arts and culture

Department:
Arts and Culture
REPUBLIC OF SOUTH AFRICA

Final Report

Ministerial Task Team Report

Developing a Growth Strategy for the Book Sector

"Books are the carriers of civilization. Without books, history is silent, literature dumb, science crippled, thought and speculation at a standstill."

Barbara W. Tuchman, American historian and Pulitzer Prize-winning author

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Definitions

“Books”

Books are part of a wider spectrum of print material consisting of newspapers, magazines, and books, produced by the newspaper-, magazine-, and publishing industries respectively. Consumers have always read – and bought – all three, with reading being an activity that is roughly five times that of purchasing, i.e. every book or magazine bought is commonly assumed to have a readership of five people. This report focuses on *books* and the *book-publishing and -selling industries* in particular, not on the full range of print industries, although all have a common interest in seeing the size of the reading market expand.

Although books remain the dominant form of product for publishers, the term “books” in recent years has expanded to include content that is delivered through a variety of formats, such as audio books, CD-ROMs, DVDs, e-books, and m-books, to a variety of channels and devices, such as Internet publishing, e-readers, electronic tablets, mobile phones, and POD (print on demand). The term “books” is therefore used in this report in its broader sense of “content”. (Other industries which also generate “content” are the film and music industries, which is why the term “content generators” has been avoided.)

In educational publishing, the term “books” is often replaced by Learning and Teaching Support Materials (LTSM) to refer to amongst others textbooks, workbooks, teachers’ guides, wallcharts, flash cards, posters, DVDs, and e-books supplied to schools.

“Publishing”

For those outside the industry, the terms “printing” and “publishing” are sometimes erroneously used interchangeably, in a misunderstanding of what publishers actually do. Publishing is the process of financial investment in a book, taking a business risk, and adding value to it through editing and design, marketing and selling, distributing, and managing the intellectual property. Printing refers to the physical act of reproducing multiple copies of the book, which is only one stage in the process of publishing a book.

“Book chain” and “book sector”

As an originator of material, the publishing industry is at the centre of a network of related industries, such as paper manufacturers, printers, bookbinders, typesetters, booksellers, distributors, authors, editors, indexers, translators, artists, and designers – all referred to as the “book chain”. The “book sector” is the wider network of all and everything to do with books, focusing on the interdependence and interrelatedness of all aspects of book production and consumption, and covering individual readers, libraries, Non-Governmental Organisations (NGOs), commercial organisations, and government departments. This report, while describing the book chain, focuses primarily on a growth strategy for the “book sector”.

“Book sector study”

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO) *Basic Learning Materials Initiative* (Paris, UNESCO, 1997), a book sector study is primarily a descriptive document focusing on a full environmental scope of the book sector and the book chain, locating them within the broader context of political, economic, cultural, legal and regulatory, educational, and infrastructure factors. This report does not attempt to be a full study, but focuses on current critical issues affecting contraction and growth within the book sector.

“National Book Policy”

Contained within a book sector study might be a “national book policy”, usually generated by a national book council. The function of the latter is to co-ordinate and stimulate the activities of government and private sector agencies in the development of the book industry so that more and better books are available to all readers in the country.

Executive summary

Chapter 1 describes the strategic importance to a country of having a viable, vigorous, and sustainable book sector. The book sector contributes to culture, knowledge and ideas (local publishers give local writers a voice), to literacy, education, and learning (literacy is not possible without books), to freedom of speech, and to the economy through revenue and taxes, the generation of jobs, and the stimulation of small- and medium-sized enterprises. The combined revenue of the book chain is estimated at just under R40 billion; while the revenue related entirely to books is estimated at R5.197 billion. South Africa's book chain has the potential to be at least six times larger than it currently is. In addition, it has been calculated that South Africa's poor literacy performance is costing the economy about R550 billion per year.

Chapter 2 reflects on the SABDC's accomplishments before the appointment of the task team: significant research and policy work, for example. There have also been other initiatives from The Government, like the Cultural Industries Growth Strategy (CIGS) that cannot be omitted from this report.

Chapter 3 describes the book sector of paper manufacturers, printers, typesetters, publishers, booksellers; and allied industries of editors, proofreaders, designers, artists and illustrators, translators, and indexers; libraries; reprographic rights organisations; organisations promoting literacy and books; and the consumers of books – readers; schools; tertiary institutions; the Government; organisations; and businesses.

Chapter 4 looks at the factors that create long-term growth and sustainability. These include skills; training; raw materials; banking and transport infrastructure; good education levels; high literacy levels and reading fluency levels; affluence; access to books through libraries, bookshops and electronic means; a reading culture; the size of the market; and protection of intellectual property. The state plays a role through the legislative and regulatory framework; state assistance programmes; a national book council; and a national book policy; and ensuring that there is co-ordination and co-operation between government departments in matters relating to the book sector.

Chapter 5 focuses on the role of educational publishing. A viable and diverse educational publishing industry is required to deliver the wide range of books required for literacy and education for a full spectrum of abilities and interests in South African education. The chapter lists the specific factors that currently impact negatively on educational publishing and the objectives of other government ministries. Apart from textbooks, classroom and school libraries, an extension of the network of public libraries is also required to provide for the requirements of long-term literacy.

Chapter 6 gives a brief background to copyright in South Africa, international trends, and technological change.

Chapter 7 identifies the role of information technology (ICT) in the book sector and in making books more accessible. It briefly looks at opportunities available to the sector and identifies some areas that require further work for exploitation.

Chapter 8 outlines environmental considerations taken into account by two key sectors that affect the environment – paper and print.

Chapter 9 identifies the strategies required to stimulate growth in the sector. It identifies those for immediate implementation and those critical for ensuring the survival of the book sector in the current environment.

Chapter 10 recommends the institutional arrangements to implement the recommendations of the report.

Background to this report

Faced with slow economic growth and high unemployment, the South African Government has responded by developing a New Growth Path and a scaled-up industrial policy in the form of the Industrial Policy Action Plan 2 (IPAP 2) 2010/11–2012/13.

Although arts and culture has usually taken a back seat with regard to the national priorities, a major shift can be seen in IPAP 2. The creative industries, in particular film, music and craft have been included as key industries to spur economic growth and job creation.

This led to the Minister of Arts and Culture hosting a consultative conference "Mzansi's Golden Economy" in April 2011 with a view to repositioning the arts and culture sector within the Government's New Growth Path. R14.8 billion was allocated to Tourism and the Creative Industries through the Independent Development Corporation (IDC) over five years to increase the level of industrial funding.

The conference declaration included reference to the book publishing industry, thereby recognising its contribution to economic growth.

The Ministerial Task Team on book publishing
A Ministerial Task Team was established to develop a growth strategy for the book sector, reporting to the Minister of Arts and Culture, and consists of:

Prof. Andries Oliphant	**Ministerial Task Team Chairperson** Academic, Author, Linguist, Policy Advisor
Ms Elitha van der Sandt	Ministerial Task Team Coordinator Chief Executive Officer: South African Book Development Council (SABDC)
Mr Brian Wafawarowa	Executive Director: Publishers' Association of South African (PASA)
Mr Francois Hendrikz	Director, SA Library for the Blind (BLINDLIB), Vice-Chairperson: National Council for Library and Information Services(NCLIS)
Ms Elizabeth Hindle	Ex-Bookseller, Previous Executive Member of South African Booksellers' Association (SABA)
Prof. Nhlanhla Maake	Executive Dean: Faculty of Humanities University of Limpopo
Prof. Molefi Ralenala	Chief Director: Curriculum Department of Basic Education (DBE), Limpopo
Mr Glenn Masokoane	Director: Multi-Discipline Department of Arts and Culture (DAC)

The task team was mandated to illustrate the strategic importance of the book sector and to deliver a growth strategy for the book sector.
The task team aims to identify how the book sector can meet the objectives of IPAP 2 and the Government's New Growth Path. Its responsibilities include the following:

- Consolidate sector data, including studies that have been conducted by various bodies over the years
- Develop a growth strategy for the sector
- Address key government imperatives
- Enhance the cultural, social and economic aspects of the book sector
- Make use of linguistic ties to strengthen social and economic relations throughout the region
- Provide solutions to problems in the sector

The task team will report in the first half of 2012 and its recommendations will feed into a sector growth strategy for the DAC. The strategy will be used as a basis for a National Book Policy to be presented to the Government.

History of the process

In 2009, the then Minister of Arts and Culture, Dr Pallo Jordan, established a Ministerial Task Team on the Book Sector. According to Minister Jordan, the task team was set up “to consolidate data and develop growth strategies for the South African book sector. One of the first duties of the task team would be to compile an audit of available research and identify areas that may hinder development in the industry. The objective of such an exercise would be to work towards a legislative framework for the development of a globally competitive South African book industry.”

In May 2009, the task team had its inaugural meeting and developed a work plan. However, soon after this inaugural meeting, Minister Jordan was replaced by Minister Lulu Xingwana and the work of the task team could not continue until it was approved by the new minister. Shortly after the minister had approved the task team, she was, however, replaced by the current Minister of Arts and Culture, Mr Paul Mashitile. Minister Mashitile approved the task team in March 2011.

Once approved, the task team made a public call for written submissions. These submissions were considered, and further research was undertaken to compile this draft report.

The draft report was circulated to all stakeholders for further comments and contributions. To this end a Consultative Conference was held on 2 February 2012 and was attended by 109 representatives and individuals across the book sector. The conference unanimously accepted the recommendations made by the task team in a revised format and some recommendations were added. A full report on the conference was circulated to all stakeholders and the task team report was finalised based on the Consultative Conference.

The final report has been submitted to the Ministry of Arts and Culture. Please note that the draft report should be read with existing policy/draft policy documents such as the Draft National Book Policy 2005, the Draft National Book Development Plan 2009, and the Library and Transformation Services Charter 2010.

Ackowledgements
Elitha van der Sandt as the lead author of the report

Kate McCullam as the consultant appointed to research and write major chapters in the report such as educational publishing amongst others

Brian Wafawarowa of the Publishers' Association of South Africa (PASA) for his contribution on chapter 6, Copyright and Intellectual Property in South Africa

Melvin Kaabwe of Van Schaik bookstores for his contribution on chapter 7, Digital Technologies

Nicol Faasen for his contribution on chapter 7, Digital Technologies.

Jane Molony from the Paper Manufacturers' Association of SA for her contribution on chapter 8

Erich Kuhl from the Printing Industries Federation of SA for his contribution on chapter 8

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Acronyms and abbreviations

ABET	Adult Basic Education and Training
ANFASA	Academic and Non-fiction Authors' Association of South Africa
ANU	Australian National University
DBE	Department of Basic Education
APA	African Publishers' Association
CAPS	Curriculum and Assessment Policy Statement
DAC	Department of Arts and Culture
DALRO	Dramatic, Artistic, and Literary Rights Organisation
DTI	Department of Trade and Industry
GDP	Gross Domestic Product
IPAP 2	Industrial Policy Action Plan 2
IPASA	Independent Publishers' Association of South Africa
FET	Further Education and Training
LAMP	Association of Language and Media Practitioners
LIS	Library and Information Services
LTSM	Learning and Teaching Support Materials
NGO	Non-Governmental Organisation
NCLIS	National Council for Library and Information Services
NBT	National Book Trust
OBE	Outcomes-Based Education
OECD	Organisation for Economic Co-operation and Development
PAMSA	Paper Manufacturers' Association of South Africa
PANSALB	Pan South African Language Board
PASA	Publishers' Association of South Africa
PEG	Professional Editors' Group
PIFSA	Printing Industries Federation of South Africa
PICC	Print Industries Cluster Council
PIDP	Publishing Development Programme
PIRLS	Progress in International Reading Literacy Study
POD	Print on Demand
RRO	Reprographic Rights Organisation
SABA	South African Booksellers' Association
SABDC	South African Book Development Council
SAFACT	South African Federation against Copyright Theft
SAFREA	Southern African Freelancers' Association
SATI	South African Translators' Association
SAMRO	Southern African Music Rights Organisation
SMMEs	Small, Medium and Micro Enterprises
TRIPS	Trade-related Aspects of Intellectual Property Rights
UCLA	University of California, Los Angeles
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	Value-Added Tax
VIP	Visually Impaired Person
WGSA	Writers' Guild of South Africa
WTO	World Trade Organization

1 Importance of a viable and sustainable book sector

1.1 The book sector's contribution to culture, knowledge, and ideas

Publishers have a multifold role in any society: they are at the heart of the book chain and the book sector. They not only contribute to the economy, but also play a critical role in the dissemination of culture, heritage, debate, ideas, and information. A society without a publishing industry and a book sector is immeasurably impoverished intellectually. The UNESCO report on *Basic Learning Materials Initiative*[1] puts this clearly:

> Books have been the traditional means of spreading, preserving and sharing information and knowledge. They link past and present when our memories fail us and bring separate cultures together. The written word serves as an extension of the human mind. Throughout the centuries, diverse cultures have spent great resources and effort on the establishment and maintenance of libraries. While the arts of writing and reading remained the privilege of a religious elite, the contents of libraries were treasured as unique instruments of power. ...
> The difference between publishing and many other commodities is that printed materials convey explicit values, ideas, aesthetics, knowledge and information. ...
> A literate society is not possible without the existence of a market-oriented publishing sector, or without book development and book promotion.

Local publishers give local writers a voice besides giving local readers reading material that reflects their reality, their culture, and their way of life. It is difficult to imagine a South Africa without the works of Sol Plaatje, Alan Paton, Zakes Mda, A C Jordan, C J Langenhoven, J M Coetzee, Nadine Gordimer, or Steve Biko, or to contemplate their contribution to world literature. Equally important are the books on political and sociological analysis, South African flora and fauna, history and scholarship.

In 2007 the publishing industry published 5,090 first editions, of which 3,042 or 59% were educational books. The academic sector (textbooks, professional books and scholarly books) published 297 first editions, and trade (fiction, non-fiction, religious) 1,751 first editions.

[1] UNESCO, *Basic Learning Materials Initiative*, (Paris, UNESCO, 1997)

1.2 The book sector's contribution to literacy, education, and learning

A recent 20-year study by Mariah Evans at the University of California, Los Angeles (UCLA) and the Australian National University (ANU) found that having as few as 20 books in the home has a significant impact on propelling a child to higher levels of education.

Evans was particularly interested to find that children of lesser-educated parents benefit the most from having books in the home. She has been looking for ways to help Nevada's rural communities, in terms of economic development and education.

> "What kinds of investments should we be making to help these kids get ahead?" she asked. "The results of this study indicate that getting some books into their homes is an inexpensive way that we can help children succeed." (May 24, 2010)

(http://www.unr.edu/nevadanews/templates/details.aspx?articleid=5450&zoneid=8).

Apart from being a conduit of culture, knowledge and learning, a viable publishing industry is also necessary to produce the print material that enables literacy and raises literacy levels, which in turn raises the economic levels of a country. A viable book sector is needed to support, encourage, and promote this. The Organisation for Economic Co-operation and Development (OECD) says,[2]

> The links between economy and literacy are several and direct. High literacy skills are determinant of individual and economic potential: higher employment participation, lower unemployment probabilities and higher skilled employment. They also condition the structure of the labour force as a whole. Countries with higher average levels of skills have larger proportions of knowledge workers (mobile, high-skilled). They are better prepared to contribute to technological developments as well as to adjust more effectively to them.
>
> As far as the macro-economy is concerned, literacy and gross domestic product (GDP) go hand in hand. The higher the proportion of adults with high prose skills, the higher the GDP per capita. Furthermore, countries with wider economic inequality also have wider literacy inequality.
>
> A number of noteworthy social benefits seem to be related to literacy skills. Literacy has been linked with better health and longer life expectancy; it could be that skilled people, through access to information and preventive health practices, can better manage their health needs. Other interesting findings show a relationship

[2] OECD, "Literacy in a Thousand Words", *OECD Observer,* accessed August 2011 at www.oecdobserver.org

> between literacy proficiency and the participation of women in government, as well as a link between literacy and public and civic participation.

Andreas Schleicher, Head of the Indicators and Analysis Division of the Organisation for Economic Development (OECD) Directorate for Education, spells out why education is important, explicitly linking educational quality with economic growth and capacity:

> The capacity of countries – both the world's most advanced economies as well as those experiencing rapid development – to compete in the global knowledge economy increasingly depends on whether they can meet a fast-growing demand for high-level skills. This, in turn, hinges on significant improvements in the quality of schooling outcomes and a more equitable distribution in learning opportunities.

Numerous research studies over the years show clearly that educational attainment depends on good language acquisition in the early years: good readers with high levels of reading fluency do well in all school subjects.

Recent research[3] has put figures to the cost of illiteracy in South Africa. The Department of Economics and the Bureau for Economic Research at Stellenbosch have estimated that the total GDP would be around R550 billion higher if literacy rates were at the appropriate level.

[L]ow educational quality stands out [as] *the* critical brake on economic growth in South Africa.

The model we have used allows us to calculate, very roughly, the cost of not being a more literate society. If we assume that the country's PIRLS 'literacy rate' should be 50%, and that the model C slope coefficient for this variable, of .0070 ... describes the impact of moving from the current 21% to the desired 50% "literacy rate", then the GDP per capita in 2009 would be around R12,000, and total GDP would be around R550 billion higher. This suggests that one could argue that illiteracy is costing the country a large amount of income in the vicinity of R550 billion a year.

1.3 The book sector's contribution to freedom of speech

One model of publishing views publishers as performing a social service: they are merely a passive conduit for providing what "the market" wants, and are merely reactive. In an alternative, proactive model, they select and lead the way in publishing innovative, original material that stimulates action, thought, and debate, and in ensuring freedom of speech.

Publishing books as a means of freedom of expression has always been important to South Africans, given years of suppression of freedom of expression and extensive censorship. In the apartheid years, the offices of publishers such as David Philip Publishers and Ravan Press were regularly raided, and they and their authors suffered the banning of books which

[3] Gustafsson, Martin, van der Berg, Servaas, Shepherd, Debra, Burger, Cobus, "The Costs of Illiteracy in South Africa", Stellenbosch Economic Working Papers: 14/10, University of Stellenbosch, 2009

were critical of the regime. Their courage and determination to publish ensured that facts unpalatable to the government of the day were published, that people continued to be informed, and that dissenting voices were heard. A vigorous, independent publishing industry – as well as press – is essential for the constitutional principle of freedom of expression:[4]

Freedom of expression

Everyone has the right to freedom of expression, which includes

a. freedom of the press and other media;
b. freedom to receive and/or impart information and/ or ideas;
c. freedom of artistic creativity; and
d. academic freedom and freedom of scientific research.

1.4 The book sector's contribution to the economy

1.4.1 Revenue and taxes

Figures for the total contribution of the book sector – the book chain as well as the wider sector of libraries, NGOs, government departments and individuals – are not available, but they are available for the book chain. It should be noted that the depth and breadth of the statistical analysis varies from industry to industry.
As is common around the world, the percentage of the printing business devoted to books is extremely small. The Publishing Market Watch[5] estimates that only 5% of printing in Germany, the largest print market in the European Union (EU) countries, relates to books. Books also form a very small proportion of the total paper market.
More extensive figures are available for the publishing and bookselling industries.

The *Annual Book Publishing Industry Survey Report 2008*[6] gives the total size of the South African book publishing industry in 2007 as R3.457 billion (net turnover excluding VAT and discount). When booksellers' revenue of an estimated R1.8 billion is added, the book chain's contribution to the economy is currently around 0.4%.

It is estimated that only 1% of the South African population are book buyers, and it is clear that an increase in the size of the reading- and book-buying population by a factor of 6 (the ratio of South Africa's population to the USA's population), for example, would result in a total revenue contribution of R31.542 billion or 2.4% of the economy. (Paper manufacturers' and printers' book-related revenues are not included as these form part of publishers' costs, and would need to be deducted from publishers' revenues.)

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[4] South Africa, South African Constitution, accessed at www.info.gov.za, September 2011
[5] European Commission, *Publishing Market Watch, Sectoral Report 2: Book Publishing* , 2004
[6] Galloway, F and Struik, W, *Annual Book Publishing Survey Report 2008,* (Pretoria, University of Pretoria, 2009)

However, in terms of its impact on the literacy levels, education, culture, and heritage of the country, the sector punches above its weight.

The table below shows the revenue contribution of the book sector (R39.243 billion) and the book chain (R5.197) respectively, on which company and individual taxes are paid. (Without knowing the costs involved in each sector, it is difficult to calculate the final value they add to the economy.)

Table 1: Industry value add

Industry	Total revenue of book sector	Book-related revenue of sector	Total employment	Book-related employment	Industry profile
Pulp and paper manufacturers[7]	R6.5 billion	Not available [estimated R200 million]	13,500	Not available [estimated 50]	4 large 4 medium 50 SMMEs
Printers[8]	R27.2 billion	Not available [estimated R170 million]	39,818	Not available [estimated 250]	2, 000
Publishers & distributors[9]	R3.457 billion	R3.347 billion	2,480 full-time 3,000 freelancers [estimated]	2, 480 full-time 3,000 freelancers [estimated]	± 140 publishers 86.4% SMMEs 54% black
Authors	R281 million	R281 million	16,262 + 980 estates	16,262 + 980 estates	
Booksellers[10]	R2.086 billion	R1.199 billion	Not available [estimated 3, 000]	Not available [estimated 3, 000]	518 booksellers
Libraries			13,000	13,000	1,800 libraries
TOTAL	**R39.524 billion**	**R5.197 billion**	**77, 404**	**21,480 FT** **17,242 PT**	

1.4.2 Number of people employed

The table above indicates that in terms of jobs created by the book chain approximately 21,480 people are employed directly in full-time employment (including freelance full-time employment), while 17,242 writers earn royalties.

1.4.3 Profile of the book sector and the book chain

There is insufficient information on the profile of the book sector and the book chain to establish the distribution of large, medium, and SMMEs within each sector, but it would seem from the discussions

[7] Paper Manufacturers' Association, *Paper ... the Power to Move You,* undated [figures quoted for 2006]. The estimate of the book-related revenue is the writer's own, based on a 1996 paper, "A Study of the Factors Which Contribute to the Cost of Books in Schools", which put paper at 12% of the net price of a book.

[8] Printers and binders figures were supplied by Louise Moralee of the Printing Industries Federation of South Africa (PIFSA). The estimate of the book-related revenue is the writer's own, based on a 1996 paper, "A Study of the Factors Which Contribute to the Cost of Books in Schools", which put printing and binding at 10% of the net price of a book.

[9] Galloway and Struik, 2009

[10] Struik, Willem, *Book Retail Industry Survey 2008 Report,* (Pretoria, University of Pretoria, 2009). Of booksellers' turnover, non-book sales account for 42.5%. Booksellers' turnover does not include the turnover of Edusolutions, which handles book distribution to Section 20 schools in four provinces.

with the Paper Manufacturers' Association of South Africa (PAMSA), the Printing Industries' Federation of South Africa (PIFSA), and the figures available from the Publishers' Association of South Africa (PASA) and the South African Booksellers' Association (SABA) that around 85% of the book sector consists of SMMEs. This is concomitant with the Publishing Market Watch[11] observation that the book publishing market across Europe is fragmented.

> Although there has been consolidation among larger firms, there remain a very large number of very small publishing companies, each publishing a handful of titles each year and unlikely to grow significantly not least because of the challenges of gaining access to an increasingly consolidated distribution channel. However, SMEs supply larger firms with trained staff, and frequently discover either new authors or new interest niches that are overlooked by larger firms: this can either help a small firm to grow or be taken over; or larger firms can recruit the author for subsequent titles or develop their own content to meet the needs of the new niche if it becomes valuable. This large number of SMEs may therefore act as a diverse "gene pool" for the industry as a whole.[11]

What is said above about the SMMEs in the publishing industry would apply equally to the SMMEs in the other industries of the book chain, and points to their value not only in terms of job creation (or self-employment) but also in innovation and the identification of new areas of interest. For South Africa, this is an important sector:

> As large enterprises have restructured and downsized small, medium and micro enterprises (SMMEs) have come to play an increasingly important role in South Africa's economy and development. ...
>
> The government has therefore targeted the SMME sector as an economic empowerment vehicle for previously disadvantaged people. ...
>
> Data on small and medium enterprises suggests that these enterprises contribute about half of total employment, more than 30% of total gross domestic product. Also, one out of five units exported is produced in the small and medium sector in South Africa.[12]

[11] European Commission, *Publishing Market Watch Sectoral Report 2: Book Publishing,* 2004, accessed at www.rightscom.com, September 2011
[12] South African government, accessed at www.southafricainfo, September 2011

1.5 Findings

1.5.1 The book sector makes multiple contributions to the development of South Africa – e.g. to education, literacy, culture, heritage as well as the economy, making it a significant sector.

1.5.2 The sector is a building block for all other government programmes due to its ability to empower people, making them more receptive and better placed to participate in opportunities made available by the Government.

1.5.3 The Government's New Growth Path requires a more informed citizenry, capable of recognising opportunities being created by various programmes, empowered to actively participate in building a prosperous democratic country. The book remains one of the best mechanisms to help achieve this.

1.6 Recommendation

1 The DAC lobby for the book sector to become part of the Industrial Action Policy Plan (IPAP) in 2014 due to its significant impact on a range of developmental goals in line with the New Growth Path.

2 Research and policy interventions

This section reflects on the work done before the establishment of the Ministerial Task Team. The SABDC had conducted significant research and policy work for example. There had also been other initiatives from the Government, like the CIGS that cannot be left out in this report.

2.1 Book Development Council of South Africa (BDCSA)

The idea of a National Book Development Council received great impetus at the ANC Conference on Culture for Development in April 1993 and at the South African Committee for Higher Education/National Education Crisis (SACHED/NECC) conference on “Publishing for Democratic Education” in the same year.

The SACHED Trust was requested to convene an organising committee consisting of SACHED, NECC, the Independent Publishers’ Association of South Africa (IPASA) and the Publishers’ Association of South Africa (PASA). In May 1994 the Book Development Council of South Africa (BDCSA) was launched. Its purpose was to provide a structure to coordinate growth and development of the book sector. The organisation was furthermore mandated to develop national strategies to promote books, reading and literature.

The council also aimed to locate the book sector within the broader development policies of the Government and to situate the book sector within the broader environment that was being transformed through policy and legislation in the fields of arts, culture, trade and industry, and education.

In 1997, with little support from the Government and the industry, the BDCSA was forced to close down.

2.2 Cultural Industries Growth Strategy (CIGS): Book publishing

In 1998, the DAC made another attempt at formulating a national book policy through the CIGS, which also highlighted a number of challenges to be addressed if a thriving book publishing sector were to be created. The recommendations of this comprehensive report were again not implemented.

In this process a Cultural Strategy Group was appointed by the DAC to implement the study and included KPMG, Centre for African Transformation and other policy and research consultants.

The overall aims of the CIGS Report were:

- Make explicit the current economic and social contribution of chosen sectors
- Identify impediments to growth in each sector
- Explore the linkages between the cultural industries and the macroeconomic policies of the Government

- Propose industrial growth strategies for each sector and for the cultural industries as a whole

These were amplified through four key objectives:

- Create awareness of the potential for growth within both the Government and the cultural industries
- Set ambitious yet realistic targets and goals for the development of the cultural industries
- Encourage self-awareness of the significance of their industries within the cultural industries
- Map out how "Creative South Africa" can be implemented

A key recommendation for publishing is that the department initiate a Publishing Development Programme (PIDP) which would support the Print Industries Cluster Council (PICC) and complement it by addressing development initiatives. This highlights the need to coordinate initiatives between industry initiatives and government departments.

It furthernore recommends a long-term goal of constructing a world-class institutional base for the industry to achieve economic, developmental and cultural goals.

The study included a sector report for each of the cultural industries, including book publishing. A number of recommendations were made, but for the book publishing sector limited progress was made. By 2010, none of the recommendations had been implemented.

2.3 The Print Industries Cluster Council (PICC)

As the CIGS report mentioned above, the PICC was being developed as a cluster initiative to promote the needs of the book publishing industry.

The crisis in educational publishing brought the various industries in the book chain together in 1997. This gave rise to an industry-led initiative and in 1998, a steering committee was established, consisting of two representatives from each of the industry associations: Publishers' Association of South Africa (PASA), South African Booksellers' Association (SABA), Printing Industries Federation of South Africa (PIFSA), Paper Manufacturers' Association of South Africa (PAMSA), Print Media South Africa (PMA), and one representative each from the Department of Arts, Culture, Science and Technology (DACST) and the Department of Trade and Industry (DTI).

DTI, DACST, and the industries had diverse needs, but agreed on the following priorities:

- To ensure the survival of the print chain at a particularly precarious time in South Africa's history
- To facilitate, stimulate, and promote growth in the print chain through a development approach
- To develop and grow the South African reading market

- To stimulate and develop South African national culture and identity through the development of writing, literary expression and literature

In 2001, the PICC decided to constitute itself into an NGO and managed to secure a R4.5 million grant over three years from the DACST.

The PICC had the following objectives:

- Promotion of reading through co-ordinated programmes
- Support for black economic empowerment (BEE) in the print industries
- Support for SMMEs to increase diversity of ownership and product
- Stimulation of writing and development of appropriate products
- Reduction of costs and price of print products
- Increasing library budgets and expanding services to improve access
- Improvement of educational material provision and retention
- Improvement of public access to print materials
- Monitoring and encouraging legislative development and institution of public copyright awareness campaigns

The PICC, however, increasingly took on a role of book development in the broader sense. In 2005, the PICC drafted the country's first National Book Policy after broad consultation with all major stakeholders. In 2006 the organisation started a process of becoming more inclusive, and transformed into the SABDC. The SABDC was launched in 2007.

2.4 Draft National Book Policy

This policy framework seeks to incorporate the insights of the writing-, paper-, printing-, publishing- and bookselling sectors, as well as the library and development initiative communities of South Africa.

2.4.1 Position Paper to the Draft National Book Policy

The position paper provides the strategic context for the policy framework as well as a good overview of the book-publishing sector.

2.5 National survey of the reading- and book-reading behaviour of adult South Africans

Market development is a key constraint for the cultural industries in South Africa and has been identified as a priority action area for the music, film and craft industries in the IPAP 2.

The book-publishing sector has also identified market development as a key constraint, and in 2007 the SABDC conducted the first national survey of the reading habits of adult South Africans.

The main aim of the study was to fully describe and characterise reading, book reading, non-book-reading, book selection, book acquisition in terms of demographics, perceptions and attitudes. The study was released in 2007 and is available on the SABDC website at <www.sabookcouncil.co.za>.

Some key findings:

- 51% of households in South Africa did not have a single book in their home.
- Only 14% of the population are book readers.
- Only 5% read to their children.
- 45% felt that books are too expensive.
- 27% said they do not read because there is no library nearby.
- 22% said books are too difficult to read.

2.6 Factors influencing the cost of books in South Africa

The SABDC conducted an investigation of the factors that affect the cost of books in South Africa to identify possible ways in which the Government, industry members and other stakeholders could work together to reduce the cost of books and make books more accessible.

Each of the five principal segments of the book value chain was studied, namely paper, printing, publishing, distribution, and bookselling. The main findings of the study include:

- *Skills shortages*. Across the value chain (with the exception of distributors) there are concerns about the availability of qualified staff. Competition for skilled staff might be increasing overheads.
- *Coordination between publishers and printers*. Without advance warning of orders from publishers, printers cannot source the cheapest available paper.
- *Implementation of new technology*. The potential of POD has not been fully investigated by the industry, and book distribution could be made more efficient by the wider adoption of Electronic Data Interchange (EDI) technologies (which would also provide small publishers and independent booksellers with easier access to larger booksellers and the lists of large publishers).
- *Off-shoring of printing*. As a result of lower capital and labour costs, printing in the East is about 30%-40% cheaper than in South Africa, and anecdotal evidence suggests that an increasing amount of South African book printing is being outsourced to the East.
- *Size of the trade market*. As the trade market is small, print runs are also small, and economies of scale in printing and publishing cannot be realised. Growing the market is thus critical – both via the long-term goal of creating a reading culture, and via unearthing new submarkets that may already exist.
- *Limited distribution points*. A lack of bookstores located outside wealthy urban areas constrains the growth of the trade market. As a result of the tender system in the educational market, many independent booksellers who used to serve rural areas have closed down; they could not survive without the educational business. The lack of a suitable distribution channel has to some extent constrained publishers from branching out into indigenous-language publishing.

- *Library system*. The potential of the library system is underutilised – it could serve as a distribution channel for indigenous-language content, and help to increase print runs and reduce the risk associated with publishing new books.

Other issues which are often flagged as affecting the cost of books are paper pricing and VAT on books. The removal of VAT from books is often seen as a relatively simple way to reduce the cost of books. A study of the price sensitivity of books is needed before a convincing argument can be made for the removal of VAT from books.

2.7 Research report on book development internationally

This report aimed to identify and elaborate on the initiatives employed internationally to assist the SABDC in the development of an implementation plan for the Draft National Book Policy. It furthermore aimed to identify best practice guidelines that can be implemented in South Africa.

The report includes book development across ten countries. Book development primarily takes place in developing countries, where strong, financially viable indigenous book publishing does not exist, but some developed countries also need to grow their indigenous book sectors, as strong influences of the US and UK are present there.

2.8 Draft National Book Development Plan

The Draft National Book Development Plan serves as a dedicated plan to grow and develop local book-publishing in South Africa. Its aim is to outline the interventions to be implemented to achieve the objectives of the Draft National Book Policy.

The National Book Development Plan is guided by the expansion of local and international demand that will be stimulated through the increased investment into the book sector as strategically important in South Africa.

There are four priority programmes within the above book development plan.

2.8.1 Indigenous-Languages Publishing Programme

This programme subsidises book publishers to produce indigenous-language content and can be expanded to publish new content so that the sector better meets the needs of all South Africans. Here Small, Medium and Micro Enterprises (SMMEs), excluding foreign-owned publishing houses, are subsidised. The criteria are developed in such a way that the local industry benefits, e.g. printing must be done locally and only local paper may be used. Preference is given to black-owned enterprises and black authors to address issues of transformation.

2.8.2 Transformation Charter

This charter framework is an integrated, coordinated approach to transformation, which is collectively defined. Once these definitions are agreed upon, targets can be set by industry and the Government to guide transformation in the sector.

2.8.3 National Book Week

This is a coordinated strategy to expand the reading market in South Africa. It aims to provide an overarching platform to get more people reading, but also to align reading promotion initiatives to a national vision and co-operation.

2.8.4 Export Programme

This programme focuses on developing export markets for South African content. It will be designed to facilitate South African-owned publishers' access to international markets through creating marketing opportunities and capacity-building in export development.

2.9 PASA Snapshot Surveys 2003-2008

PASA, the SABDC and the DAC collaborated to implement an annual industry survey. The survey was first conducted in 2003, collecting data for the 2002 year.

2.9.1 Net turnover

The net turnover for publishing in 2008 was R3.457 billion. Large publishers account for about 87% of the turnover. [13]

Table 2: Net turnover for publishing in 2008

Publisher size/Subsector	Large publisher	Medium publisher	Small publisher
Total Output %	86.73%	12.82%	0.45%
Rand value	R2.99 billion	R443.3 million	R15.7 million

[13] Galloway, F, and Struik, W, Annual Book Publishing Survey Report 2008, (Pretoria, University of Pretoria, 2009

2.9.2 Royalties earned per annum

Royalties earned by local authors in the same year amounted to R280 million. 17,242 authors or other parties received royalties. Below is a breakdown of royalties earned according to race and subsector

Table 3: Royalty profile 2008

Race/Subsector	Black	White
All subsectors	29.33%	70.67%
Trade/General books	5.90%	94.1%
Academic books	14.65%	85.35%
Education textbooks	42.79%	57.21%

2.9.3 Turnover according to language for all local book sales

Table 4: Turnover of books according to local languages

Language/Subsector	African languages	English	Afrikaans
Total output	12%	72%	16%

Indicators included in the study are turnover, employment, authors, title production and language. The study is currently the only reliable source and is an impressive mapping tool for the sector. A similar study is also conducted by SABA.

2.9.4 Broad trends in publishing 2008 to 2010

The following table indicates product sales in publishing across three years, i.e. 2008 to 2010.

Table 5: Total income by product category: All subsectors

All products and services	2008	2009	2010
Local sales of locally published books	R 2,340,693,000	R 2,033,272,000	R 1,959,689,000
% Annual growth/decline		*-13.1%*	*-3.6%*
Local sales of imported books	R 734,437,000	R 688,490,000	R 715,199,000
% Annual growth/decline		*-6.3%*	*3.9%*
Local sales of electronic books	R 939,000	R 1,018,000	R 1,253,000
% Annual growth/decline		*8.4%*	*23.1%*
Local sales of non-book products	R 38,291,000	R 24,590,000	R 32,787,000
% Annual growth/decline		*35.8%*	*33.3%*

Total local sales of products	**R 3,114,360,000**	**R 2,747,370,000**	**R 2,708,928,000**
% Annual growth/decline		*11.8%*	*1.4%*
Export of products	R 29,663,000	R 73,335,000	R 75,478,000
% Annual growth/decline		*147.2%*	*2.9%*
Local sales of rights	R 3,962,000	R 1,333,000	R 1,530,000
% Annual growth/decline		*-66.4%*	*14.8%*
Export sales of rights	R 3,895,000	R 1,567,000	R 1,258,000
% Annual growth/decline		*-59.8%*	*-19.7%*
Other book-related income	R 82,272,000	R 103,238,000	R 125,780,000
% Annual growth/decline		*25.5%*	*21.8%*
Total income	**R 3,234,152,000**	**R 2,926,843,000**	**R 2,912,974,000**
% Annual growth/decline		*-9.5%*	*-0.5%*

- There was a decline in total income of 9.5% between 2008 and 2009, while 2009 to 2010 saw a 0.5% decline
- Income derived from locally produced books declined by 13% in 2009 and 3.6% in 2010
- The increase in exports was mainly due to sales of educational books to neighbouring countries.

Table 6: Total income by product category: Education subsector

	2008	**2009**	**2010**
Local sales of locally published books	R 1,621,786,000	R 1,308,297,000	R 1,202,939,000
% Annual growth/decline		*-19.3%*	*-8.1%*
Local sales of imported books	R 101,034,000	R 89,918,000	R 105,565,000
% Annual growth/decline		*-11.0%*	*17.4%*
Local sales of electronic books	R 830,000	R 1,018,000	R 1,151,000
% Annual growth/decline		*22.7%*	*13.1%*
Local sales of non-book products	R 21,535,000	R 11,882,000	R 23,975,000
% Annual growth/decline		*-44.8%*	*101.8%*
Total local sales of products	**R 1,745,185,000**	**R 1,411,115,000**	**R 1,333,630,000**

- During 2008 the implementation of the NCS school curriculum was completed, with the supply of new textbooks for Grades 9 and 12. The result was a significant drop in sales of school textbooks.

Table 7: Turnover of local books by language: General trade fiction

General trade: Non-fiction	2008	2009	2010
Turnover of local fiction: English	R 27,310,000	R 24,439,000	R 18,821,000
% Growth/decline		*-10.5%*	*-23.0%*
Turnover of local fiction: Afrikaans	R 63,801,000	R 73,156,000	R 71,560,000
% Growth/decline		*14.7%*	*-2.2%*
Turnover of local fiction: African languages	R 549,000	R 937,000	R 672,000
% Growth/decline		*70.7%*	*-28.3%*
Turnover of local fiction: All languages	R 91,660,000	R 98,532,000	R 91,053,000
% Growth/decline		*7.5%*	*-7.6%*
Market share: English fiction	29.8%	24.8%	20.7%
Market share: Afrikaans fiction	69.6%	74.2%	78.6%
Market share: African-languages fiction	0.6%	1.0%	0.7%

Number of authors receiving royalties	2008	2009	2010
Individual authors	14,928	13,170	14,227
% Growth / decline		*-11.8%*	*8.0%*
Estates, etc.	926	954	1,057
% Growth / decline		*3.0%*	*10.8%*

- 2009 saw a decline in authors earning royalties, while 2010 showed an increase.

Total local production	2008	2009	2010
Total number of new editions	3,839	3,270	3,592
% Growth / decline		*-14.8%*	*9.8%*
Total number of reprints	8,586	5,785	7,289
% Growth / decline		*-32.6%*	*26.0%*

- Although title production increased in 2010, turnover did not.

Total employment by sub-sector	2008	2010
General trade	431	413
% Growth / decline		*-4.2%*
Religious trade	335	380
% Growth / decline		*13.4%*
Education	871	730
% Growth / decline		*-16.2%*
Academic	690	647
% Growth / decline		*-6.2%*
All sub-sectors	2,327	2,170
% Growth / decline		*-6.7%*

- There has been an overall decline, in total a 6.7% decline in employment in the sector.

All employees	2008	2010
Black male employees	473	423
% Growth / decline		*-10.6%*
Black female employees	857	717
% Growth / decline		*-16.3%*
White male employees	261	278
% Growth / decline		*6.5%*
White female employees	736	753
% Growth / decline		*2.3%*
All employees	2,327	2,171
% Growth / decline		*-6.7%*
Contribution to total employment		
Black male employees	20%	19%
Black female employees	37%	33%
White male employees	11%	13%
White female employees	32%	35%

- The largest decline in employment was recorded among black female employees, followed by black male employees. This could be attributed to the greater loss in positions in the education subsector, which employs relatively more black employees than other subsectors.

2.10 SABA booksellers surveys 2006, 2008

A survey similar to the publishers' survey was started only in 2006. Two annual studies were completed, one in 2006 and one in 2008.

Indicators in this study include turnover, bookshops per province, client base and institutional procurement.
The data below pertain to 2008.

2.10.1 Net turnover for bookselling

The net turnover for bookselling in 2008 was R2.09 billion.[14]

[14] Struik, Willem, Book Retail Industry Survey 2008 Report, (Pretoria, University of Pretoria, 2009)

Table 8 Total net turnover per industry subsector

Trade	R1,468,407,021	70.4%
Educational	R130,722,680	6.3%
Academic	R486,035,642	23.3%
TOTAL	R2,086,093,345	100%

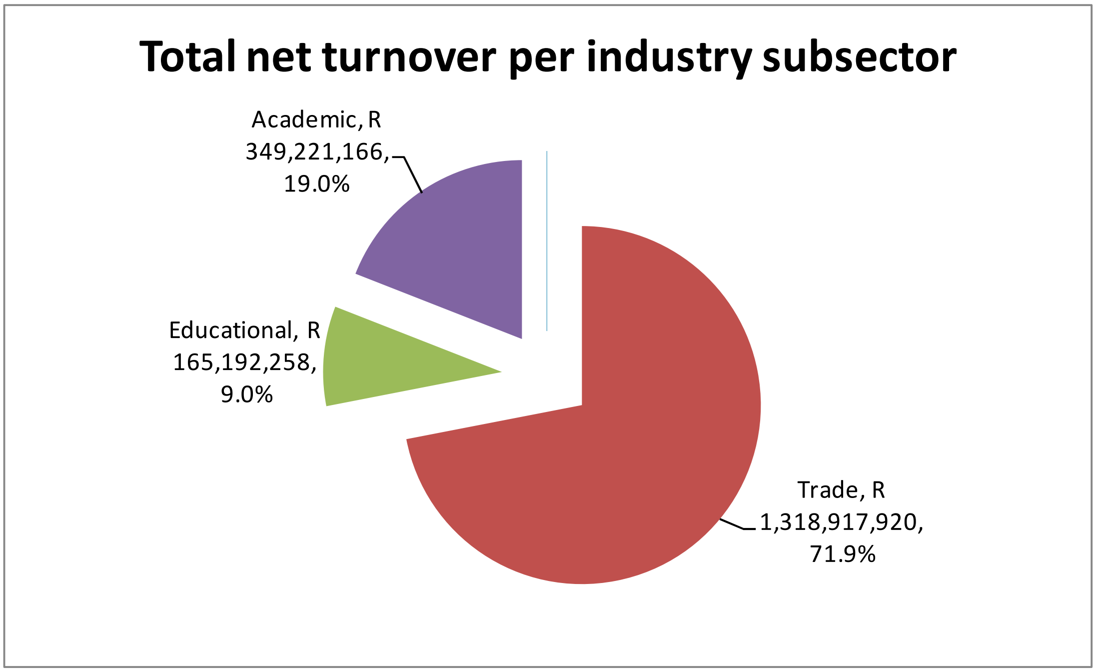


Figure 1: Total net turnover per industry subsector

There are 518 bookshops in South Africa. Below is a breakdown per province.

2.10.2 Number of bookshops in South Africa

Table 9: Total number of bookshops per province

Province	**Number**
Western Cape	146
Eastern Cape	33
KwaZulu-Natal	65
Northern Cape	9
Free State	20
North West	21
Gauteng	180
Mpumalanga	27
Limpopo	17
TOTAL	518

More than half of all the bookshops in the country (326 out of 518) are in Gauteng and the Western Cape, followed by KwaZulu-Natal.

The least-developed book retailing provinces are the Northern Cape and Limpopo.

2.11 Findings

2.11.1 Since 1994, there have been a number of important initiatives to highlight the significance of the book sector and develop the necessary policies to spur growth in the sector. Key stakeholders have been consulted on current policy documents and these documents now only require the necessary government processes. Lack of government support and an inability to implement some of the policy documents have left the sector with inadequate support and funding to meet the needs of all South Africans.

2.11.2 Data for publishing shows a steady decline in income and employment from 2008 to 2010. More specifically, the greater loss of employment was encountered in the black female and black male racial groups. With this sector declining, a concomitant decline in knowledge production in South Africa will occur. This does not bode well for important government initiatives like the New Growth Path and Mzansi's Golden Economy.

2.11.3. The book sector remains a very skewed industry, serving only a small percentage of the population. Implementing the policy documents put forward by the SABDC will address this issue.

2.11.4 There is a significant amount of research available, and with the corresponding policy documents progress to increase access to books can be done in a relatively short time.

2.11.5 The BDCSA, the CIGS Report and policy documents of the SABDC, all call for the establishment of a dedicated national body to implement coordinated strategies in the book sector.

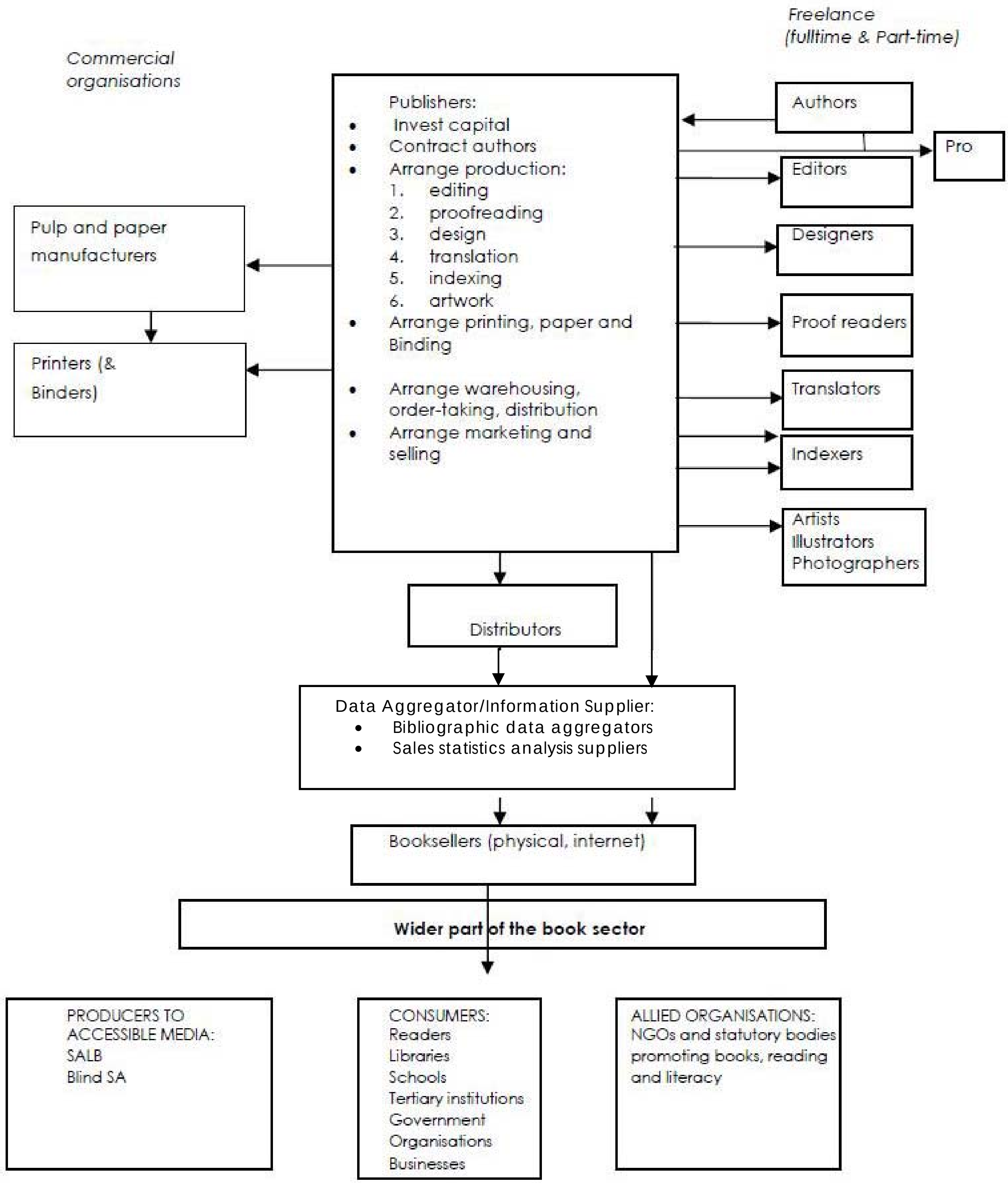
2.12 Recommendations

2.12.1 The establishment of a national statutory body to serve as the coordinating and planning institution for the book sector
2.12.2 The DAC prioritise the book sector and implement a revised Draft National Book Policy and corresponding policy documents

3 Composition of the book sector

As a producer of material, the publishing industry is at the centre of a network of related industries, such as paper manufacturers, printers, bookbinders, typesetters, booksellers, distributors, authors, editors, indexers, translators, artists, and designers – referred to as the "book chain". The "book sector" is the wider network of all and everything to do with books, focusing on the interdependence and interrelatedness of all aspects of book production and consumption, and covering individual readers, libraries, NGOs, commercial organisations, and government departments.

Book Chain



Commercial organisations
Freelance (fulltime & Part-time)
Publishers:
Invest capital
Contract authors
Arrange production:
1. editing
2. proofreading
3. design
4. translation
5. indexing
6. artwork
Arrange printing, paper and Binding
Arrange warehousing, order-taking, distribution
Arrange marketing and selling
Pulp and paper manufacturers
Printers (& Binders)
Authors
Pro
Editors
Designers
Proof readers
Translators
Indexers
Artists
Illustrators
Photographers
Distributors
Data Aggregator/Information Supplier:
Bibliographic data aggregators
Sales statistics analysis suppliers
Booksellers (physical, internet)
Wider part of the book sector
PRODUCERS TO ACCESSIBLE MEDIA:
SALB
Blind SA
CONSUMERS:
Readers
Libraries
Schools
Tertiary institutions
Government
Organisations
Businesses
ALLIED ORGANISATIONS:
NGOs and statutory bodies promoting books, reading and literacy

Figure 2: The book chain in South Africa

3.1 Commercial organizations within the book chain

3.1.1 Paper manufacturers

South Africa has a well-established, organised pulp and paper manufacturing sector. Its representative trade association, Paper Manufacturers' Association of South Africa PAMSA, estimates that there are roughly four large, four medium-sized, and around 50 SMMEs in the sector, with 13,500 employees.

Valued at R6.5 billion in 2006,[15] the sector includes the manufacture of recycled paper, pulp, board and tissue products, and is based on three paper grades: printing and writing grades (for newspapers, magazines, journals, maps, posters, catalogues, brochures, stationery, diaries, business forms, directories, books), packaging grades, and tissue grades. Only a very small proportion of the paper produced is used for books, so this is not an industry dependent on the book sector.

Roughly 12% of the revenue derived fror ook is spent on paper (in black-and-white books), so it is possi to make a very crude estimate of the cost of the book pa sector based on the turnover of R2.445 billion[16] for locally pul ed books at R200-R293 million. At least two large publishers print hore, and some locally published books are printed on importe paper, so the lower figure is probabl aper at 3% of the industry's r

Data Aggregator/Information Supplier:

- Bibliographic data aggregators
- Sales statistics analysis suppliers

Only the b tly from the paper manufacturers. The majority of printers purchase their paper from paper merchants such as Antalis Paper, Paperlink and Peters Papers, that source their paper from the cheapest local or international source.[17]

3.1.2 Printers

The printing industry, represented by the Print Industries Federation of South Africa (PIFSA), is estimated to have had turnover of R27.2 billion in 2008.[18] If turnover from the majority of digital printers and flexible packaging were included, the turnover would probably be double the PIFSA figure. According to PIFSA, there are about 2,000 printers in South Africa, the majority being SMMEs, and a further one thousand suppliers to the trade providing pre-press, post-press, and

[15] PAMSA, *Paper…the power to move you: A perspective on South Africa,* undated

[16] Galloway and Struik, 2009

[17] South African Book Development Council & Genesis Analytics, *The Factors Influencing the Cost of Books in South Africa*, (Cape Town, SABDC, 2007)

[18] Business MarkeFigure 2; The t Intelligence, "The State of Printing", Printing Industries Federation of South Africa.

supplies to the sector. Of the printers, 148 are listed in PIFSA as book printers, but this probably includes diaries and stationery, so the estimate is 50 book printers. Of these, 12 are listed as educational book printers. Employment in the printing sector is 39,818 people.

Roughly 9% of the revenue derived from a book is spent on printing (in black-and-white books), so it is possible to make a very crude estimate of the cost of the book-printing sector based on the turnover of R2.445 billion[19] for locally published books at R170-R220 million. At least two large publishers print offshore, so the lower figure is probably more realistic. This would put book printing at 6.25% of the industry's revenue. Again, this is not an industry heavily dependent on the book sector. Book printers do, however, feel the pressure of the South African book sales season (October to February), where most of their turnover is generated in a short, intense period of time, leaving machines and people relatively idle in other periods.

As a result of competition from book printers in Asia and the East, where the quality and service are good and the prices up to 30% lower, the printing industries in Europe and the UK have more or less disappeared. South African book printers have felt the competition, but for the moment they remain competitive in black-and-white work, and in rapid turnaround times that do not include six to twelve weeks for shipping for overseas printing.

3.1.3 Publishers

3.1.3.1 Mainstream publishers

In South Africa, although there had been occasional local publishing from the nineteenth century onwards, a local publishing industry only really began to develop after 1945. From having been almost entirely a net importer, by 2008 the industry had grown to such an extent that 78% of publishers' current turnover was derived from local publishing, and only 22% from imported books.[20] Its main trade association, PASA, has 140 members, of whom 86.4% fall into the SMME category (July 2009-June 2010).[21] (Annual subscriptions to the Association are based on turnover bands. The total membership of 163 includes 23 associate members, who are associated with the industry but are not full members.)

[19] Galloway and Struik, 2009
[20] Galloway and Struik, 2009
[21] Figures for membership in each turnover band supplied by Dudley Schroeder, Executive Director of the Publishers' Association of South Africa, July 2009

Table 10: SMMEs in Publishing

DTI definition	PASA turnover band	No. of publishers
Micro (under R300,000)	A: 0 – R149,000 B: R150,000 – R499,000	75 (53.6%)
Small (R300,001-R6 million)	C: R500,000 – R999,000 D: R1,000,000 – R2,999,000 E: R3,000,000 – R4,999,000	39 (27.8%)
Medium (R6 million- R20 million)	F: R5,000,000 – R7,499,000 G: R7,500, 000 – R9, 999,000 H: R10,000,000 – R19,999,000	7 (5.0%)
TOTAL		**121 (86.4%)**

A smaller trade association, the African Publishers' Association (APA) has emerged in recent years. The membership size is not known, but there is considerable overlap of membership with PASA.

The South African publishing industry is also the largest publishing industry in Africa, sustaining a vibrant general-books sector and an academic sector – which is not the case in the rest of Africa, where existing publishing industries are largely educational publishing industries.

The *Annual Book Publishing Industry Survey Report 2008*[22] gives the total net turnover (excluding VAT and booksellers' discount) of the South African book publishing industry as R3.457 billion in 2007, the total full-time employees as 2,480 and freelancers (editors, proofreaders, designers, illustrators, indexers, translators),[23] who work full-time on publishing work, as an estimated 3,000. Of the full-time employees 54% are black, 67% female.

The breakdown of the various subsectors of the industry is shown in the table below. The educational sector (schools, FET colleges and ABET) accounts for half the revenue and 76% of the volume of books. Just under a third of the trade sector's turnover and titles comes from religious books: new trade fiction and non-fiction accounted for 1,073 titles. Academic is the smallest sector, with lower volumes but higher prices.

Table 11: Turnover per subsector in publishing

Sector	Revenue	%	No. of new titles annually	%	Total titles, including reprints	%	Employment	%
Education	1,792,677,535	50.64%	3,042	60%	11,213	76.4%	943	38%
Academic	564,125,186	18.96%	297	6%	716	4.5%	632	26%
Trade	1,101,174,124	30.40%	1,751	34%	2,749	18.7%	905	36%
TOTAL	**3,457,976,845**		**5,090**		**14,678**		**2,480**	

In terms of competition, academic publishing faces competition from USA and UK textbooks produced for a high print-run global

[22] Galloway and Struik, 2009
[23] This estimate is the consultant's own

market, but this is also dependent on the strength of the rand. A weak rand makes local prices more attractive than prices of imports; a strong rand makes imports attractive.

Trade publishing faces competition from overseas fiction and non-fiction, but manages to survive in the niche for South African-specific areas such as South African fiction, history, natural history, politics, socio-political commentary, biography.

Around the world educational publishing tends to be country-specific and locally published, since it is usually closely linked to a local curriculum. However, South African educational publishing faces competition from the Government itself in the form of state publishing. Although the survey does not track the source of funding, it is estimated that in educational publishing roughly 80% of the source of funding for books in schools is the Government (Section 20 schools and/or schools falling into quintiles 1-3; i.e. the poorer schools which cannot charge school fees); and 20% of the funding is derived from school fees and/or parents. State publishing, therefore, would have the net effect of wiping out roughly R1,434,142,028 and reducing the industry as a whole.

In her discussion paper for the World Bank,[24] Barbara Searle notes that the effect of state publishing "on private publishers and booksellers, often inadequately attended to, is critical because in many developing countries textbooks provide the sales volume that supports what is usually a small market for general books".

As Brickhill says,

"In its broader scope, educational publishing offers opportunities for, and requires 'specialist' publishing in small quantities – supplementary books, library books, early-reading materials, national-language books, study guides, teachers' resource books, and books in non-core subject areas such as music and sports. These are the risky areas for publishers to invest in."[25]

Because educational publishing forms a relatively large part of the publishing industry, and cross-subsidises a great deal of risky, innovative or unprofitable publishing in the educational, trade, and academic sectors, closing down of the educational publishing industry would have a major effect on the other sectors. It is doubtful, for example, that the large publishing house Nasboek (now Via Afrika) would have supported its initially unprofitable and risky general fiction publishing division, Kwela Books, for as long as it did without having the "bread-and-butter" income of the educational publishing division.[26] Despite being unprofitable for roughly 10 years, Kwela Books has gone on to publish many new African voices, to develop new authors, and to win local and international prizes for many of its publications. Ironically, several of its books are now prescribed as literature in schools.

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[24] Searle, Barbara, 1985

[25] Brickhill, P, Chirwa, C, Lindahl, B, *Changing Public/Private Partnerships in the African Book Sector,* (Paris, ADEA, 2005)

[26] Personal communication with publisher Nelleke de Jager, Kwela Books, August 2009

Another trade fiction publisher[27] stated that only about half of their fiction broke even (i.e. covered production costs), but that the income from school prescriptions and overseas rights deals covered the costs of the unprofitable half, and allowed them to publish new and unknown authors.

Exports for South African publishers are extremely small, amounting to R41 million in 2007, which is 1.2% of the market. It is not known whether these exports were into Botswana, Lesotho, Swaziland, Lesotho – which is likely – or into the rest of Africa and the world.

It is not known what revenue is derived from overseas rights deals. As a marginal market in terms of the world's publishing industries, it is unlikely that South Africa will be able to compete with the large industries such as those of the USA and the UK which have access to economies of scale.

Domestic sales outlets for all publishers varied: national bookseller chains (29% of all turnover), independent booksellers, non-book retail outlets (e.g. garden centres, sports shops), wholesalers, Internet booksellers, book clubs (e.g. Leisure Books/Leserskring), corporation special sales, libraries and library suppliers, state and provincial department, schools, and school-book distributors.

3.1.3.2 Vanity publishers

A vanity publisher is a publishing house that charges the author to publish a book. Typically, their services are limited to taking the book through the production and printing process, but they do not usually market or distribute the book other than offering to "list" it where the consumer might see it. South Africa had one such publisher, which closed recently.

3.1.3.3 Self-publishers

A self-publisher is an author who publishes a book independently of an established third-party publisher. The author is responsible for the entire process including editing, layout and design, marketing and distribution of the book.

Despite a growing market as a result of the growth of the Internet, which enables a wider reach in marketing and sales, self-publishers are still very small in number in South Africa. Their primary barrier to entry is the lack of a sales and marketing infrastructure, particularly in reaching the bookshops around South Africa, as well as a warehousing and distribution infrastructure, with the result that they sometimes approach a distributor to perform this function.

[27] Personal communication - anonymity was requested

3.1.4 Distributors

Distributors represent overseas publishers that do not have a local presence, or local publishers that are too small to warrant maintaining a marketing and sales infrastructure, or a warehousing, order-taking and distribution infrastructure. Although there are a few small distributors, the most common pattern is that a medium to large publisher also acts as a distributor, thus making cost-effective use of their infrastructure in marketing, sales, warehousing and distribution. Because of this, distributors' turnover is included in the figures above for publishers' turnover, and they are members of PASA.

3.1.5 Booksellers

Initially sellers of imported books only (the earliest known bookshop, Juta, is thought to have opened in 1853), bookshops such as Juta and Van Schaik later diversified into local publishing before the more recent developments which separated the bookshop and publishing sides into separate companies occurred.

In 2007, the net turnover for the bookselling sector was R2.086 billion, deriving from 518 bookshops, the majority of which are SMMEs. (The figures for sales deriving from Edusolutions, the sole tenderer in four of the provinces, are not included, which is why educational booksellers' turnover is so low.) Booksellers are represented by the South African Bookselling Association (SABA). Employment figures are not known, but if each bookshop employed an average of five people, it would put the total employment figures at 5,180.

Table 12: Turnover for bookselling

Sector	Revenue in rands	%
Education	130,722,682	6.27%
Academic	486,035,642	23.31%
Religious	282,002,680	13.52%
Trade	1,186,404,341	56.90%
TOTAL	**2,086,093,345**	**100.00**

Traditional bookselling is the most vulnerable part of the book chain, under threat from e-retailing (competing with the giant Amazon as well as overseas and local e-booksellers), and the move by some provincial education departments to use a single tenderer to handle book distribution to Section 20 schools. Its fortunes are heavily dependent on those of the publishing sector, so that a downturn in educational publishing, for example, will have a concurrent impact on educational booksellers.

3.1.6 Authors

In 2007 16,262 authors and 980 estates of deceased authors received royalties amounting to R281 million.[28] (The figure for authors may be slightly overstated, as some authors are on the records of more than one publisher: these figures are based on publishers' collective royalty records.) As the average royalty per author based on these figures is R17,275 per annum, it is likely that the majority of the authors are in other full-time employment, or retired, and write in their leisure time.

The Academic and Non-fiction Authors' Association of South Africa (ANFASA) is the only national association of authors. There are a number of indigenous-language writers' guilds such as Moa ba Sesotho, Bhala and Usiba, which work towards developing writing in the indigenous languages, as well as informal writing groups.

Most writing and publishing are done in English (48% of new and revised editions in 2007, with Afrikaans following at 24%, and the nine African languages at 27%). Although this last figure seems high, a closer look at the figures reveals that it is nearly all for educational publishing, particularly in the Foundation Phase. This is an issue of demand rather than of supply.

3.1.7 Freelancers

This sector includes editors, proofreaders, typesetters, designers, illustrators, artists, photographers, indexers and translators. Freelancers are largely organised through the Association of Language and Media Practitioners (LAMP). LAMP, although a new body, is made up of long-standing organisations:

- the South African Translators' Institute (SATI) – in existence for 55 years;
- the Professional Editors' Group (PEG) – in existence for 21 years;
- the Southern African Freelancers' Association (Safrea) – in existence for 12 years;
- the Writers' Guild of South Africa (WGSA), in contrast, is the "youngster" in the alliance.

Unlike the industry associations composed largely of member companies, these associations consist of individuals, and tend to be less well funded and smaller in scope.

There are approximately 3,000 freelancers working in the publishing industry. Each book requires an editor and a proofreader, a designer, a typesetter, illustrators or graphic artists, and occasionally an indexer and a translator.

All publishers used to have a full complement of in-house editors and designers, but in the last 10 years, for reasons of cost and

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[28] Galloway and Struik, 2009

flexibility, nearly all these full-time positions were made redundant and freelancers were used. Some publishers still retain some of these in-house positions, but simultaneously make use of the large number of freelancers. The move coincided with the growth in technology which makes it easy to work from satellite offices or homes.

3.1.8 Data aggregator and book sales statistics services

Publications Network (Pty) Ltd as the only data aggregator in South Africa, supplies information on titles published and distributed in the South African book trade. The company collects data from about 1000 publishers and 500 distributors and disseminates to all booksellers and government. Publications Network has furthermore collected sales statistics for seven years and through its sales database is able to provide important information to industry and policy makers.

3.1.9 Reprographic Rights Organisations

A Reprographic Rights Organisation (RRO) administers various copyright aspects on behalf of authors and publishers, under contract with each. Its main areas of administration are reprographic reproduction rights (photocopying from published editions), public performance rights (including stage rights for book musicals and dramas) and reproduction rights (whether for publishing or copying) in works of visual art. South Africa's RRO is DALRO (Pty) Ltd (Dramatic, Artistic, and Literary Rights Organisation). It has reciprocal agreements with RROs in other parts of the world, and collects and administers rights income on behalf of their clients. DALRO also educates the public about copyright.

The Southern African Music Rights Organisation (SAMRO) is the music industry's equivalent.

3.2 Sector Education Training Authority (Seta)

There are a number of Setas responsible for skills development across the book value chain.

3.2.1 Culture, arts, tourism, hospitality and sports Seta

This Seta includes the writing (editing, etc.) and freelance subsector

3.2.2 Fibre, processing and manufacturing Seta

This Seta includes the paper-, printing- and publishing subsectors.

3.2.3 Public services Seta and local government Seta

These Setas include libraries, both provincial and local governments.

3.2.4 Wholesale and retail Seta

This Seta includes the bookselling subsector.

3.3 Consumers

Consumers of books tend to be viewed as separate entities within the book sector, but in reality they overlap and cross the apparent boundaries. For example, an adult may in one role be a secretary buying dictionaries for the office, in another a parent buying school books for her/his children, in another a reader borrowing books from the library or buying books from a bookshop. Consumers include:

- General Public as readers
- Schools through the consumption of learning and teaching support materials (LTSM)
- Tertiary institutions through academic texts
- Libraries as a major access point for books in South Africa
- Government, most specifically the Department of Basic Education
- Organisations and business as consumers of all kinds of books.

3.4 Organisations promoting books, literacy, and/or the protection of intellectual property

There are many organisations in South Africa that promote books, literacy, and/or the protection of intellectual property. Below are some of them.

National representative sector body

South African Book Development Council (SABDC)

Government

Centre for the Book (outreach project of the National Library of South Africa)

NGOs
Biblionef
Bookshelf Project
Early Learning Resource Unit
Educent
Equal Education
Family Literacy Project
International Board on Books for Young People
Literacy Ikhaya Trust
Little Hands Trust
Media in Education Trust
Molteno Project
Project Literacy
READ
Room to Read
Tape Aids for the Blind
The SHINE Centre (Support and Help in Education)
Wordworks Literacy Projects
New Readers Publishers

Some literary festivals and book fairs
National Book Week
Cape Town Book Fair
Jozi Book Fair
Soweto Children's Book Fair
Franschhoek Literary Festival
Open Book Literary Festival
Woordfees
Poetry Africa
Time of the Writer
Northern Cape Writer's Festival
Makufe Wordfest
Sol Plaatje Literary Festival
Mail & Guardian Literary Festival

Commercial organisations
The South African Federation against Copyright Theft (SAFACT)

3.5 Findings

3.5.1 Book production involves a complex chain of events. A number of critical and professional skills are evident, with a huge freelance community – such as editors, translators, authors, proofreaders, etc.– performing these critical tasks. The sector is well organised, which makes the implementation of strategic interventions easier.

3.5.2 There are a great number of SMMEs, freelance workers and authors in the industry. This is therefore an opportunity for entrepreneurship and SMME development with the growth of the book industry.

3.6 Recommendations

3.6.1 The DAC devise effective measures for support and development of professional associations, most specifically authors and the freelance community.

3.6.2 Entrepreneurship and skills development become key aims of the growth strategy.

4 Factors that create a sustainable book sector

4.1 Factors that create long-term growth and sustainability

The greater the book-buying population, the greater the economies of scale for a viable publishing industry and book sector. It is therefore in the interests of the entire book sector to promote reading of newspapers, magazines, and books. This involves several factors:

4.1.1 Reading environment

Reading is the basis for the existence of any book sector. It therefore is an important aspect of long-term growth and sustainability of the industry. Only 14% of South Africans are book readers, while only 1% is book buyers.

Low reading levels have far-reaching effects in a society. Children who do not read tend to find school and its literacy demands difficult, resulting in lack of confidence, poor school performance and failure to achieve formal and further qualifications, which means restricted job opportunities, and low income. When they then have children, they are unable to read to them and the cycle of deprivation continues. This has a major impact on the growth and development of a young democracy such as South Africa. Reading therefore underpins and contributes greatly to development.

4.1.2 Size and nature of the market

Directly following and directly dependent on the reading environment, are the size and the nature of the market. The larger the market, the more sustainable a book sector is, and the greater variety and diversity it will have. Sustainability also requires a publishing market that is not heavily dependent on government expenditure (educational publishing), but is sufficiently large to have vibrant trade and academic sectors.

The South African publishing industry remains, in international terms, a vulnerable industry.

Below is a comparison of five countries' populations and publishing industries.[29] (The rand equivalent of the revenue figures quoted was calculated on exchange rates on 22 September 2011.) South Africa's population is roughly 1/6th that of America's. If South Africa's ratio of

[29] These figures were taken from various sources: India: <http://prayatna.typepad.com>; USA: IBISWorld at www.ibisworld.com> and BookStats at www.bookstats.org; British Publishers' Association at www.publishers.org.uk; European Commission, *Publishing Market Watch, Sectoral Report 2: Book Publishing, A Market Analysis of UK Educational Publishing* at www.quarrell.demon.co.uk; Australia: Australian Bureau of Statistics at www.abs.gov.au, all accessed September 2011; South Africa: Galloway and Struik, 2009

publishing to population were similar to America's, its total industry size would be R37,951,250,000. In this scenario, its basic print runs might also be likely to be six times the current size in South Africa, i.e. 9,000 copies for fiction sales, or 18,000 for a bestseller. Print runs such as these reduce the print costs considerably, and therefore the selling price as well.

Table 13: Five countries' (including South Africa's) populations and publishing industries

Country	Population		Publishing industry size	Rand equivalent	Educational publishing (state spending)		No. of titles publish-ed annually	Empl-oyme nt	No. of publishe rs	Per capita spend (rand)
India	1,175,370,000	Rs	70,000,000,000	11,395,406,000	Not available		70,000		16,000	10
USA	308,333,000	$	30,361,000,000	227,707,500,000	5,500,000,000	18%	120,000	91,619	2,760	739
UK	62,041,000	£	3,053,000,000	36,636,000,000	228,975,000	7.5%	133,224	39,890		591
Australia	22,712,000	Aus$	1,560,600,000	12,484,800,000	Not available			5,300	246	550
SA	49,320,000	R	3,457,000,000	3,457,000,000	1,848,202,000	53%	5,090	2,480	140	70

4.1.3 Access to books through libraries, bookshops, and electronic means

If a country is poor, and its people are unable to afford to buy books, it is critical to have free public libraries where all can access books. For children who have no books at home, school libraries and public libraries are their only means of access to books. Reading lots of books is essential if they are to develop and practise literacy skills.

If a country is sufficiently affluent to buy books, then access to bookshops and e-retailers is important.

There are insufficient libraries and bookshops, whose geographical spread is concentrated in the urban areas. According to the Library and Information Services (LIS)Transformation Charter, there are 1, 800 libraries in South Africa[30] – 24 libraries per million people, or 25,000 people per library. This document provides an excellent summary of the library sector, and should be read in conjunction with this report.

Although the Education Laws and Amendments Act No. 31 of 2007 lists the availability of the library as a minimal national norm and standard for school infrastructure, only 7% of schools have a stocked library.

4.1.4 Protection of intellectual property

Protection of intellectual property is necessary to encourage innovation and creativity. Piracy needs to be eliminated, since it takes away the economic incentive for authors and publishers.

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[30] South Africa, Department of Arts and Culture & National Council for Library and Information Services, *The Library and Information Services Tranformation Charter,* July 2009, accessed at www.liasa.org.za, September 2011

The legislative environment can be considered to be in place: South Africa has been a signatory to most of the major copyright conventions, and has a copyright act.
Historically, intellectual property rights have generally been observed although there is an ongoing low-level problem with piracy. Of greater concern is widespread photocopying in the school and tertiary sector, limited only by the lack of funding for photocopiers in many schools. The efforts of PASA, working with some provincial education departments in conducting education campaigns around these issues have borne good fruit, as have the blanket licensing system negotiated between PASA and DALRO, and DALRO's subsequent agreements with tertiary institutions.

Enforcement has lagged behind, with only a few cases of copyright infringement going through the courts. However, a recent development is the creative industries' use of the South African Federation against Copyright Theft (SAFACT) to pursue and enforce compliance in cases of copyright infringement through the legal system.

4.1.5 High literacy levels and reading fluency levels

The higher the level of literacy in a country, the higher the level of book-reading and -buying.

South Africa has a nominally reasonable literacy rate (around 82%) [31] – in practice a very low one in terms of reading fluency and comprehension. The Progress in International Reading Literacy Study (PIRLS) assesses Grade 3 and Grade 6 learners' reading ability, specifically the process of comprehension through the ability to

- focus on and retrieve explicitly stated information;
- make straightforward inferences;
- interpret and integrate ideas and information;
- examine and evaluate content, language, and textual elements.

South Africa's 2011 results were not much of an improvement on the 2006 results: the average score for literacy at Grade 3 level was 35% and at Grade 6 level 28%.[32] These low levels of attainment do not improve as pupils move through the school system, but lead to high dropout rates and poor matric pass rates.

4.1.6 Good education levels

Poorly educated people will not only struggle to read but usually lack the general skills, general knowledge and reference points to make sense of the content of books. A population where a third of the adults have a tertiary qualification is more likely to be a reading population.

[31] South African Government, accessed at www.southafrica.info, September 2011
[32] South Africa, Department of Basic Education, accessed at www.education.gov.za, September 2011

The majority of the South African population have poor education levels. While 60% of whites over 20 years old and 40% of Indians have a high school or higher qualification, this figure is 14% among the black and 17% among the coloured population.[33]

4.1.7 Levels of affluence that make book buying affordable

For most people book buying is a discretionary activity, coming after food, rent, and the basics of living. Poor people living below the poverty line are unlikely to prioritise books.

There are numerous ways of establishing a poverty line, but according to the South African Treasury, 55% of South Africans live below the poverty line.[34] These high levels of poverty make book buying an unaffordable luxury for the majority of South Africans.

4.2 The role of the state

The role of the Government can best be explained through book development as it started in India.

India's first Prime Minister, Nehru, realised that along with scientific, technological and industrial advancement, equal emphasis should be placed on culture, the social development of the nation, and he felt that book reading must be widely propagated to develop in people an abiding interest to understand and appreciate the cultural and traditional heritage of the country. A great writer and lover of books, Nehru conceived the idea of setting up institutions which without bureaucratic controls and direction could work towards this cause. Thus institutions like Sahitya Akademy, Lalit Kala Akademi and the National Book Trust (NBT) came into being as autonomous organisations funded by the Government but with functional autonomy. (http://www.nbtindia.org.in/innerPage.aspx?aspxerrorpath=/NBTHistory.aspx)

This took place in 1957. Today India is the second largest book producer in the world. This also demonstrates that book development is a long-term intervention, and the sooner the South African Government implements policy in this regard, the sooner access to books can be increased.

Without adequate financial and legislative support from the Government it is extremely difficult to grow the industry. In countries – such as Canada, Greece and the Philippines – where the Government has enacted policy and provided financial backing, growth has been recorded.
Political will underpins government support. Below is an extract of the kinds of support other governments have made available to their book sectors over extended periods.

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[33] South African Government, accessed at www.southafrica.info September 2011
[34] South Africa, Treasury, accessed at www.treasury.gov.za, September 2011

Table 14: Book development internationally

PRIORITY	**INTERVENTION (HOW)**	**COUNTRY**
BOOK DEVELOPMENT PLAN OR POLICY This is a dedicated, integrated plan or policy developed to grow the book sector. It impacts across the value chain.	Book Industry Assistance Plan (2001)	Australia
	Book Publishing Industry Development Programme (1979)	Canada
	National Book Policy	Greece
	Book Publishing Industry Development Act (1995)	Philippines
LEGISLATION This is a policy or law specifically designed for a subsector(s)/a sector(s) in the value chain, or is a general policy applied to the book sector. Some of these laws/policies can also be seen as removing barriers to access for smaller players.	Public Lending Right	Australia
	Educational Lending Right	Australia
	Investment Canada Act	Canada
PRIORITY	INTERVENTION (HOW)	COUNTRY
	Book Importation Regulations	Canada
	Retail Price Law	Greece
	Import Policy	India
	National Textbook Publishing Policy	Kenya
	Nigerian Enterprises Promotion Decree	Nigeria
	Decentralisation of Instructional Material Project (DIMP)	Uganda

Government support and legislation create the longevity required for sustained book development. Funding for book development should be part of the responsible ministry/department's annual and medium-term budgets.

The Department of Education should also be involved in book development as it is a key consumer of books. Policies within education had positive effects on long-term book development as can be seen from the 2009[35] research on book development in Uganda, Philippines, Kenya, and Nigeria, etc.

Government has a major role to play in growing an informed reading public. Public/private partnerships represent the most constructive mechanism for developing the sector as quickly as possible, but public spending is the major lever for change in developing the market. Effective government action will, however, depend on interministerial co-operation in the formulation of the strategies necessary to transform the book industry from its present skewed nature into one that contributes

[35] Available on the South African Book Development Council (SABDC) website www.sabookcouncil.co.za

substantially to growth and development. Adoption of the Draft National Book Policy and the Draft National Book Development Plan is important to develop the sector.

There are a number of reasons why the Government should invest in the book publishing sector:

Educational text

Books remain a primary instruction tool in the primary and secondary schooling system and are universally recognised as the most important and effective educational resource after the teacher. Books are the main source of information for both teachers and learners.

Literature development

Literature development can be defined as the area of work or activity that develops reading-, writing- and literature audiences. This includes running a literature agency; independent publishing; running creative writing workshops or projects; teaching or lecturing in creative writing or literature; commercial publishing; working for a library service; managing a literature festival; producing, curating or programming literature events; working in a specialist area linked to literature/arts practice such as regeneration; running a literature department or company; working as a freelancer and/or managing a varied portfolio freelance career; and running a small creative business in literature.

The Government plays a major role in creating a condusive environment to achieve this.

Language development

The African languages did not have an opportunity to develop under the apartheid laws and it is important to develop literature in these languages. Government has to play a leading role in investing in these languages.

Library development

Public, community and school libraries remain the most accessible point for access to books and other reading material.

4.2.1 Legislation

No legislature pertaining to book development currently exists in South Africa. A Draft National Book Policy was submitted to the DAC in 2005, but it did not receive any further attention.

The following quotations highlight some relevant legislation and Government policy documents.

a. "Everyone has the right to freedom of expression, which includes freedom of the press and other media";
b. "freedom to receive or impart information or ideas";
c. "freedom of artistic creativity"; and
d. "academic freedom and freedom of scientific research".

(South African Constitution, Chapter Two, Section 16 (1))

"The cultural diversity is a major national asset. The RDP will support an arts and culture programme which will provide access to all and draw on the capacities of young and old in all communities to give creative expression to the diversity of our heritage and the promise of the future."

(White Paper on Reconstruction and Development, 1994)

"Our literature, the written record of our many languages, embodies a richness which sets us apart from other nations. Unsurprisingly, our policy views literature as an important component of the arts, culture and heritage. The Ministry aims to promote, develop and make accessible the rich and diverse traditions of all South African literatures in written and oral forms." (White Paper on Arts, Culture and Heritage, 1996)

The Pan South African Language Board (PANSALB) was established in terms of the Pan South African Language Board Act 59 of 1995, amended as PANSALB Amendment Act of 1999. It was established according to the Constitution of the Republic of South Africa (Act 106 of 1996) to

(a) promote, and create conditions for the development and use of official languages, the Khoi and San languages and sign language;

(b) promote and ensure respect for all languages commonly used by communities in South Africa, including German, Greek, Gujarati, Hindi, Portuguese, Tamil, Telegu, Urdu, as well as Arabic, Hebrew, Sanskrit, and other languages used for religious purposes in South Africa.

Below are some of government interventions to grow and develop book sectors:

4.2.2 Legislative and regulatory framework

In terms of policy, South Africa has the legislative and regulatory framework in place, but it falters in the area of implementation and interdepartmental co-ordination of policy, as well as in co-ordination among national, provincial departments and municipal authorities. The following are some of the areas that impact on the book sector.

• Copyright	Department of Trade and Industry
• Company law	Department of Trade and Industry
• Economic growth	Department of Trade and Industry
• SMME growth	Department of Trade and Industry
• Import duties	Department of Trade and Industry
• Trade fair assistance	Department of Trade and Industry
• Company tax	Department of Finance
• VAT	Department of Finance
• Foreign exchange	Department of Finance
• Labour laws	Department of Labour
• Rebates on training	Department of Labour
• Education	Department of Basic Education
• Higher Education	Department of Higher Education
• School libraries	Department of Basic Education

• School language policy	Department of Basic Education
• Public libraries	Department of Arts and Culture
• National Library of SA incl. Centre for the Book	Department of Arts and Culture
• SA Library for the Blind	Department of Arts and Culture
• Legal deposit libraries	Department of Arts and Culture
• National language policy	Department of Arts and Culture
• Pan SA Language Board	Department of Arts and Culture
• SA National Book Council	Department of Arts and Culture
• Publishing industry statistics	Department of Arts and Culture

4.3 Findings

4.3.1 Creating a reading culture has far-reaching effects, in terms of both empowering the nation and growing the market, leading to more books being sold, more jobs being created and higher turnover for the sector.

4.3.2 Governments around the world have played a leading role in developing their book sectors. Programmes implemented by these governments date as far back as 1957 in India, 1979 in Canada, etc. South Africa is therefore behind, but with the work already done by the sector and the DAC, great progress can be made in a relatively short period.

4.4 Recommendation

4.4.1 Conceptualisation and implementation of a national reading campaign which is responsive to the diverse needs and interests of the public.

5 The role of the educational publishing industry

Educational publishing is the backbone of the South African book sector.

In its narrowest sense, “educational publishing” produces materials for the school market, Grades R to 12, which include textbooks; workbooks; teachers’ guides; reading schemes; supplementary and reference material; dictionaries; encyclopaedias; atlases; wall charts; and literature – in print and in electronic form, in all 11 official languages. In practice, educational publishers produce a broader range of materials, such as study guides; home study material; children’s books; and teenage literature –, some of which are sold through the retail trade.

Producing a wide range of textbooks, supplementary reading books and library books in the delivery of quality education requires a vigorous and viable educational publishing industry. Good educational publishers develop good educational material. “Textbook publishing is complex and highly technical; … it requires professional competence in many specialities, and … developing a good textbook takes time.”[36] The skills to do so are developed over time, and are among the scarce skills in the country.

5.1 The size of the educational publishing industry

5.1.1 Turnover/revenue

The latest research figures for the industry contained in the *Annual Book Publishing Industry Survey Report 2008*[37] indicate that the net turnover of the publishing industry was R3.4 billion (after VAT and the booksellers’ discount), with the educational publishing industry forming R1.8 billion or 52.9% of this.[38] Nearly all of this turnover – 91.3% – is generated by local publishing. This constitutes expenditure of around R3 billion on LTSM (including VAT and booksellers’ discount). (Although some of the figures include parental or school expenditure on books, for the purposes of this exercise, the figures are taken to be the cost of school supply.)

[36] UNESCO, 1997
[37] Galloway and Struik, 2009
[38] This is probably a more accurate figure than the education departments’ that tend to track budgets rather than actual expenditure, or who may be using rollover funds from the previous year, or who may include stationery in the textbook budget.

Table 15: LTSM expenditure

3,009,928,971	**Education expenditure on books/LTSM (education departments, parents, and schools)**
369,640,400	VAT of 14%
2,640,288,571	VAT-exclusive expenditure
792,086,571	Booksellers' discount of 30% on VAT-exclusive expenditure
1,848,202,000	**Total educational industry turnover (local and imports)**

Figures for 2009 and 2010 have not yet been published, but an informal survey conducted by PASA for the financial year April 2009 to March 2010 indicates that net expenditure has dropped by just over 20% compared with the 2008 figures.[39]

Using the 2010 enrolment figures for the education system of 12.2 million students, a crude per capita expenditure figure on LTSM averaged across the grades is R246 (VAT-inclusive). Even allowing for the minority of schools with good retention systems who would not necessarily replace all books each year, this suggests significant under-expenditure on LTSM.

5.1.2 Number of books published

Of the 14,678 editions published by the industry each year, 76% are published by the educational publishing industry.

Table 16: Number of books produced in educational publishing

Category	**All editions**	**First & new editions**	**Reprints**
Education: schools	9,983	2,648	7,335
Education: FET colleges	1,014	357	657
Education: ABET	216	37	179

5.2 Significant current factors in educational policy and practice that impact on educational publishing

5.2.1 School status: Section 20 or Section 21

Broadly speaking, Section 21 schools have the right to charge school fees and to manage their financial affairs. This financial independence correlates with independence in how they select, buy, and manage the LTSM they require. Teachers usually choose the books they wish to teach with, the school orders the books from the bookseller of their choice, and the school pays the invoices.

In most provinces, Section 20 schools may select and order books from an approved catalogue compiled by the provincial education department. The provincial education department

[39] Orenna Krut, "Overview of the South African Educational Publishing Sector", *Guide to Publishing in South Africa,* (Cape Town, PASA, 2011)

collates the school orders, appoints the tenderer(s) that will supply the books, and arranges for payment of the invoices.

Since the abandonment of the quintile system, which placed schools in quintiles which determined the size of their subsidy, two thirds of schools have been declared "no-fee" schools, which means that they are entirely dependent on the provincial education department for the funding to run the school, including LTSM.

5.2.2 Funding policies on LTSM, budgets and actual expenditure

The starting point for funding policies on LTSM is the ratio of personnel to non-personnel expenditure in the education budget. In allocating this expenditure, the National Norms and Standards for School Funding 2006[40] puts the desired ratio of personnel- to non-personnel expenditure at 80:20. The provincial education departments have managed to steadily reduce the percentage of personnel expenditure from 91% in 1998/99 to just over 76% in 2009/10,[41] which is a useful indicator of the space in the budget for items such as LTSM.

While the national department sets the norms and standards for education expenditure per capita, budgeting as well as expenditure is a provincial competence that requires a high level of co-ordination between the respective directors of curriculum development, finance, and procurement to ensure long-term – including any period of curriculum reform – sufficient funds to meet the LTSM needs of the curriculum and the procurement model chosen. This happens unevenly, and it is difficult for educational publishers to obtain long-term projections.

Although there is a commitment to a minimum "book bag" – providing each child with at least one book per subject per grade – this is not spelled out, nor directly related to the budgeting requirements. While the policy is admirable, the practice falls down in the retention of books, i.e. in the first year of any curriculum reform, there may be 100% supply of the necessary books, but in subsequent years the retention of the books in the system can fall to as low as 10%.

Despite money being earmarked for LTSM, in some schools these funds sometimes end up being used in other parts of the system, such as on photocopiers, stationery, or social events. Ring-fencing the budgets and monitoring expenditure would go some way towards redressing this.

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[40] South Africa, Department of Education, "National Norms and Standards for School Funding 2006", (Pretoria, DOE, 2006)

[41] South Africa, Department of Basic Education, *Macro Indicator Trends in Schooling: Summary Report 2011,* accessed at www.education.gov.za, August 2011

5.2.3 The LTSM approval system

An approved book system is a system in which an education department determines which books may be used in schools, basing their decisions on predetermined criteria. The list could be a limited list of a fixed number of titles or an ongoing open list that is expanded annually. The rationale for such a system is usually the alleged inability of teachers to choose appropriate books for use; occasionally it is cost- or administrative efficiency.

Prior to 1994, the 17 education departments had different systems, ranging from entirely open markets with no approved lists, to open-ended ongoing approved lists, to limited lists of six titles closed for eight years.

At the time of writing, the approval system is changing dramatically. Whereas seven of the nine provinces had had approval systems, a single national catalogue of eight core textbooks per subject per grade from which schools can choose books for use is now envisioned. The intention of the Department of Basic Education (DBE) is to choose the best eight textbooks for each grade and subject from the multitude available. (A national catalogue for prescribed books for Grades 10-12 was put into effect a few years ago.)

The effect on the educational publishing industry will be dramatic. Currently there are 88 educational publishers, of which only about 20 are foreseen to survive, resulting in a massive contraction of the industry with consequent losses of jobs and skills. While the revenue spent on books is unlikely to diminish, the same revenue spread among fewer publishers will have the net effect of concentrating wealth in the hands of a few. In the long run this will have a negative impact on educational quality, since there will be fewer publishers submitting books for future lists, and therefore fewer books for education departments to choose from.

At the time of writing, the national catalogues for Grade 10 and Grades 1-3 had been released. Most of the approved books belong to the large publishers, and it seems that the SMMEs – and in particular the small black publishers – had been eliminated. This will affect transformation in the industry.

The effect on schools is considerable, since a key professional decision, their responsibily and accountability, will have been more or less taken away from them. Although in the new national catalogue system teachers will have eight books from which to choose, these might not be the tried and tested courses with which they and their teaching practice are familiar, nor might the list of books meet the needs of a particular classroom.

5.2.4 The LTSM procurement and delivery system

Procurement consists of a number of processes:

- ordering books (teacher-/school level)
- collating orders (school-/district-/provincial level)
- calling for tenders, evaluating and awarding tenders (provincial level)
- checking of creditworthiness (bookseller-, publisher-, tenderer-, district-, provincial level)
- placing orders with publishers (bookseller-, tenderer level)
- receiving books from publishers and collating by school order (bookseller, tenderer level)
- physically delivering books to schools (bookseller-, tenderer level)
- payment of invoices (school-, bookseller-, district-, provincial level)
- monitoring, auditing and improving effectiveness of system used

At the time of writing, procurement is still a provincial competence. It has been mooted as a centralised national function, but there is no clarity yet on what is intended. Various models exist:

- Supply through booksellers
    - Bookseller of school's choice
    - Bookseller allocated to school by the department
- Supply through distributors on a tender basis
    - Supply through single tenderer
    - Supply through range of tenderers
- Direct supply from publisher to department: department distributes

In considering which model to use, and what trade-offs need to be made, the following factors should always be considered:

- Cost/price
- Service levels, professionalism and efficiency
- Generating employment, skills and promotion of SMMEs
- Ensuring long-term wider availability of books
- Corruption

Table 17: LTSM procurement and delivery systems

Process	*Advantages*	*Disadvantages*
Supply through booksellers	*Service:* Competition among booksellers for schools' business ensures that the level of service is professional and high, since schools have the freedom to move their custom if the service levels are not satisfactory. *Long-term availability of books:* The opportunities for business encourage a range of bookshops throughout the province, ensuring that there are points of access for books for neo-literates and book buyers. *Corruption* is minimised because the stakes are low, and any corruption is usually evident at such a low level. *Jobs and skills:* Having a range of bookshops encourages the employment of a large number of people, generating jobs, teaching skills through the creation of SMMEs.	*Cost:* The usual discount on educational books from publisher to bookseller is 30%, which is necessary for the bookseller to run a sustainable business (covering overheads such as salaries, rent, stockholding, sales force). Since booksellers usually give schools a discount of 7½%-10%, the real cost is 20%-22½%
Supply through tenderers – in some provinces a single agency secures the tender to supply materials to the whole province.	*Cost:* Competition among the tenderers to get the business results in higher discounts in the order of 19%-29½%. *Jobs:* Because tenders tend to be short-term, short-term jobs are created; skills are not developed In some provinces Single agency – it is easier to control the delivery to schools with one provider.	*Service:* No incentive to provide professional or efficient service once the tender has been won – short-term contracts tend to attract non-professional fly-by-night operators, such as hairdressers, funeral parlours *Long-term availability of books:* Not likely, since few are prepared to risk long-term investment in premises, staff, stock, and training *Skills & creation of sustainable SMMEs:* Not likely, since few are prepared to risk long-term investment in premises, staff, stock, and training *Corruption:* Attracts high levels of corruption because of the high stakes involved. This is more so when only one service provider is contracted for a province. No stockholding bookshops and permanent infrastructure for the industry are created.
Direct supply to the central department	*Cost:* The department saves 30% on the cost of books. *Control:* The department is entirely responsible for the delivery of books to schools. This involves human resources and transport costs, which are extra costs incurred.	*Service & efficiency:* To be cost-effective, the department needs to control the cost of distribution to fall within the 30% saving: this means establishing distribution facilities, accountability and management systems more skilled than those of

Process	*Advantages*	*Disadvantages*
		bookshops, i.e. comparable bulk warehousing, infrastructure, salaries, delivery fleet, overheads, etc. Monopolies seldom have the incentive to offer efficient or improved services, particularly under civil service conditions. *Employment, skills, creation of sustainable SMMEs:* Although it creates further employment in the civil service, it does not create large-scale employment, development of skills or sustainable SMMEs. *Long-term availability of books:* This system does not encourage the long-term availability of books and bookshops. *Corruption:* The high stakes are more likely to attract a high level of corruption.

5.2.5 LTSM payment systems

In general, where Section 21 schools are responsible for payment for LTSM, payment to booksellers and subsequently by booksellers to publishers is made reasonably promptly.

The performance across provinces varies, with some provinces taking up to 18 months to settle outstanding debt. This places a severe strain on all the suppliers in the book chain, particularly on the SMMEs, many of which end up being closed, and jobs and skills lost.

5.2.6 LTSM life cycles, purchase rates, and retention systems

In theory, school books are meant to last four years (i.e. to be replaced twice in an eight-year curriculum cycle). In practice, the pressure on price means that education departments are reluctant to pay for the factors that raise prices, such as hardcovers, threadsewn bindings and stronger paper. The major expense – as well as wastage – in the education system is the lack of proper retention systems for school textbooks the state pays for. No amount of cost-saving measures, for example, in the price of books, will be effective unless and until those books are retained and reused.

Apart from issues of non-issue and non-use (where books *are* available), the non-return of textbooks also has the effect of reducing the number of books available and therefore insidiously increasing the book-pupil ratio, which in turn has a negative impact on educational quality.

> The costly problem of non-retrieval of school-owned books and materials is compounded by the lack of accurate controls, the often difficult home conditions of learners – many of whom live in crowded places, with little space for books – and the movement of learners between schools. …The key is for each school to take stronger responsibility for the management of its assets, including learning and teaching materials. With retrieval rates in many schools as low as 50% (Cape Town Region, 2007), the annual cost to the education system is unacceptably high.[42]

The normal pattern for the purchase of textbooks is the following, with the assumption that most books will last four years in an eight-year curriculum cycle:

Year 1: 100% of student enrolment in the year of curriculum implementation

Year 2: 10% to account for additional enrolments, lost or damaged books

Year 3: 10% to account for greater quantities of lost or damaged books

Year 4: 10% to account for greater quantities of lost or damaged books

Year 5: 100% replacement or purchase of different books by the school

Year 6: 10% to account for additional enrolments, lost or damaged books

Year 7: 10% to account for greater quantities of lost or damaged books

Year 8: 10% to account for greater quantities of lost or damaged books

Year 9: New books on new or revised curriculum

[42] OECD, 2008

In other words, in an eight-year cycle, expenditure on textbooks should not exceed 260%. However, if 50% of books would not returned each year, an increasing shortfall would arise, resulting in poor teaching and learning. Alternatively, if the education departments replaced the missing books each year, 50% of the annual expenditure of R3 billion would merely go towards replacement costs: they would spend, or lose, R1.5 billion unnecessarily on books each year, less the expected 10% top-up, i.e. a loss of R1 billion annually.

The issue of schools without storage facilities would also need to be addressed, but this would be a one-off capital expense which would repay the long-term savings.

The impact of the availability or otherwise of books of educational quality is highlighted in the UNESCO report,[43] which points out that

> [t]he levels of available reading materials determine the kind of education a country is able to provide. When books and teachers' manuals are scarce, tuition is likely to be limited to rote memorization of simple, often inaccurate information, whereas it seems that where there is money for books and other kinds of learning materials, teachers are better qualified and use a range of educational approaches.

5.2.7 Curriculum reform cycles

A direct consequence of extensive curriculum revision is that new books are required throughout the school system, making existing stock redundant and incurring new development costs. In the last 17 years, South Africa has undergone two complete curriculum revisions, each lasting several years, and is about to undergo a third. These were Outcomes-Based Education in 1998 and the Revised National Curriculum Outcomes in 2003, with CAPS to follow in 2012. These revisions have resulted in considerable instability in the educational publishing sector. The announcement of all these changes has usually been done at exceptionally short notice, with insufficient time for curriculum writing, writing and publishing of textbooks, putting a strain on both human and financial resources. In addition, the frequent changes have meant continual new investment in books, with insufficient time to develop a profitable backlist and too much redundant stock having to be written off.

Most education systems seemingly plan for staggered revision of the curriculum every eight years, allowing smoothed curriculum implementation, smoothed submission and approval systems, and smoothed budgets and purchasing. Unexpected and last-minute decisions to revise curriculums are detrimental to long-term planning, cost and, ultimately, quality of books. In most education systems, the curriculum is subject to a regular eight-year cycle, with the various grades being implemented in staggered fashion, thus allowing sufficient time for effective curriculum writing, for publishers to develop material, and for LTSM expenditure to be smoothed out

[43] UNESCO, 1997

over the eight-year cycle. From a publishing point of view, this enables a smooth phasing of investment, overheads and turnover over the eight years, and a reasonable time to develop good quality books.

5.2.8 Language policy and medium of instruction: policy and practice

Current language policy in the education system allows parents to choose their children's language of instruction – the home language or a second language. In theory, therefore, any one of the 11 official languages could be the medium of instruction from Grade R to Grade 12, necessitating books to be published in this language for all subjects in all these grades. In practice, schools offering home-language instruction tend to do so only at Foundation Phase level (Grades 1-3), switching to English in the subsequent grades. (English-speaking and Afrikaans-speaking schools are an exception.) The implications for publishers are that there are such small sales for African-language publications from Intermediate Phase onwards that they are not economically viable to publish.

5.2.9 State publishing and/or monopolies

State publishing by the education department is the greatest threat to the educational publishing industry. This is already occurring in the development of workbooks for each learner in each subject in the Foundation Phase, for which R750 million was budgeted in 2011 by the DBE. The intention is to continue this through all the school grades.
Barbara Searle comments:

"Much of Africa today is moving towards a market economy, and in this context the monopoly textbook system is seen as an anomaly. Governments are also realizing that the absence of competition in the monopoly has led to inefficiency, low quality, pedagogical stagnation, and often corruption."[44]

In comparing the cost of commercially produced books versus state-produced books, the full cost of working capital and overheads (rent, electricity, telephone, ICT costs, salaries, on-costs, etc.) is seldom included in the state calculation, since these are often subsumed in other government expenditure. The figures are therefore usually distorted in favour of state publishing.

The second point is that while it is undeniable that a single print run of 1,200,000 copies (for a single-language Grade 1 book, for example) will be cheaper than 20 print runs of 60,000 copies each, issuing a single textbook is feasible only in a homogeneous single-language market, where resources, student language ability, and teacher proficiency are uniform throughout the system. This might well be the case in small-population countries such as New Zealand and Swaziland, but the South African education system is anything but homogeneous. Operating in 11 official languages, it has schools with widely differing resources, student language ability,

[44] Brickhill et al., 2005

and teacher proficiency, making it impossible to produce and issue a "one-size-fits all" textbook.

Offering a single product takes choice, relevance and accountability away from the consumer. A range of items – and therefore choice for the consumer – is invariably more expensive than supplying a single item. The fourth point is that monopolies may initially be cheaper but invariably become inefficient and more expensive without the incentive of genuine competition to keep prices down and quality high. This is particularly the case where the Government is both buyer and supplier, which is the case in state publishing.

One reason never given for embarking on state publishing is improving the quality of books available. There is general consensus that a strong publishing industry with a healthy degree of competition, operating in a free market system, produces books of high quality. In fact, the reason most often given for abandoning a system of state publishing is the poor quality of the books produced. In Malawi, for example, which has a state publishing system, donor agencies funding the system have expressed such unhappiness with the poor quality of the books that an assessment is currently being done to determine whether the system should continue.[45]

Cross-subsidisation is another issue in publishing. In educational publishing, learners' books cross-subsidise unprofitable teachers' guides; English-language print runs cross-subsidise small unprofitable African-language print runs; learners' books cross-subsidise potentially unprofitable literature that is not prescribed or children's books that are not bought in quantity.

5.2.10 School accountability

It is difficult to have both high centralisation and high decentralisation within the same system. One trend tends to reinforce the other. For example, it has proved difficult in South Africa to insist that schools and parents paying for their own books from school fees use only one book or select from a limited range of books. Similarly, in improving the quality of education by improving school management and teacher professionalism – which requires devolving decision-making and authority – it is contradictory to remove elements of decision-making and authority from schools and teachers, for example, in choosing the most appropriate textbooks for teaching.

In terms of the South African Schools Act, No. 84 of 1996, the principal and the school governing body are responsible for managing the school's assets (which includes textbooks) effectively. It is a welcome initiative that one of the performance

[45] Source who requested anonymity

measures on which principals will be assessed in future is their management of resources.[46]

5.2.11 School libraries

Only 7% of schools have school libraries and a further 13% have a room intended for library use that is not stocked.[47]

Although there have been five draft national school library policy documents since 1996, none have been implemented. The national school library unit needs to be re-established within the DBE to drive the policy processes and guide the provincial implementation.

5.3 Finding

5.3.1 The South African publishing industry remains reliant on educational publishing to a great extent. This means that some changes in the DBE's procurement policies and practices leave the industry very vulnerable, with some of them leading to the closure of publishing houses, bookshops, and having fewer authors and a smaller professional freelance community.

5.4 Recommendations

5.4.1 Given the economic, educational and cultural significance of the book sector, an interministerial committee consisting of DAC, DTI, DBE and DHE be established.

5.4.2 The timely provisioning of learning materials catering for learners with special needs should receive equal attention.

[46] Presidency of South Africa
[47] South Africa, Department of Basic Education, EMIS, 2007

6 Copyright and intellectual property in South Africa

6.1 Copyright

The Copyright Act of 1978, amended several times since then to accommodate various developments in the intellectual property realm, controls the use and distribution of works of the mind in South Africa. As South Africa is a signatory to the Berne Convention and the Trade-related Intellectual Property Rights Agreement (TRIPS), the use and the distribution of works of the mind have to be within the provisions of international law. There are many developments of a global nature in the book sector that have major implications for copyright and intellectual property. South Africa should therefore ideally adopt a more global approach to these developments, as the whole world is grappling with the same issues. These issues include developments in technology and the ever-increasing use of electronic content, demand for improved access to content by underserviced communities and greater desire by developing countries to fast-track development and benefit more from intellectual property. In addition to this, there is the ongoing problem of illegal copying and piracy.

6.2 Technological change and electronic content

The ever-increasing use of electronic digital content has opened up the world for consumers and creators. Today, anyone with the required means and knowledge can develop and make content public, while consumers can access unlimited amounts of content on various platforms, amongst others print and digital platforms – including the web and mobile platforms like the tablet and smartphones. This in many ways has allowed communities of creators and readers who just want to exchange content without commercial reward to do so. The concept of open-source resources is growing phenomenally. Commercial publishing and dissemination of content are only part of the dynamic mix. While in this mixed content world there is space for both free and commercially available content, pressure has been mounting for commercial publishers to justify their role and the need to protect their content. Technological gadgets have made it increasingly possible for hackers to access, alter and disseminate content, thereby undermining the legitimate commercial interests of publishers and creators.

With increasing options available to them, consumers are now in a position to demand content from creators and distributors in more and more flexible packaging. Publishers and booksellers are required more than ever, to come up with more flexible means of getting content to users. In the higher education sector we will soon be dealing with the concept of students licensed at a fairly large scale to copy texts or content for the duration of a module, compared to the traditional arrangement where whole printed books are sold to students. The roles of players in the content sector are becoming more and more fuzzy. Anyone can now play the role of publishers while publishers can also play non-traditional roles like lending and distribution through electronic means.

6.3 Technological change and information justice

In a world where there are major social movements, advocates of social change are looking closely at how technological innovations can be used to enhance information justice and access to knowledge and information. Exceptions for the visually impaired, and for education in the developing world are just some of the areas where policy makers are forced to look at the constraints that limit access to information. The whole concept of copyright has come under fire from many quarters, leading to in-depth discussions about possible amendments to copyright law. In South Africa there has also been pressure to ensure that the proceeds of the exploitation of intellectual property are more equitably distributed among stakeholders. While this may not sound like a copyright matter per se, attitudes towards copyright are shaped by perceptions of who the beneficiaries of intellectual property are . The DTI has recently set up a commission to look, among other issues, at the contractual arrangements between reproduction rights organisations and publishers in relation to what is received by authors. This might lead to new arrangements in the management and ownership of reproduction rights organisations.

The Traditional Knowledge Bill has also been passed amid widespread protests from creators and publishers. The Bill seeks to protect traditional knowledge through intellectual property systems. It also seeks to enable communities to protect and commercialise their traditional knowledge. The main concern around the Bill is how traditional knowledge will be identified and attributed to communities. Many copyright and IP experts do not see how the Bill can be implemented. They believe that a lot will be spent in the development of systems to implement it, which in the end will not benefit targeted communities. They also believe that the Bill will disrupt normal exploitation of traditional knowledge without creating any benefits for the intended communities.

6.4 Copyright and education in the developing world

The Africa Group, led by South Africa, has tabled some proposals for further copyright exceptions and exemptions for purposes of educational use in the developing world. These include use of copyright materials in education institutions and libraries. The implications of further exceptions for publishing in the developing world are far-reaching. This is particularly problematic at the stage where great strides have been made in the local production of textbooks and education materials and where the majority of all the materials used are produced locally. This is likely to undermine local creativity, publishing and dissemination of IP works. A global arrangement of different intellectual property laws and arrangements is simply inconceivable. The information needs of the developing world are related to lower production and dissemination and inadequate funding. Instead of exceptions that will further undermine local production and dissemination, the constraints should be managed through stimulation of content production and funding. There is a need for the establishment and management of clear fair use provisions, as existing law has not had the desired effect and has not created the necessary awareness and capacity for deserving users to exploit these provisions.

6.5 Digital content and access to information for the visually impaired

While the availability of digital content provides instantaneous access to information for the majority of the global population, the visually impaired do not enjoy the same advantage. Rights holders are concerned about the ease with which content can be pirated in digital space and as such have developed anti-circumvention devices to protect their rights. These same measures are a headache for communities that need to develop content for the visually impaired. The time it takes to get keys to enable them to access this content does not allow them to have access to content at the same rate as other users. National communities of the blind and World Blind Union have been working on the introduction of the treaty to enable them to have access to open files for the use of Visually Impaired Persons (VIPs). Rights holders who have had excellent collaboration with VIP communities in providing content for braille are concerned that such files can also be accessed by their traditional markets and as such may undermine their commercial interests. Rights holders have tried to argue that as in the analogue environment, where they have supplied files for content, they can work with VIP communities and supply such files through trusted intermediaries. They have tried to demonstrate the efficacy of this arrangement through the Trusted Intermediaries Global Access Resources (TIGAR), of which South Africa is one of the earliest participants. The World Blind Union has argued that the trusted intermediary requirement is a constraint that other users are not subjected to. Negotiations for a fair and effective arrangement are ongoing at the World Intellectual Property Organization (WIPO), but a treaty seems likely.

6.6 Illegal copying and piracy

While illegal copying is a problem that rights holders have been grappling with over time, piracy has become a major threat to the sustainable exploitation of IP by rights holders. Piracy has been increasing mainly for textbooks for higher education and further education and training with illegal copy shops being established in strategic positions to institutions of further and higher education. This for example has forced the Publishers Association to join the South African Federation against Copyright Theft (SAFACT). SAFACT has had major success through the use of the Counterfeit Goods Act. Prosecution under the Copyright Act has proved to be less effective as law enforcers do not seem to take copyright infringement seriously.

6.7 Findings

6.7.1 Technological advances are an opportunity to enhance access to information and knowledge by less privileged communities. A balanced way of doing this is increasing access to knowledge without threatening creativity and production.

6.7.2 Following this balanced approach, South Africa and the rest of the developing world should strive towards meeting their own content and knowledge needs for a more equitable knowledge exchange with the developed world. To this end, policy makers need a shift in perception from the developing world merely being a consumer of content generated from the West to today where the developing world is becoming a major player in content generation.This requires an environment conducive to furthering a healthy balance between the needs of creators and users.

6.8 Recommendations

6.8.1 An anti-piracy awareness campaign should be launched while advocating and facilitating licensing and other modes of access and fair use of copyright material.

6.8.2 A working group should be set up by the statutory body with the DTI, the DAC and other relevant organisations on IP and economic and social development within the framework of South Africa meeting its own content and knowledge needs.

6.8.3 Special arrangements are to be put in place for access to content in real time for the visually impaired with the aim of supporting the treaty currently being negotiated at the World Trade Organisation (WTO).

6.8.4 That the impact of new technologies on copyright and facilitating access be investigated.

6.8.5 The formatting of content for reproduction for the visually impaired be encouraged.

7 The role of Digital Technologies (also referred to as Information Communication Technology - ICT)

ICT can be defined as all the structures, physical and virtual, that make up meaningful interactions between entities. ICT consists of all technical means used to handle information and aid communication, including both computer and network hardware as well as necessary software. In other words, ICT consists of information technology (IT) as well as telephony, broadcast media, and all types of audio and video processing and transmission (http://en.wikipedia.org/wiki/Information_and_communication_technologies#cite_note-0).

ICT is an abbreviation that has become more and more synonymous with the World Wide Web (www) of the Internet, specifically in this context – ICT in terms of being the basic hard- and software that support a platform for social networks sometimes referred to as web 2.0. In the last quarter (Q4) of 2009, total unique monthly browsers, both domestic and international, increased 52% year on year to reach a remarkable 14.9 million. “This increase is indicative of the progressively central role that the internet plays in our daily lives,” said Karen Dempers, Head of Marketing for the OPA (http://www.dmma.co.za/news/huge-online-growth-recorded-for-final-quarter-of-2009-with-2010-set-to-break-even-more-records).

The entry of cellular phone technology has been even more profound than desktop Internet access – the telecommunication networks report 114% penetration into the SA market since inception. There are more SIM cards than there are people in the entire country. Cellular phone ownership showed exponential growth according to the National Census which shows a 226% increase between 2001 and 2007, as is seen from the figure below.

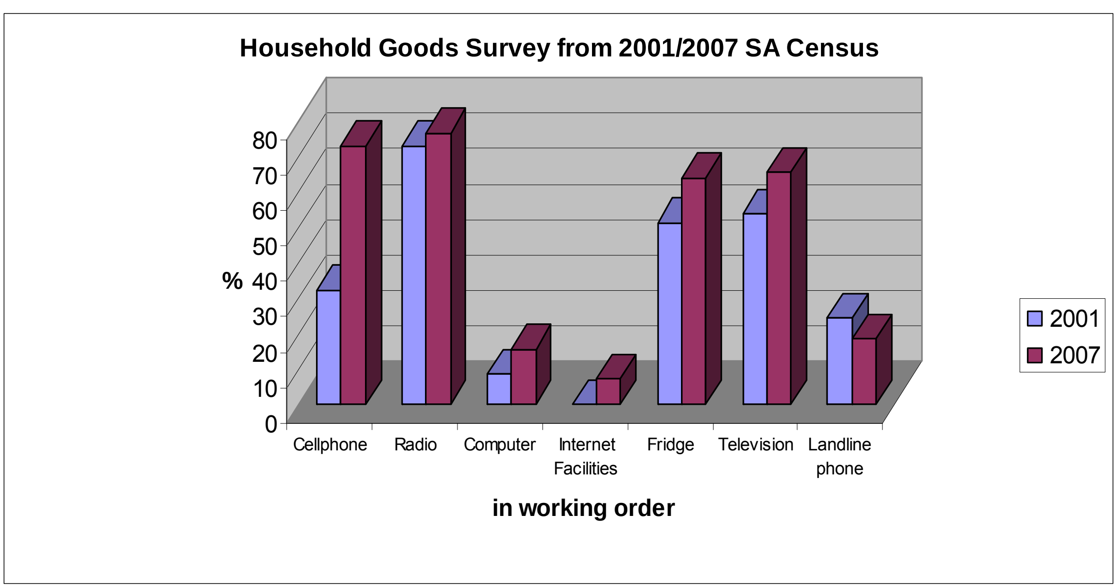

Figure 3: Household Goods Survey 2001/2007 SA Census

Mobile literacy has reached unprecedented levels and even spawned a new category in publishing, m-novels. Of relevance in South Africa is work done by projects such as m4Lit and yoza.mobi. The m4Lit (mobile phones for literacy) pilot project created a mobile novel (m-novel) and published it on a mobisite and on MXit to explore ways of supporting teen leisure reading and writing around fictional texts in South Africa, using mobile media.

The story, titled Kontax, was published in English and in isiXhosa. Readers were invited to interact with it as it unfolded – teens could discuss the unfolding plot, vote in polls, leave comments, and finally submit a written piece as part of a competition for story sequel ideas. The project aims to contribute to the understanding of mobile literacies, and teen reading and writing, using their mobile phones (http://www.shuttleworthfoundation.org/projects/m4lit/).

A number of e-reader devices have also come into existence over the past few years:

- Kindle from Amazon – Amazon's Kindle sales have overtaken its hardcover and softcover sales;
- iPads from Apple – Apple's iPad sales continue their breakneck run; full-colour tablet publishing
- Also on computers, laptops, netbooks
- Mobile phones
- Local e-readers are in production, as are local applications software (apps)

How has the book sector responded to the opportunities the Internet and cellphones are bringing?

Publishers' different experiences of ICT, particularly of e-publishing are portrayed well by the following views:

"The availability of new platforms doesn't mean that basic business principles change or that common sense and good business practice must be ignored or forgotten" (Eloise Wessels, CEO, NB Publishers).

"When it's ready, Paperight will turn anyone with a computer, printer and Internet connection into a print-on-demand. With Paperight, you'll be able to buy books you need from your local copy shop. You'll only pay for printing and a small rights fee for the book's publisher" (Arthur Atwell, Electric Book Works, http://ebw.co/ebw-projects/50-paperight).

The role of information and communication technology in the book publishing sector should be investigated taking the following critical issues into consideration:

- New opportunities and benefits offered by electronic media, especially for self-publishers and debut authors that can publish small print runs on demand
- The challenges posed by new media to traditional publishers
- Publishers' positioning to meet new challenges and opportunities
- Social networks that create new marketing avenues and opportunities but also create new understandings of the concept of publishing, i.e. "to make public" via e.g. blogs, i.e. moving more towards reader-controlled and -

generated content (see e.g. the Amanda Project (http://www.theamandaproject.com/about)).

- Direct online selling
- New publishing processes required by new technologies
- Whether to start small and move to bigger projects or whether to plan large-scale implementation before taking first steps
- Management of digital rights that are different from traditional intellectual rights and are still not clearly circumscribed
- Market preferences and requirements, i.e. readers' access to electronic readers and their preferences
- Finding reputable and trustworthy and above all affordable digital distributors
- Effective marketing strategies
- Negotiating transition from all-paper publishing to digital publishing while remaining profitable and viable during this transition.

Publishers now have to adapt much faster to deliver content in as many different formats as the market dictates. According to the table below, from the American Association of Publishers, e-book sales are continuing to grow year on year.

Table 17: e-book sales versus print book sales, USA, 2010-2011

Year	December 2011	December 2010	Percent change
Total trade	$545.1 million	$561.3 million	-2.9%
Adult hardcover	$130.3 million	$147.7 million	-11.8%
Adult paperback	$112.4 million	$127.6 million	-11.9%
E-Books (excludes religious)	$85.0 million	$49.4 million	+72.1%
Children's/YA hardcover	$67.1 million	$59.7 million	+12.3%
All religious (all formats)	$52.4 million	$50.8 million	+3.1%
Adult mass market	$33.8 million	$57.1 million	-40.9%
Downloaded audiobooks	$10.2 million	$8.7 million	+17.4%

http://www.mediabistro.com/ebooknewser/aap-reports-ebook-sales-up-72-in-december_b20563

The growth in the e-book market requires the South African book industry to redefine the book and the book value chain. Literary content now also requires digital delivery to the market, while the value chain needs to be expanded to include mobile networks, e-book aggregators and certain mobile content service providers.

7.1 Finding

7.1.1 South Africa's book sector needs assistance to fully exploit ITC to make its books more available and accessible. South Africa lags behind other countries in this regard. However, some of the subsectors have already made some progress.

7.2 Recommendations

7.2.1 A working group be set up by the statutory body to develop an ITC strategy for the sector to maximise opportunities to increase digital, electronic and corporeal access to books

7.2.2 Establish structures for re-skilling and skills development in book production.

8 Environmental considerations

Environmental considerations primarily pertain to the paper and the print industries. Both these industries have made considerable efforts to become environmentally friendly. Each will be discussed below, although there are some overlaps.

8.1 Paper

Forest and wood-fibre supply

Until recently, large areas of natural forests across the world have been harvested for pulp and solid wood products. But over the last 50 years or so, the global trend has been towards greater reliance on plantations or on intensively managed natural regeneration forests resembling plantations.

In South Africa, natural forests are not used for wood production, except under special circumstances in the southern Cape forests. Natural forests are extremely fragmented and cover only about 0.56% of the land surface of the country. Plantation forestry in South Africa has been practised for over 100 years, and today covers 1.8 million hectares, of which an area of 1.3 million hectares is under plantation trees and the balance (0.5 million hectares) is largely natural vegetation, which in many cases is managed for conservation purposes.

South Africa is renowned worldwide for its advanced forestry industry, as well as its proactive approach to sustainable forest management. It is therefore perhaps not surprising that over 80% of the country's plantation lands are certified by the Forest Stewardship Council (FSC) – an international NGO established to promote responsible management of the world's forests. FSC certification indicates that the forest or the product complies with the highest environmental and social standards in the market.

Pulp and paper manufacturing

Pulping of timber is a main source of the industry's pollutants.

Conventional pollutants in the effluents include biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), colour, chlorinated organics, and dioxins and furans. Considerable attention has focused on the environmental impact of traditional pulp bleaching, using chlorine gas, compared to 100% substitution by chlorine dioxide (ECF = elemental chlorine-free bleaching) or, alternatively, the elimination of chlorine in any form (TCF = totally chlorine free). The trend in South Africa is to move away from chlorine dioxide with both ECF and TCF mills now operating. The pulp mills in South Africa no longer use elemental chlorine in their bleaching processes. A number of the pulp and paper manufacturing operations have implemented measures to reduce air emissions from their operations, including flue gas desulphurisation as well as removal of particulate matter from the gas streams emitted.

Solid waste from the pulp and paper industry is generally classified as non-hazardous. Much of the waste can be reused, allowing the pulp and paper manufacturing operations to minimise the amount of solid waste that is landfilled.

Energy use per unit of output is declining as energy efficiency increases in the face of increasing energy costs. There is also a strong move towards the use of renewable energy and, while it is likely that coal will remain the main source of energy in the foreseeable future, some companies are vigorously pursuing their independence of the Eskom grid, and thus their dependence on coal-fired energy sources.

Consumption

South Africa's per capita consumption is still below 50 kg per person per year, while in developed countries, this can range between 200 to 300 kg per person per year. Clearly, with education and health requirements set to rise in South Africa, our per capita consumption is expected to rise. To address environmental concerns, independently certified labelling (eco-labelling) schemes for some types of paper products have been introduced in many countries. In South Africa, both major paper producers market FSC-certified printing papers, with other claims such as ECF bleaching or percentage of recycled fibre contained in the product, also included.

Carbon footprint

In addition to the industries' plantation forests acting as a carbon sink, up to 45% of paper is stored CO_2, which is not released until the paper biodegrades. As paper can be recycled up to 7 times, it is a truly sustainable medium. Finally, although today the book is arguably the CONTENT rather than the medium it has to be noted that a paper book has a much lower carbon footprint than an electronic version.
Sir Nicholas Stern, Head of the Government Economic Service in the United Kingdom (UK), released the Stern Review on the Economics of Climate Change in 2006. This review tackled the effects of climate change and global warming on the world economy. This 700-page document is the perfect example of paper and print having a lower carbon footprint, thus a less negative impact on the environment than electronic communications.

- **Printing the Stern Review** produces **85 grams of CO_2** (one copy can be read over and over again without further emissions).
- **Reading** the Stern Review **on a computer** for one hour produces **226 grams of CO_2** every time.
- **Burning** the Stern Review to **CD** is estimated to produce **300 grams of CO_2 for every copy,** while **burning** it to **DVD** is estimated to produces **350 grams of CO_2 for every copy.**

- Stern notes that sending 50 KB via e-mail causes the same emission as posting a 10 g item, with all its fossil fuel consumption in mail delivery, etc.
- The big difference is that reading an item on a computer releases green house gases at the rate of 3.8 grams of CO_2 per minute. Reading a piece of paper results in no emissions.
- Stern states that globally, industrial forestry, including the planting of new forests (reforestation), is estimated to result in the absorption annually of one billion tonnes of CO_2.

Procurement policies

Procurement standards have evolved over the years, with the emphasis firstly on the use of recycled paper, but with increasing emphasis on FSC-certified paper. Government procurement policies can play a major role in guiding consumers on environmentally "preferable" paper.

Despite the paper and packaging recycling efforts in South Africa being in excess of 50%, there is still room for improvement, with recycling targets currently being negotiated with the Government in terms of the new legislation.

8.2 Printing

8.2.1 Sustainable Green Printing Partnership

Best practices

PIFSA has arranged for environmental legislators to make site visits to printing companies to enable them to understand the production processes, use of chemicals and treatment of waste within their industries. They are also involved in drafting and implementing a National Waste Management Programme involving suppliers, producers, consumers, waste collectors and recyclers of all printed and packaging materials.

Printers are co-operating with manufacturers of recycled paper and board products to reduce waste through determining how they can be assisted with waste separation, sorting for de-inking and recycling, etc. PIFSA is also in discussions with international bodies to establish coordinated industry standards for reducing carbon footprints. Through their newsletters and workshops they promote environmental awareness; reduction of waste; correct waste separation; treatment and recycling, and the use of FSC-certified suppliers; sustainable forestry management; and environmentally friendly inks and chemicals.

The recycling efforts within the paper and printing industries, estimated at about 50%, puts South Africa in the top third of the world together with the USA and better than all South American countries.

Recyclers have spent R600 million on the recycling infrastructure in South Africa, and the paper industry has spent many billions on paper machines that use recycled paper

8.2.2 The Industry Waste Management Plan

These industries are involved in a process to manage waste and the following is underway:

- Gazetted instruction from the minister to proceed, having received a letter from the director general
- Participating in government project to develop National Waste Management Strategy
- Developing recycling targets for presentation to the Government
- The plan is expected to start in 2011 for five years to 2015
- PIFSA is in the process of adapting the various published guidelines and data to the South African context
- The South African guidelines will provide best practices for all printing processes and cover the entire chain from procurement and production to transportation of the finished products, taking into account current and proposed legislation.

8.3 Finding

8.3.1 The paper and printing sectors are doing great, world-class work with regard to their environmental considerations.

8.4 Recommendation

8.4.1 These subsectors are working with the relevant government departments and therefore no intervention by the DAC is required.

9 Stimulating growth in the South African book sector

This section of the report looks at intervention that will stimulate growth if implemented. It takes public submissions and research into account.

9.1 For immediate implementation

9.1.1 Establishment of SABDC as statutory body

The task team recommends that the SABDC be established as a statutory body to continue the work being done, with adequate support and resourcing from the DAC.

9.1.2 Approval of a national book policy

It is recommended that the draft national book policy submitted to the DAC, as consulted on with industry, is adopted as soon as possible.

9.1.3 Creation of Interministerial Committee for the book sector

It is recommended that a high-level committee on the book sector be formed with the DAC, the DTI and the DBE. The purpose would be to align departmental strategies and monitor results to ensure a book publishing sector that can meet the diverse needs of the population.

9.1.4 Establishment of adequately staffed and stocked public libraries

For detailed recommendations, see The Library and Information Services Transformation Charter. Expanding the network of public libraries would simultaneously help to improve literacy, develop a reading culture, and provide an incentive to the publishing industry to publish appropriate books. The intervention would benefit

- general literacy;
- a reading culture;
- employment (librarians and other library staff);
- all publishers (including indigenous-language publishers);
- all booksellers;
- universities offering librarianship training;
- builders (libraries).

9.1.5 Removal of VAT on books

VAT at 14% is currently charged on all books. This is a tax on knowledge, and is a disincentive to book buying. The removal of VAT will facilitate production of more affordable books.

9.1.6 Research and book sector statistics

More research is required, particularly on the international book sector, in order to assess the targets that South Africa should aim for.

This report illustrates once again the importance of funding of book sector statistical surveys. Without information, it is difficult to assess the current situation and to establish priorities.

9.1.7 Assistance in dealing with piracy and other copyright infringements

Piracy continually threatens the business of publishers and booksellers continually. SAFACT pursues pirates and copyshops, but its annual subscription is R50,000 (2011). It would be valuable if the DAC were prepared to fund this subscription.

9.1.8 Public Lending Rights and author grants

The Public Lending Right (PLR) system is a cultural benefit that gives authors the legal right to receive payment for the free lending of their books public libraries. Authors are unable to sustain full-time careers in writing due to the very low income obtained from book sales, and this inhibits the creative process. In order to enhance earning of royalties by authors, buying of books should be encouraged, in addition to borrowing books from libraries. Therefore it is vital that the state introduce a form of remuneration to authors to compensate for this and to provide an incentive to enter the field of writing as a gainful profession. Authors' royalties could also be increased by encouraging the public to buy books and to borrow from libraries.

Many countries provide grants to authors to write or to complete works. Writers' retreats already exist in Alldays, Limpopo and Hogsback, Eastern Cape. These, as well as coaching/writing retreats by experts should be better advertised, promoted, and authors assisted with a grant for 1-2 months to complete a book.

9.1.9 Continuation of current assistance

- Trade fair assistance (DTI)
- Catalogues of indigenous-language material
- Subsidisation of the publishing of indigenous-language material
- Capacity-building in the book chain
- Promotion of reading

9.1.10 Capacity-building

The task team recommends urgent skills development across the book sector. Highly professional skills make up this sector which requires transfer of skills programmes and ensuring adequately skilled newcomers. A skills development strategy should be developed.

9.2 For critical implementation with major impact

As educational publishing is a significant part of the sector and makes up more than 70% of the sector's output, specific interventions are recommended for this sector.

9.2.1 State publishing

The task team recommends that book publishing remain the domain of the private sector. A strong publishing industry with a healthy degree of competition, operating in a free market system, produces books of high quality. State publishing around the world has proven to lead to inefficiencies and poor quality books. South Africa needs a vigorous, viable publishing industry to produce the wide range of books required for current and future literacy requirements. See section 5.2.9 on the arguments against state publishing, and 5.1.1 for an assessment of the impact.

9.2.2 National approved book catalogue

The task team recommends an annually updated open-ended catalogue, containing all good books. This can take the form of a national catalogue as is currently the case. A diverse range of books is required to meet the literacy needs of the country.

9.2.3 Tender systems

An open market situation is recommended for bookselling services to the DBE as opposed to a single supplier in a province. Since the book industry plays such an important role in the country's development, it is important to utilise state funding in a way that contributes to building permanent book infrastructure in the country.

9.2.4 Library procurement

The task team supports the Library and Information Services (LIS) Transformation Charter to promote the use of publishers and booksellers belonging to professional associations for procurement to libraries. As per the point under tender systems above, this kind of procurement contributes to the book infrastructure.

9.2.5 Expenditure on LTSM

The task team recommends adequate resourcing of schools with enough books to achieve educational results and create a reading culture.

This requires adequate, efficient expenditure on LTSM.

9.2.6 Expenditure on classroom and school libraries

Equal Education has estimated the cost of supplying a library library to every school without one at R7.9 billion (infrastructure, staff, stock). The cost of stock alone would be R2,294,504,210. These costs can also be depreciated over five years to R1.58 billion and R458,900,842 per annum respectively. This would simultaneously help to improve literacy and general school results and provide an incentive to the publishing industry to publish appropriate books.

This will support literacy in the country and contribute to creating a stronger reading culture.

10 Institutional framework

The preceding discussion illustrates the need for an institution to implement long-term strategies for book development. The CIGS, implemented in part by the DAC, made a key recommendation for the book sector that the department initiate a PIDP and furthermore set a long-term goal of constructing a world-class institutional base for the industry to achieve economic, developmental and cultural goals.

The SABDC is the best-placed organisation to fulfil this role, having played the role of a book development council, albeit without the legislative framework and funding support that this mandate requires. It is well placed as it has done extensive work in terms of research and policy development, and has acquired relevant expertise, successfully establishing and maintaining a representative body over this nine-year period. It is therefore able to within a short space of time start implementation of key policy recommendations.

10.1 Implementation plan and resources

Given the work that has been done by the SABDC, the following can be seen as priority action steps:

- Public consultations on the Draft National Book Policy and National Book Development Plan
- Submission of the draft policy and plan to cabinet for passing, after incorporating the submissions from the public
- Legislation
- Implementation of the process of changing the status of the SABDC from a section 21 company to a statutory body
- Finalisation of conceptualisation and implementation of four key programmes, namely the Indigenous-language Publishing Programme, the Transformation Charter, the National Reading Strategy and an Export Programme for Books
- Finalisation of conceptualisation and implementation of a Monitoring Framework to track the intervention of the book policy and book development plan

10.2 Institutional framework

The SABDC will develop and implement, through its role, function and programmes, growth and diversity in the book sector with the aim of increasing access to books.

10.2.1 SABDC's role

- Help develop a more diverse book sector
- Make policy recommendations to both the Government and industry to grow and develop the book sector

- Raise public awareness around reading and its importance
- Create opportunities to increase job creation

10.2.2 SABDC's powers and mandate

The main mandate will be to increase access to books through creating cultural and economic diversity in the book sector. It will coordinate the book sector to avoid duplication, seek out collaboration with diverse stakeholders and encourage creating public private partnerships.

It will also be active in the following ways:

- Be proactive in issues of competition, copyright and other issues threatening the viability and diversity of the book sector
- Consult with the Government and statutory institutions dealing with issues within its mandate
- Consult with industry associations and other national associations in the book sector
- Develop policies that are informed by ongoing research and evaluation
- Provide policy and legislative advice to the sector and the Government

10.2.3 Independence and accountability

The SABDC will be an independent, statutory body, functioning at arm's length from the Government, industry, donors and beneficiaries. It will

- be governed by a board and will be accountable to parliament;
- fall under the Public Finance Management Act;
- meet with all relevant public institutions and organisations at an Annual Consultative Forum to review its annual report.

10.2.4 Beneficiaries of the SABDC

- South Africa as a whole, as more books will be more accessible
- Local markets which will be expanded, resulting in growth in annual turnover
- More authors earning royalties
- Those previously marginalised from the book sector through a comprehensive transformation charter framework
- Industry and SMME development, capacity-building of stakeholders through diverse programmes
- Government programmes in their totality, as a more informed, empowered citizenry are better able to actively participate in opportunities created by the Government.

10.2.5 Human resources

- The SABDC will have an appointed Chief Executive Officer (CEO) reporting to the board. The CEO will be a full member of the board and have widely respected book sector and policy experience.
- The SABDC will utilise experts drawn from industry and stakeholders as required.

- A staff structure will take the following form:

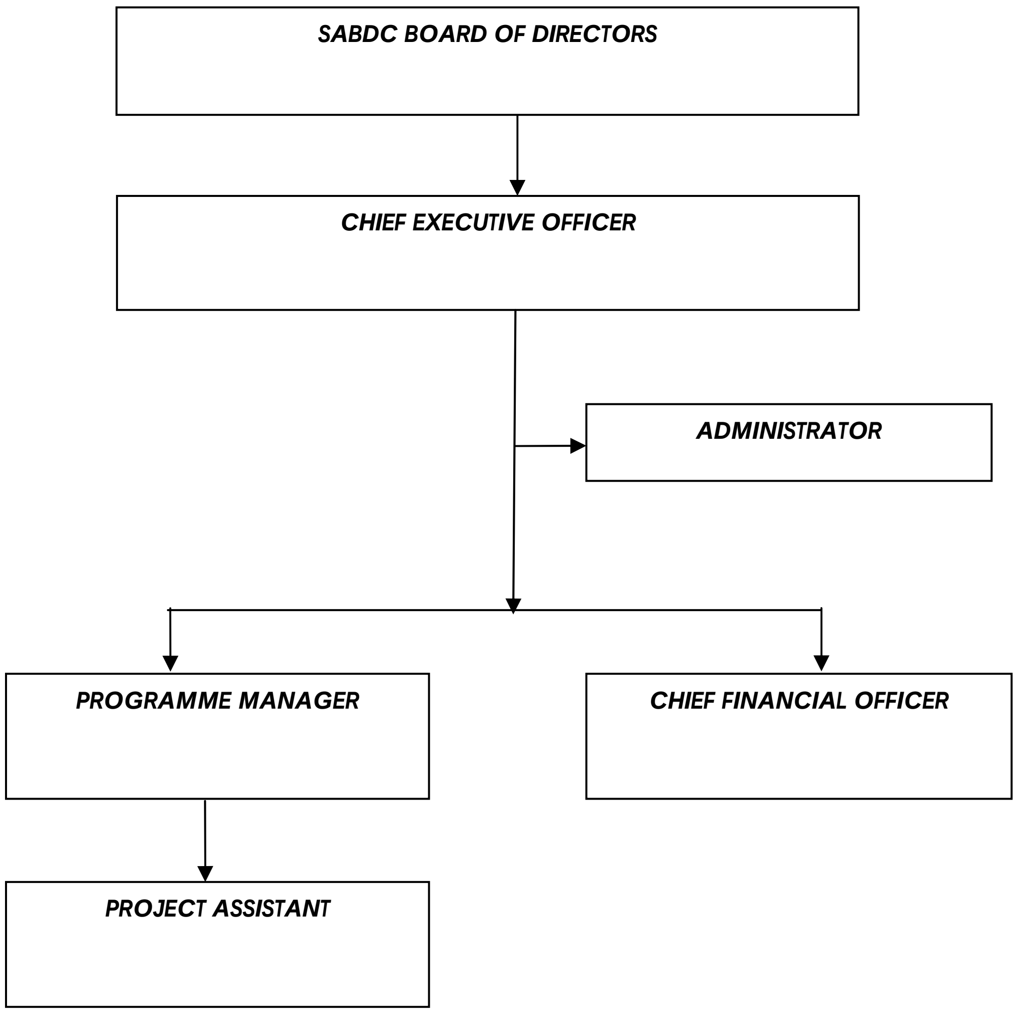

Figure 4: Human Resources

10.2.6 Budget

Key funding areas

- The operational costs of the SABDC as a representative body of the book sector
- Training and development
- Research and development
- Policy development
- Grants to creators, industry, reading promotion projects

11 List of public submissions

NO	NAME OF CONTACT PERSON	ORGANISATION	TOPIC FOR SUBMISSION	DATE OF SUBMISSION
1.	Christo van der Rheede	National Arts Culture (NAC)	Indigenous-languages publishing	23 May 2011
2.	Felicity Keats	Umsinsi Press – (KZN)	Reading promotion School libraries	24 May 2011
3.	Sonja Keyzer	University of KwaZulu-Natal (UKZN)	Development of indigenous-language publishing	30 May 2011
4.	Jay Rangiah	South African Booksellers' Association (SABA)	Procurement	06 June 2011
5.	Meredith Kempthorne	Southern African Book Dealers Association (SABDA)	Promote usage of second-hand books	10 June 2011
6.	Malcolm Birkin	Sanford Bridge Publishing	Pricing Distribution VAT removal	10 June 2011
7.	Batya Green	Exclusive Books, Van Schaik	Job creation Reading promotion Research Libraries	10 June 2011
8.	Kundayi Masanzu	ANFASA	Public lending rights in South Africa	10 June 2011
9.	John Linnegar	LAMP	Skills development Freelance contribution to book sector Indigenous languages	10 June 2011
10.	Thiathu Nemutanzhela	Mangalani Publishing	Reading promotion Content	10 June 2011

NO	NAME OF CONTACT PERSON	ORGANISATION	TOPIC FOR SUBMISSION	DATE OF SUBMISSION
11.	Annari van der Merwe	Publisher	Reading promotion Publishing support Indigenous languages	13 June 2011
12.	Johny Wilkinson	Equal education	School libraries	14 June 2011
13.	Sibusiso Vilakazi	Personal capacity	Reading promotion	03 July 2011
14.	Marita	Lantic.net	Market development VAT removal	05 July 2011
15.	Noosie C Petlele	Personal capacity	Content Procurement	05 July 2011
16.	Thembinkosi Lehloesa	Personal capacity	Transformation Writer support	05 July 2011
17.	Preshen Sewdass	Ekurhuleni Metropolitan Municipality	Capitalisation on library books	6 July 2011
18.	Kundayi Masanzu	ANFASA	IFLA position on PLR	6 uly 2011
19.	Jay Rangiah	South African Booksellers' Association (SABA)	Procurement Transformation Reading promotion	06 June 2011
20.	Eve Gray	Centre for Education Technology, University of Cape Town	Flexible licensing E-books Copyright	8 July 2011
21.	Jenny Hobbs	Franschhoek Literary Festival	Pricing of books Reading promotion VAT removal	8 July 2011

12 List of recommendations

The following recommendations were accepted at the Consultative Conference:

1. The DAC lobby for the book sector to become part of the Industrial Action Policy Plan (IPAP) in 2014 due to its significant impact on a range of developmental goals in line with the New Growth Path.

2. The establishment of a national statutory body to serve as the coordinating and planning institution for the book sector.

3. The DAC prioritise the book sector and implement a revised Draft National Book Policy and corresponding policy documents.

4. The DAC devise effective measures for support and development of professional associations, most specifically authors and the freelance community.

5. Entrepreneurship and skills development become key aims of the growth strategy.

6. Conceptualisation and implementation of a national reading campaign responsive to the diverse needs and interests of the public.

7. Given the economic, educational and cultural significance of the book sector, an interministerial committee consisting of DAC, DTI, DBE and DHE be established.

8. Timely provisioning of learning materials catering for learners with special needs should receive equal attention.

9. An anti-piracy awareness campaign should be launched while advocating and facilitating licensing and other modes of access and fair use of copyright material.

10. A working group should be set up by the statutory body with the DTI, the DAC and other relevant organisations on IP and economic and social development within the framework of South Africa meeting its own content and knowledge needs.

11. Special arrangements are to be put in place for access to content in real time for the visually impaired with the aim of supporting the treaty currently being negotiated at the World Trade Organisation (WTO).

12. The impact of new technologies on copyright and facilitating access be investigated.

13. Formatting of content for reproduction for the visually impaired be encouraged.

14. A working group be set up by the statutory body to develop a Digital Technology Strategy for the sector to maximise opportunities to increase access to books in digital, electronic and corporeal format.

15. Establish structures for re-skilling and skills development in book production.

16. These subsectors are working with the relevant government departments and therefore no intervention by the DAC is required.

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