

# Who Should Set Book Prices?

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## BACKGROUND

- In the past, public cultural policy has in some jurisdictions favoured limiting competition at the retail level by mandating a fixed book price system, where prices are the same everywhere. Digitalisation has enabled some competition authorities to challenge this practice. This has left us with a situation where very different rules apply to the book market in different jurisdictions and where the initial question of who sets prices faced with what restrictions is given a very different answer across EU member states.
- Fixed book prices are often justified as necessary to ensure that consumers have access to a broad spectrum of books. Brick-and-mortar stores deserve protection from competition because they offer a number of essential services. Among these, the key ones appear to be provision of information about the products and ability to order in any book which consumers wish to purchase.

## METHODOLOGY

- Research based on past case law and insights from economic theory and empirics.

## KEY FINDINGS

- There are a number of EU level competition law cases on introducing agency pricing in the market for e-books. Agency pricing amounts to a number of EU member states continuing to mandate fixed book prices.
- Given the information available on-line combined with delivery to the door or to pick-up points nearby it is reasonable to challenge the benefits which fixed book price rules enable brick-and-mortar bookstores to offer.
- While at the moment, the battle between cultural policy and competition policy seems to have resulted in a stalemate, this state of affairs may not remain in the future, particularly if streaming takes off as a significant means of book consumption.
- Research and policy evaluation is hampered by a lack of readily available and reliable data.

## POLICY ISSUES

- Fundamentally, the question is by whom and with what restrictions the price of books should be set.
- The effect of an increased move to streaming as a means of delivering content on fixed book prices is hard to predict.
- If more data was made available, the existing knowledgebase would be enhanced and would enable more policy relevant research to be carried out.

## SUGGESTED CITATION

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