

Copyright Duration and the Supply of Creative Work

By

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Abstract: At various dates between 1991-2002, 18 countries extended the duration of copyright, typically from the author's life plus 50 years to author's life plus 70 years. We study the impact of the extensions on the production of movies.

We find that the extensions were associated with a 1.80% (1.77%) to 12.7% (5.82%) increase in movie production. The increase was higher in countries with lower rates of piracy.

These findings were robust to various specifications. In one sub-sample, we controlled for changes in government funding of movie production. In another sub-sample, we tested and rejected the wealth effect: while the retrospective extension of copyright duration did enrich owners of existing film libraries, they did not increase movie production relatively more.

Our results suggest that contrary to received thinking among leading economists and lawyers, extensions of copyright duration far in the future do have economically significant effects on the production of creative work.