If we still dispose of a dense and high-quality network of bookshops and if some publishers who base their editorial policy on demanding and “long-term” works, keep on existing, this will essentially be due to the beneficial regulation. Indeed, the ability to limitlessly discount the price of books would inevitably lead to the death of the smallest outlets in favour of the greater purchasing pools of department store chains (whether, specialised like FNAC or general like supermarkets). Imposing an equal price to all the retailers has brought competition back to customer service (advice from the bookseller, book displays, etc.), a field where independent bookshops can still be competitive.

The disappearance of such a regulation would without the slightest doubt lead to the concentration of the retail book sector and would diminish book production, which would consequently cause big supermarkets to gain significant influence in the editorial policies of publishers. The Americans and the British, who have opted for free book prices, provide sad evidence for the accuracy of this analysis.

The European Union, True Defender of Free Competition for the Book Market

The European Commission concedes the standard of subsidisation to the countries which desire to apply the fixed price on the national level. However, it has been uncompromising in the issue of cross-border exchanges. The DG Competition seems to apply its principles to this issue: that free market pricing needs to be the unique regulator of the European book market. This “obsession with the variable of price as the only criterion for competition indicates an outdated dogmatism”¹. The promotion of the fixed price of books is an essential part of Cultural Community policy, aiming to protect a cultural good as well as intellectual production; represented by The Book. Hence, one can only regret that the Parliament’s demands to the Commission to move towards a directive of better protecting The Book in the community environment have reached a dead end. The fixed price system fulfills various objectives, which are all essential to the building of Europe:

- It preserves a dense and diversified network of libraries (land settlement policy).
- It limits the surge of prices following deregulation, to compensate the gains granted to the purchase pool.
- It guarantees the livelihood of publishers functioning on the basis of a long-term production cycle and does not favour short-term exploitation cycles.
- It assures the existence of a number of services (customer service, order of single books, presentation of new releases, etc.) benefited by publishers and readers.
- It favours the international circulation of culture and knowledge: the publication of translated books also benefits from the effects of fixed pricing.

Proposals

¹ *Protéger le livre – Enjeux culturels, économiques et politiques du prix fixe*, Markus GERLACH, Alliance internationale des éditeurs indépendants, Paris, 2003.

The practice of subsidisation related to the pricing of books is not sufficient. The book market in Europe essentially functions on the logic of linguistic spheres rather than on national borders. The German speaking region outside of Germany includes Austria and Switzerland, the French speaking region: France, Switzerland and Belgium, the Dutch speaking region: the Netherlands and Belgium and so on.

One could imagine that the Council of Ministers (of culture) would try to tackle this issue. Unfortunately, its powers in European Institution circles are extremely restricted. **The subject of fixed book pricing needs to be debated at a European Council meeting, in the absence of any talk of restructuring European governance.** In the context of the 'Convention on the Protection and Promotion of the Diversity of Cultural Expressions', which was signed and ratified by the European states under the patronage of the UNESCO, it would only be logical to establish the defence of a cultural sector essential on the grounds of concrete legal - yet flexible - dispositions on a European level.



38, rue Saint-Sabin
75011 Paris – France
www.alliance-editeurs.org