

Report: IFRRO Member Survey – Impact of Coronavirus (May 2020)

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1. Introduction

SARS COV 2, the virus that causes the Covid 19 disease, was first identified in China in late 2019, and in the first months of 2020 spread rapidly around the world. On 11 March 2020, a global pandemic was declared by the World Health Organisation, and by mid May 2020 over 4.5m people had been infected with the virus, and over 300,000 people had died.

To combat the spread of the virus, governments around the world-imposed lockdowns, encouraged working from home and closed businesses, schools and universities. Working, teaching and learning were required to be conducted online.

IFRRO set out firstly to benchmark, and also to track over time, the impact of the pandemic on its members and their rightsholder communities. We particularly wanted to monitor the long-term impacts of the social measures taken to respond to the pandemic on the collective management of text and images.

As a result, in late March 2020, IFRRO asked its members to complete a structured questionnaire about the impact of the coronavirus pandemic. By 22 April IFRRO had received 27 responses, from 22 countries around the world (two responses were from Canada, two from Denmark, two from Japan and three from Germany). The majority of responses were from Europe (17), four from Asia Pacific and three each from Africa and the Americas.

The intention is to repeat the survey at intervals, and to track developments and impact over time.

Following are the names of the organisations that contributed to the survey.

Americas

- Access Copyright (Canada)
- CDR (Colombia)
- COPIBEC (Canada)

Africa

- BBDA (Burkina Faso)
- DALRO (South Africa)
- ZARRSO (Zambia)

Asia Pacific

- Copyright Agency (Australia)

- JRRC (Japan)
- JAAC (Japan)
- KORRA (Korea)

Europe

- Copydan Writing (Denmark)
- VISDA (Denmark)
- Fjølrit (Faroe Islands)
- Kopiosto (Finland)
- SOFIA (France)
- GCA (Georgia)
- VG Bild-Kunst (Germany)

- VG Musikedition (Germany)
- VG WORT (Germany)
- OSDEL (Greece)
- HARR (Hungary)
- Kopinor (Norway)
- SPA (Portugal)
- CEDRO (Spain)
- Bonus Copyright Access (Sweden)
- Egitim Yaybir (Turkey)
- CLA (United Kingdom)

2. Executive Summary

The impact of the pandemic on the creative sector has been catastrophic. Because of measures taken to combat the virus, many of the sources of revenue that authors, visual artists and publishers rely on have dried up. With bookstores closed, sales of books are down, and live events such as literary festivals, readings and bookfairs have been cancelled. The closure of museums and galleries has also had a severe negative impact on the visual arts community.

In respect of the collective management sector, because of long term agreements and time lags in reporting, the immediate impact has been less marked. However, even at this early stage in the crisis, business closures, home working and the widespread adoption of remote learning have led to almost 40% of respondents reporting they have been approached for licence extensions or fee relief. Around 70% have already begun to make projections as to the long-term impact of the crisis on their licensing income.

The impact is not only felt by members reliant on direct payments from educational institutions and businesses. Those collecting levies are also impacted, as imports and sales are severely restricted. Many importers and other businesses have closed down, temporarily or permanently, due to liquidity problems. However, many in this group indicated that they could not yet quantify the impact due to time lags in reporting and that it would take 2 -3 months to have a clearer picture.

Perversely this crisis comes at a time when collective licensing is needed more than ever.

There is a lot of discussion of the “new normal”, and an expectation that the pandemic will lead to permanent changes in remote working and education. These systematic changes will in turn have an impact on expectations of the collective management sector, and the types of licences offered. After the pandemic fades, businesses and educational institutions will continue to demand licences that facilitate remote learning, home working and digital access.

As an indication of how quickly the sector has responded to licensee demands for more flexible licence arrangements during the pandemic, around 50% advised that they had already worked with authors and publishers, agreeing on and implementing extensions to existing licences, to enable remote learning and support home working. At the same time, a number of members had also developed entirely new licences, such as for online book readings.

These initiatives demonstrate the importance of the collective licensing sector in flexibly balancing the interests of rightsholders and users. The examples in this report will serve not only as an inspiration for others but also as an indication of the resourcefulness and ingenuity of the sector.

In these challenging times IFRRO members have also taken action to supplement the income of rightsholders. Over half of those that responded indicated that they had brought scheduled distributions forward to support rightsholders. A similar proportion had already adapted the scope or use of their cultural and social funds to support rightsholders in responding to the current crisis.

IFRRO members have also been active at a national and international level lobbying government to take specific action to support the creative sector which has been so severely affected by the pandemic.

3. Revenue and Licences

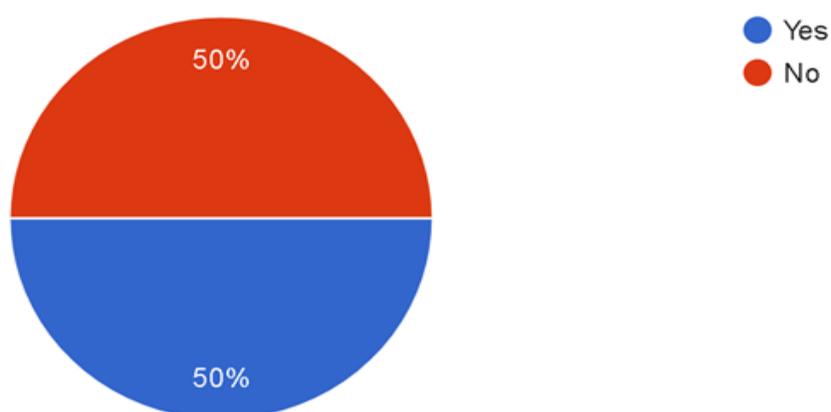
The first part of this report considers issues related to the impact of the crisis on collective licensing revenue, and whether variations to existing licences have been made or new licences developed to respond to the pandemic. It is worth remarking how many licence variations or new licences have been developed over a very short timeframe by collaboration amongst RROs and rightsholders.

It is important to stress that many of these licence offerings are only for a limited time, and are in place only during the period of the pandemic, or lockdown.

3.1 Licence Extensions and Variations

Around half of those that responded indicated that they had been in contact with licensee groups, in particular education and library groups, in respect of licence variations (such as increased copying limits, external online access) to enable them to respond to the current conditions requiring business closures, home working and education.

Proportion of RROs receiving requests for licence variations - 26 responses



There were two key areas in which variations to existing licences were sought. The first was the relaxation of conditions related to the amounts of a work that can be copied under the licence, or related licence conditions, such as extending current print only licences to allow digital access. The second type of variation is to enable more flexible means of access to content, in particular remote access.

Copying Limits

Access Copyright, CEDRO, CLA, COPIBEC, Copydan Writing, Kopinor and Koperasi all reported they had varied their licence terms to increase or change copying limits in their existing licences.

Some examples of these measures enabling extended access to content include:

CLA in the UK relaxed licence terms to facilitate on line learning for [schools](#) and [higher education](#) by increasing copying to 30% of a print book, and allowing personally owned copies to be copied under the licence.

Copydan Writing in Denmark extended their [licences](#) with universities to enable the making of digital copies of the whole of out of commerce works originally published in Denmark.

OSDEL has reduced its digital license fees for all universities in Cyprus by 50%, to enable them to provide students with remote access to books and journals (up to 20% of a book or a whole article) during the lockdown.

In Canada, Access Copyright has extended their print only licences to include digital access, without the usual increase in licence fees.

In Quebec, [extended copying](#) is permitted from all content types except text books and work books. COPIBEC will include these additional uses in their distribution, so that although there is no additional cost to licensees the rightsholders will receive distributions for the additional usage.

These licence extensions have been carefully designed not only to protect the rightsholder's primary market but also to support individual rightsholders initiatives to allow extended access to their content during the pandemic.

Remote Access

Bonus Copyright Access, COPIBEC, Copydan Writing, DALRO, Egitim Yaybir, KORRA, Kopinor, VG Bild Kunst, VG Musikedition and VG WORT have all varied their licence terms to enable more flexible access to content.

So, for example, licences that previously had depended on physical access, now impossible as a result of closures, have been extended to permit remote digital access. Other requests of this type included assistance with sourcing digital versions of paper content held in the institution's library, which is now inaccessible.

Copydan Writing in Denmark, and Bonus Copyright Access in [Sweden](#) worked with their National Libraries to enable digital access to newspaper archives by researchers, who were now unable to attend the library premises. In Denmark, the licence with the Danish Royal Library allows the library to provide the general public with digital access to Danish newspapers with no known owner, or where the copyright owner had agreed to allow the access. In Sweden, to enable researchers working from home to continue their research, Bonus Copyright Access has licensed the National Library to make its service *Swedish Newspapers* available on the internet.

In Norway, Kopinor has concluded a [licence](#) which gives Norwegian students free access to all books made available through the National Library of Norway's online catalogue.

VG Musikedition reported that they had enabled churches to show psalm lyrics in webcasts of its services, as an [extension](#) to the existing licence that allows copies of the lyrics to be physically handed to participants in church services.

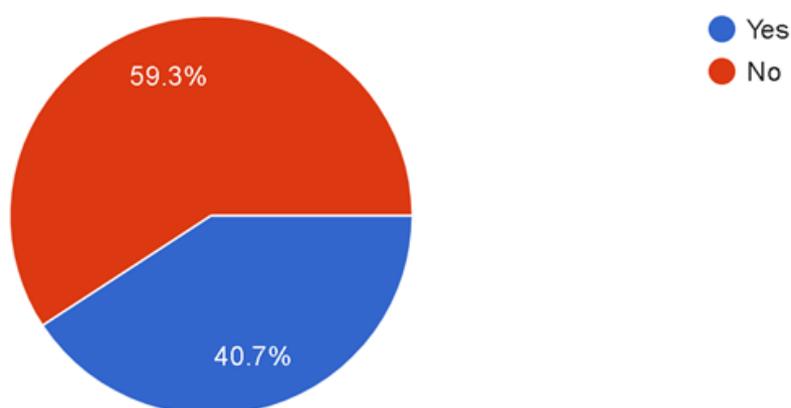
VG Wort has extended its existing licence with libraries to enable document delivery of content via electronic means. In South Africa, DALRO and the South African rightsholders have worked together to extend their licences to include remote access for students.

In Australia, Copyright Agency reports that as their education licence is technology neutral, schools and universities have, with the assistance of some information resources, been able to seamlessly adapt to online learning.

3.2 New licence products

Over forty percent of respondents reported that they have begun to offer new services to respond to the impact of social distancing measures such as home working, or online interactions as a result of the pandemic.

Proportion of IFRRO Members that have developed new licences - 27 responses



A number of members (Access Copyright, CEDRO and COPIBEC) report that they have developed licences to enable reading of either excerpts from or whole books online or through broadcast means, such as internet radio.

An example is the [Read Along Canadian Books](#) Program, jointly developed by Access Copyright and the Association of Canadian Publishers, through which participating publishers grant a free licence to educators and librarians, to read all or part of a book and post a video recording of the reading online.

Access Copyright has also partnered with VoicEd Radio Canada on a podcast series, [I Value Canadian Stories](#). The podcasts highlight the work, the creative habits and unique perspectives of Canadian children and young adult authors.

Another example of a new licence product is from Denmark where Copydan Writing has worked with the University of Copenhagen to develop a [technical solution](#) for students that are required to take a test to achieve university entry, but because of social distancing measure the students are unable to attend the campus in person to sit the exam.

VG Bild Kunst is developing a new licence to enable museums to present shows online.

In many countries, members report that rightsholders such as publishers have offered temporary and free access to their repertoire. This is the case in Canada, Greece, Japan, Norway, South Africa, and Spain.

Fjølrit also reported that in the Faroe Islands the government owned publisher has made all their content freely available to schools.

In an effort to source digital content, government agencies are also encouraging teachers to upload content to open access educational platforms, which raises concerns about compliance with licensing terms for the digital use of copyright content.

The level of ignorance in the licensing community about copyright and licensing is high – for example, Access Copyright reports that teachers have approached them asking for fee waivers

for additional digital uses, despite their sector purporting to rely on fair dealing as the basis of their copying.

To counter the increase in illegal sharing of content as a result of the pandemic, CEDRO has launched a social media campaign to encourage people to read legally which includes testimonials from authors, publishers and other stakeholders. CEDRO has also successfully [blocked](#) over 100 social media channels which were sharing illegally copied books, newspapers and magazines.

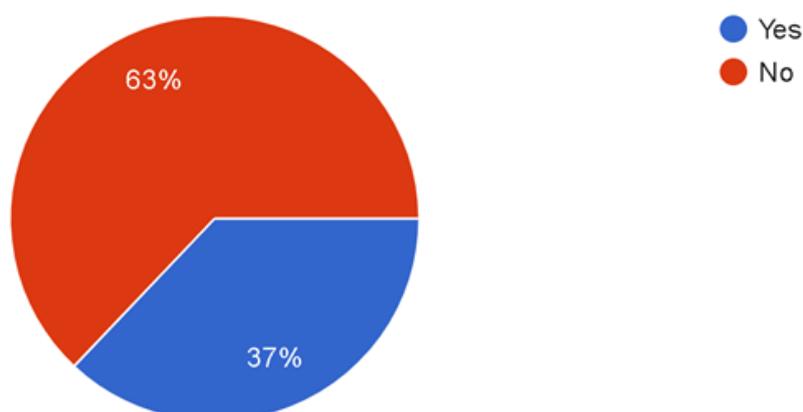
In response to the increased illegal use of digital content during the lockdown, and as part of its wider campaign to inform the Greek public on copyright issues, OSDEL has designed and implemented a campaign, online and offline, with the central motto "Books are not written by computers - Books are not written by photocopy machines".

Some governments, such as in South Korea have ensured that students will not have to pay data charges when they use wireless data to download text books.

4. Financial Impact

Thirty seven percent of respondents reported that they have experienced pressure from licensees and other users (either directly or indirectly), such as from copy shops to waive or reduce licence fees.

Proportion of RROs that have received requests to reduce licence fees – 27 responses



Due to the closure of libraries, small businesses such as copy shops, bookstores and educational institutions many RROs have either offered extended payment terms to those affected (CDR, CEDRO, Copyright Agency, SOFIA, HARR, Kopinor, KORRA, VG Wort) or have been asked to waive fees (CDR, CEDRO, HARR).

In Japan, the [government](#) has decided that the new compensation system for public transmission of works at educational institutions will be free of charge in the first year, much to the disappointment of rightsholders and RROs.

One member estimated that they will lose 80% of their operator fee revenue in the second quarter of this year. Others, such as SOFIA and CEDRO report that it's too early to quantify the impact on licensing revenue, although around 70% of those that responded are making projections as to the likely impact of the crisis on their business in future years.

Sixteen of the 27 responses were from members managing equipment levy/ private copying, and although only around half of those had so far received feedback about the impact of the crisis on

the sales of devices and media, they were all expecting a negative impact on collections. Some did indicate that relevant data would not be available for some months (France, Portugal, Spain).

In Germany, VG Wort reported that although solid information is still lacking, they expect a decrease in collections and Bild Kunst expressed concerns particularly with collections from the operator fee, due to business closures.

OSDEL reported that imports have declined drastically and many companies have liquidity problems. HARR reported that since mid-March, imports of levied equipment (copiers, printers and multifunction machines) have dropped by 80% and they don't anticipate a recovery until very late in the year, provided the pandemic is over by then.

KORRA, however anticipates an uplift in fees in some areas, as licensees will make additional payments for on line access for remote learning.

Two respondents, DALRO and ZARRSO expressed concern that licensee closures had limited their ability to collect data to use as the basis of future distributions. OSDEL has also used the opportunity to lobby government to bring forward the implementation of new revenue streams for rightsholders such as PLR and the implementation of the DSM Directive.

Others, such as HARR, expressed concern that the drop in licensing revenue this year would reduce distributions in future years.

5. Industry Support

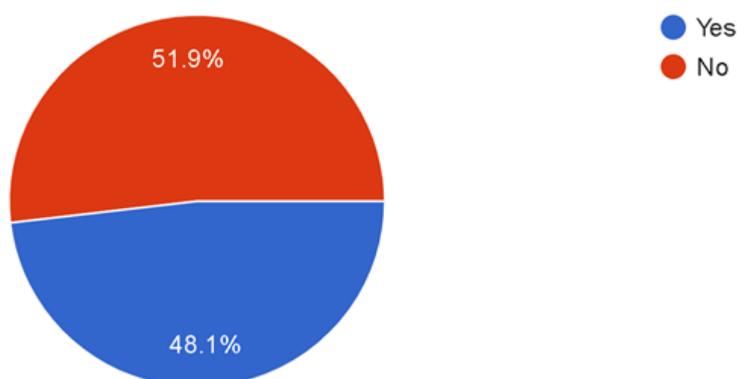
Many members reported that they have taken measures to support their rightsholder communities through bringing forward distributions, or expanding and enlarging their cultural and social funds.

Many members had also been working with their rightsholder communities to lobby government to implement tailored support packages for the cultural industries, and also to ensure more general government support included cultural industry stakeholders, in particular freelancers and the self-employed.

5.1 Distribution Timetables

Just under half of members reported they had brought distributions forward, including Access Copyright, CEDRO, COPIBEC, Fjølrit, GCA, HARR, Kopiosto, OSDEL, SOFIA, VG Bild Kunst and VG Musikedition.

Proportion of RROs that have brought distributions forward – 27 responses



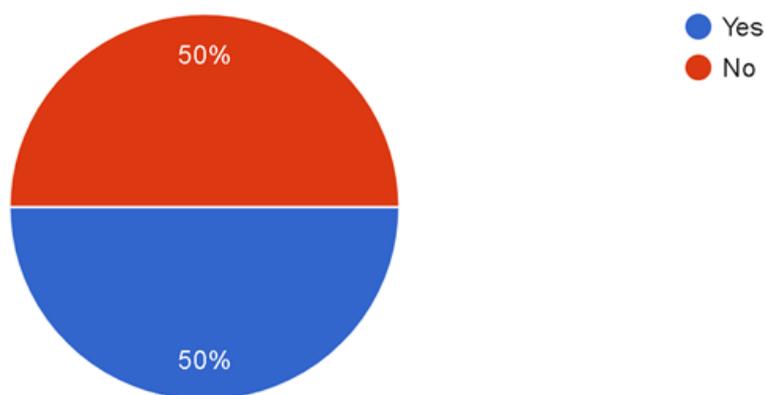
Others reported that their distributions were due around this time in any event, and they had kept to the previous schedule, such as VG Wort and SPA or that they were still considering whether to bring distributions forward (Access Copyright, HARR).

Kopinor reported that they had already distributed the fees paid under the special licence with the National Library of Norway and that they also planned to make additional distributions, including a distribution to Norwegian publishers to help them through the crisis. COPIBEC also reported that IT developments to enable more flexible distributions in future have been prioritised.

5.2 Social and Cultural Funds

Similarly, around half reported that they had taken action to ensure relief funds were available for authors and publishers as part of their cultural and social allocations. Others had established specific emergency relief funds for their rightsholders or contributed funds to other national emergency funds.

Proportion of RROs adapting the use of their cultural and social funds – 22 responses



OSDEL is speeding up and expanding its second Financial Relief Programme, in order to support its rightsholders. The total amount now allocated to the Programme is €140,000. In addition to the existing financial relief Programme for authors, new financial relief assistance programmes have been developed for translators, journalists, and writers of scientific journals.

In addition, OSDEL has taken part in the national effort in supporting the lock down measures, by launching a social media campaign, with the central motto "We stay at home, we travel with a book", with the aim of strengthening the book. Some of the most important Greek authors were involved in the campaign via a video message. The campaign was strongly supported by publishers, translators, librarians, booksellers, journalists as well as readers. VISDA has taken steps to clarify that corona aid is included in the purposes for which cultural and social funds can be used, and VG Wort had also clarified that it can make [interest free loans](#) to help those in financial hardship.

SPA has simplified the process for access to its Emergency Fund, as well as increasing the amount available for such purposes. In Burkina Faso, BBDA has transformed part of its cultural promotion fund into an exceptional solidarity fund to support more than 4,000 of its members.

SOFIA is adapting its [cultural fund](#), and also continuing to honour commitments already made to cancelled events such as book fairs, festival and other cultural events so that participating authors can continue to be paid. VG Bild Kunst is expanding its cultural fund, OSDEL has established a fund for authors in need.

Access Copyright has made a [contribution](#) to the Canadian Writers' Emergency Fund which enables the Fund to support visual artist as well as to writers. Before developing any specific emergency, assistance measures itself, Access Copyright wants to make sure that any additional royalty distributions will not negatively impact creator's ability to access government wage and emergency support.

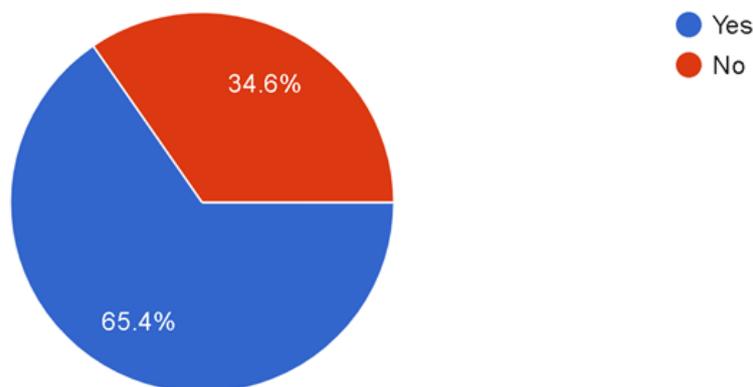
Copyright Agency has established a dedicated [Emergency Action Fund for creators](#), and is granting additional funds through its Cultural Fund to support creators both directly and through projects such as virtual writers' festivals and exhibition openings.

CDR has made an [additional allocation to authors to assist them during the pandemic](#).

5.3 Government Support for the Creative Sector

A majority reported that their government had initiated either specific support programmes for the creative sector or that the creative sector was eligible for support through more general government support programs (or both). Others reported that although no programs had yet been launched by government, there were plans to do so. Others indicated they were lobbying their governments to implement relief packages.

Proportion of RROs reporting government support programmes - 26 responses



The most common government assistance was that individuals and businesses in the cultural sector were eligible for general government relief funds.

Members in France, Germany, Portugal, South Korea, Spain and the UK report that authors are eligible to draw on the general funds those governments have established to assist self-employed workers. CLA also [report](#) that they are working with ALCS to encourage authors to lobby government to ensure that the funding criteria better fits the needs of participants in the sector.

In many countries, publishers are eligible for general relief funds for businesses affected by the crisis. For example, in Canada, the emergency government wage subsidy program is available to publishers, and in addition the government is working on a simplified process for funding from the Canada Book Fund, which supports independent Canadian publishers.

At the time of responses (April 2020) governments in Burkina Faso, Canada, Denmark, Finland, Germany, Greece, Japan, Norway, Portugal, South Korea, Spain and Sweden had already established specific funds to support the cultural sector. Some of these funds are directed

specifically to support creators, alternatively authors and publishers are eligible for support as part of a larger support package for the cultural industries more generally.

In Greece, OSDEL reports that the government has established a specific € 1.5 million fund for the creative industries and in Portugal, the Ministry of Culture has developed a [set of measures](#) for the cultural sector including an emergency support line, for artists and cultural entities that are in a situation of vulnerability and without any financial support. In Denmark the government will provide a subsidy for authors, making up lost income compared to the same period last year.

In Sweden, an extra SEK 500 million (€46m) has been allocated to private sector participant in the cultural sector, to support those that have lost revenue as a result of the restriction on public gatherings. The grants will be disbursed through the usual grant agencies. The government has also committed to exploring what other support may be necessary for the sector.

Burkina Faso's government has established a specific fund to assist the cultural sector. The Norwegian government has allocated NOK 300 million (€28million) to the cultural sector to compensate for lost income due to cancelled or postponed events.

The French government is also allowing the allocation of private copying compensation to directly support creators and publishers when their income arising from the use is seriously affected due to the health crisis caused by covid-19 virus.

The South Korean government has put together a comprehensive package to support the cultural industries. Funds available include; special funds made available to creators experiencing financial distress as a result of the pandemic, and additional support for those shifting creative activities online. In addition, there is a package of support for the cultural industries to support employment, provide consulting support to SMEs affected by the pandemic as they shift their business activities online and to provide subsidies to art and performance organisations.