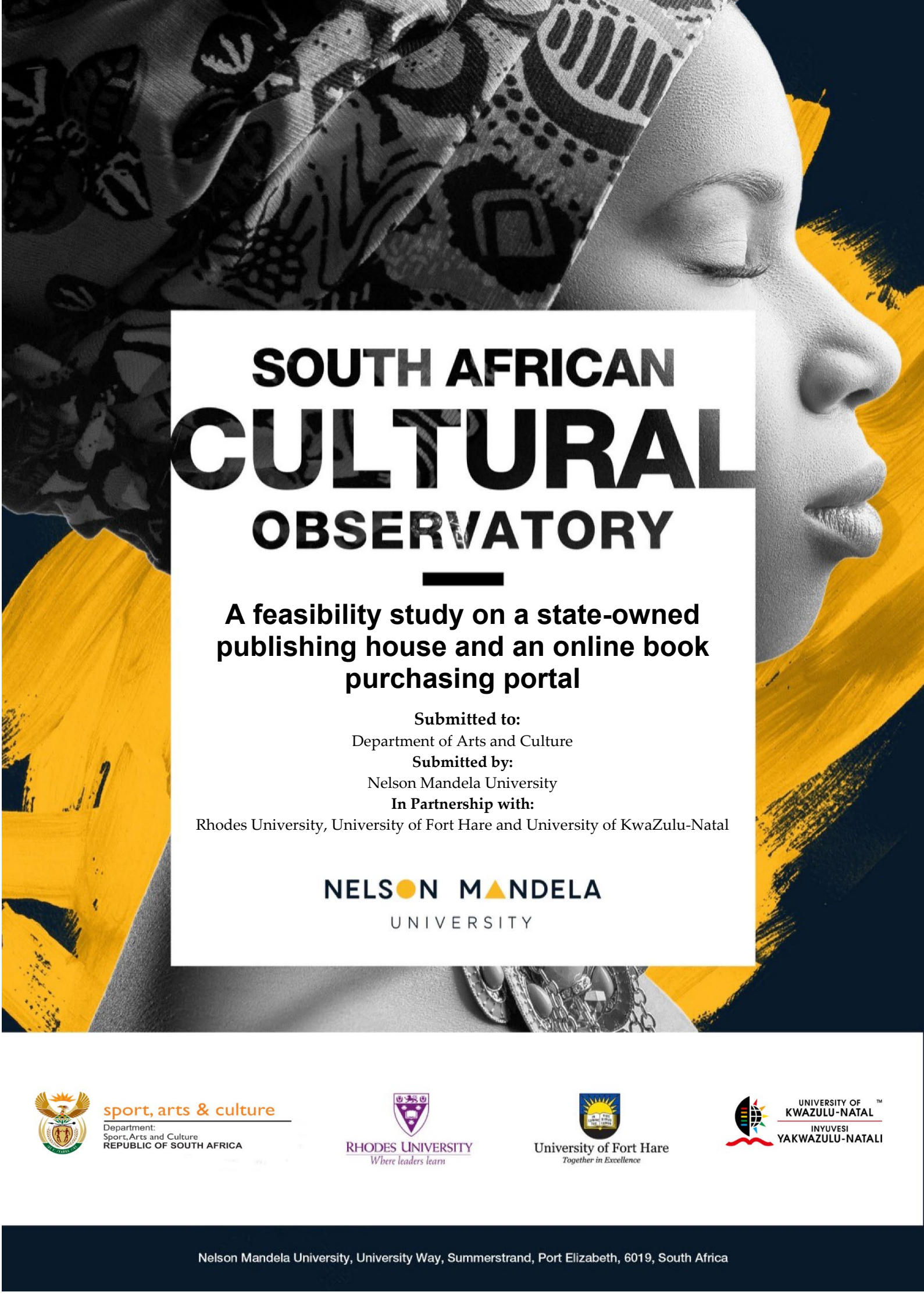




SOUTH AFRICAN CULTURAL OBSERVATORY

**A feasibility study on a state-owned
publishing house and an online book
purchasing portal**

Submitted to:

Department of Arts and Culture

Submitted by:

Nelson Mandela University

In Partnership with:

Rhodes University, University of Fort Hare and University of KwaZulu-Natal

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South African Cultural Observatory

Report

A feasibility study on a state-owned publishing house and an online book purchasing portal

September 2021

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1 Executive summary

The book sector in South Africa performs a crucial social role. Books are a vital source for information, education and entertainment; they express the nation's distinct national identity and rich cultural diversity; and help to preserve indigenous knowledge and heritage. Given rapid technological changes globally, the book sector should be at the centre of innovations in the role of 4IR and the knowledge economy in South Africa. The book value chain – comprising role-players like authors, translators, editors, illustrators, designers, typesetters, printers, publishers, distributors and booksellers, and libraries – is a small industry but a strategic one since it is a key element of a literate and productive workforce and thus of economic growth. The book sector thus contributes to a wide range of government policy objectives. Publishers' contribution to education and knowledge creation in support of personal and national development must be clearly articulated and understood by the governments.

A strong and viable domestic publishing industry is the best vehicle to develop South African authors and to make books available to South African readers. However, the local industry cannot thrive if left to market forces alone, in part because of the competition from the global publishing industry. This report considers the feasibility of state support for publishing initiatives in South Africa, based on an analysis of current research and the views of key players in the book value chain on both opportunities for and obstacles to the growth of this sector.

2 Introduction and purpose

The publishing industry forms part of the creative industries in South Africa, and is the core of the book sector. Like the other creative industries, publishing is focused on both commercial viability and supporting culture and heritage. It also plays an essential role in education and the dissemination of information. The Draft Revised White paper on Arts, Culture and Heritage (2019) recognises that:

The Book Sector is a key driver of the country's artist and cultural heritage. Its significance and its influence therefore extend far beyond the relatively small book industry itself, which employs approximately 21 000 people in full-time employment (including freelance full-time employment). As part of the Cultural and Creative Industries (CCI) the Book Sector contributes meaningfully to the cultural creative economy. It also makes a crucially important contribution to education, from pre-school to postgraduate and in life-long learning and is the means by which South Africa's knowledge production is disseminated to both domestic and international audiences.

The book or publishing sector is thus part of a much wider network of content creators, information intermediaries, manufacturers, and distributors, and the Draft Creative Industries Masterplan (2021) includes an action plan for further development of this sector. The creative industries are thus inter-dependent; in the international context, a recent study (Squires and Markou 2021) has argued that: ... *an effective publishing ecosystem contributes to an even broader environment for literature, literacy, reading and writing; contributes to other cultural activity (e.g. adaptations into films, TV and theatre), education and information, and to the wider creative economy.*

A healthy and diverse publishing industry contributes to the development of creative and intellectual products, protects indigenous intellectual property and heritage, provides a foundation for education through locally relevant learning materials, and advocates cultural and social cohesion. The policy framework that affects the book trade acknowledges this overlap with broader areas of education and the creative economies, encompassing arts, culture and heritage, linguistic diversity, libraries, education, intellectual property, and economic revenue creation. Publishers' contribution to education and knowledge creation in support of personal and national development must be clearly articulated and understood by all the government departments involved.

Historically, the publishing industry was not particularly *South African*, being dominated by multinational corporations and foreign-owned publishing houses. However, this has changed over time, with increased local ownership, authors, and production. The vision for the sector, expressed in policy documents such as the White Paper and the draft National Book Policy, focuses on local relevance: *More South African published books written by South African authors telling South African stories read by more South Africans.* This vision emphasises national self-articulation, with local publishers nurturing a distinctive local identity by publishing the works of South African writers. A particular concern is the low numbers of books being published in the indigenous languages, especially at post-school level or for reading outside the classroom, i.e. the trade publishing sector. The need has been expressed to:

- i. support authors, by ensuring that more books are written by South African authors in local languages;
- ii. support local companies to publish more books in South Africa;
- iii. support readers, to make books more available and accessible as a means of getting reading material to all South Africans;
- iv. advocate local book buying, and improve access to books.

The underlying motivation is to stimulate the local book sector, so that the volume of local content can be increased, and a larger and more equitable distribution footprint created. To achieve these aims, several interventions have been proposed. Currently, most initiatives are focused on leveraging the first part of the value chain, i.e. writers, and the last part, i.e. readers. This report focuses largely on the two intermediary components: the production of books and other publications by publishers; and the distribution and circulation of those reading materials to a broad section of the population. The report will thus assess the drivers and obstacles to establishing a state-owned publishing house publishing, for instance, e-books and limited-run editions of South African languages, as well the viability of establishing an “Amazon-style” sales portal and e-book distribution platform.

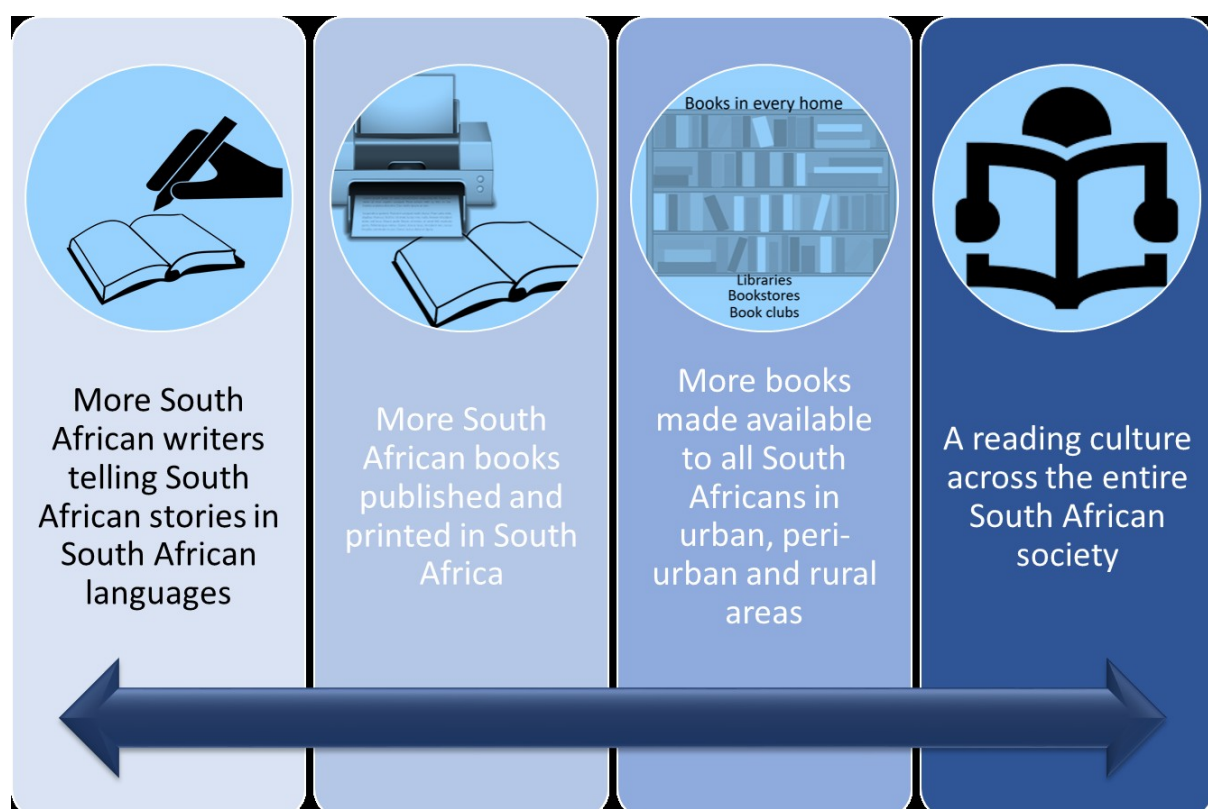


Figure 1: The aims of a national book policy

This research is based on a desktop study and a series of interviews with relevant stakeholders. The desktop study or literature review enables us to set the scene and present the environment in which books are created, produced and distributed in South Africa. It also describes some of the international methods through which governments support the publishing industry, for comparison. Data from industry research such as the Publishers’ Association of South Africa annual book surveys, and the Nielsen’s BookScan sales data, were also included. A range of interviews were then conducted, to consult and obtain input from a range of stakeholders, relevant associations and government departments. Many thanks to all of the expert informants who so generously offered their insights.

3 Key terms

The **book sector** is a broader network of related industries, with publishing at the centre. It includes all of the related industries of bookselling, printing, e-commerce, warehousing and distributors, as well as the many role players who work as a team to create a single book: authors, editors, translators, illustrators, designers, e-book creators, marketers, project managers, and more. Every book is a collaborative effort. The book sector also intersects with a variety of other sectors, including

government departments, schools, universities, libraries, corporate entities, communities, and non-government organisations. The Draft Revised White Paper on Arts, Culture and Heritage (2019) underlines the significance of the book sector by describing the publishing value chain:

The term book describes and includes all the links in the book value chain: that is, the people, organisations and companies and all their separate skills, competencies, labour and activities that start with the creation of the Literary Work and lead to its consumption by the reader. The book value chain includes, but is not limited to: authors, translators, editors, illustrators, designers, typesetters, paper manufacturers and printers, publishers, book distributors and booksellers, libraries and readers.

Books can be conceptualised broadly as carriers of information, or as information packaged for a specific audience. The South African Copyright Act, No 98 of 1978 defines books as literary works, but in a very broad sense, referring to a wide array of formats, including novels, stories, dramatic works, and textbooks “irrespective of literary quality and in whatever mode or form expressed”. (The proposed amendments to the Copyright Act do not make material changes to this definition.) Books are thus more than literary works, and can be accessed in a range of formats and channels, including print and digital formats.

Publishing is the intermediary process between author and reader; it involves originating and assessing content, adding value to it through editing and design, producing it in print or digital formats, and distributing that content. Publishers are thus not primarily manufacturers, but content creators and intellectual property managers. Their role evolves with changing technology, but does not fundamentally change.

State publishing refers to the direct involvement of the government in producing books, using public funds to create books to fulfil particular needs. State publishing is usually proposed as an intervention when the government feels the private publishing sector is not meeting the needs of all writers or readers, or to support the production of culturally important but non-viable works. Models of state publishing can also include **state-sponsored publishing**, in which the government intervenes to ensure certain kinds of books are produced, by providing subsidies or other incentives to publishing companies.

4 Current state of the publishing sector

South Africa has a mature, vibrant and diverse local publishing industry, especially when compared to others on the continent and in other developing countries. The industry generates between R3.5 and R4 billion in revenue every year (see the annual PASA Book Industry Surveys for more details, at www.publishsa.co.za; these figures are also confirmed by Industrial Development Cooperation estimates of around R3.4 billion and PwC estimates of R3.8 billion). As in the rest of the world, the book trade faces significant challenges as a result of market conditions, which were severely exacerbated by the financial shock of the global pandemic. Profit margins in the publishing industry – in contrast to perceptions – are low, reaching on average, around 3–5%. In South Africa, this is exacerbated by intensive foreign competition, in part because of historical, cultural and linguistic ties with European countries, and global domination of the publishing industry by English-language books.

The publishing industry is usually divided into three sub-sectors:

- Education, which consists of school textbooks and other learner support materials;
- Academic, which comprises both tertiary-level textbooks and information products aimed at professionals such as lawyers and doctors;
- Trade, which includes fiction and non-fiction for the general public.

South Africa's book trade is skewed towards educational publishing (between 55 and 65%), which places it on a continuum between most Western nations, whose book sectors are dominated by trade, and most developing countries, which are overwhelmingly focused on school textbook publishing. The local industry is thus directly impacted by changes in government policy, especially those relating to basic education. Changes in political leadership or Cabinet reshuffles affect the continuity of policies relating to the book sector. The trade sector depends on discretionary purchasing – for leisure, not instrumental purposes – and so is closely affected by economic policies as well as cultural and trade policies. The overlapping effects of these policies reveals the difficulty faced by the publishing industry. Moreover, policies originating in different departments that affect the industry are not coordinated and sometimes contradictory. Indeed, policy choices at pivotal moments have directly contributed to the sustained growth of the larger, more established publishers at the cost of small and emerging publishers.

The sector employs around 21 000 people, but its influence extends far beyond the book industry itself. Approximately 150 publishers are members of the Publishers' Association of South Africa, of which about ten are large enterprises, ten medium-sized enterprises, and the rest small and micro-enterprises. Thus, around 80% of PASA members are SMMEs, with annual turnovers of under R1 million; it is estimated that there may be many more micro-enterprises, which are not registered with an industry body, and which generally face a very precarious existence. More black-owned publishers and SMMEs are also entering the industry, so we are seeing slow, but sustained transformation in the sector.

One obstacle that is regularly identified to the development of the local industry and reading market is the availability or lack of books published in the African languages. There are historical reasons for the lack of publishing in local languages, which largely relate to the dominance of English as a colonial and global language and Apartheid-era support for Afrikaans. Many writers prefer to write in English to reach international markets, and research confirms that an English-language version is an essential element for selling translation rights into other countries. Many readers and book-buyers also prefer to read in English. As the Figure shows, even in educational publishing, where we find the majority of books in indigenous languages, there is still an imbalance.

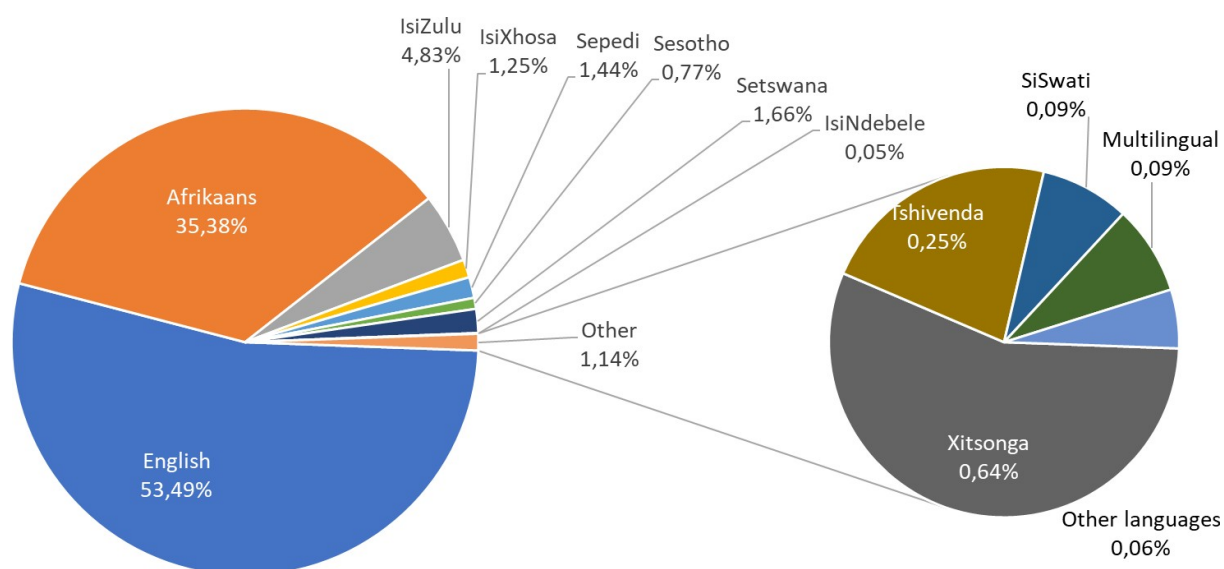


Figure 2: Revenue from local titles by language (Education sector)

Source: Le Roux et al. (2019)

More locally published books would enable this key creative industry to promote the cultural diversity of South Africans, and to promote nation building and social cohesion.

5 Drivers and obstacles

The aim of government support for the book sector in South Africa should be to support the growth, sustainability and quality of local authorship and publishing. The South African publishing industry faces a range of obstacles to its expansion. Especially in the area of African language publishing, the market itself may not yet be viable, unless supported or subsidised to some extent by the state. From the side of both government and authors, the publisher is often seen as an unnecessary intermediary, and even an obstacle to “the unfettered communication of author with reader, forcing compromise on the author’s sense of artistic integrity to maximize revenue from the reader” (McCleery). Publishers are thus often portrayed as a barrier to be overcome in an author’s effort to reach readers – where they should rather be seen as a channel, a platform, and a partner.

While different parts of the value chain could be blamed for current problems with diversity and access to books, and interventions could be proposed for different links in the value chain, the state needs to consider where its limited funding could be targeted for the greatest impact. At present, we see little sustained impact from book-related campaigns, partly due to a proliferation of non-sustainable, small projects for authors, reading and publishing. A more focused approach, based on existing skills and innovations, is more likely to enable authors’, publishers’ and booksellers’ self-sustaining business models.

5.1 Authors

Authors are a driver of change in the industry, and are also the central resource – without authors, there would be no books to publish. The rationale for supporting the book sector is to encourage more new local authors to tell their diverse stories in new ways, and to engage and resonate with new readerships locally and internationally. We do not have complete statistics on the number of authors in South Africa, nor on the diversity of those authors, but analysis of Nielsen’s BookScan data shows that more than 80% of authors of locally published books were white, and more than 50% were male. The figures show a clear trend towards increasing diversity – for instance with the proportion of black female authors rising from around 3% of the total in 2013 to just over 10% in 2020 – but more can be done to support writers of colour, especially black women. Notable examples of local authors being nurtured by South African publishers include the country’s two Nobel Prize-winners, Nadine Gordimer and J.M. Coetzee. Coetzee was first published by Ravan Press, and similar small publishers are usually the ones who take risks in developing budding writers.

Authors receive few incentives to write for publication, and very few of them will earn enough from their books to support themselves. This is not unique to South Africa; international data shows the same trend. Anecdotal evidence reveals that first-time authors struggle to navigate the publishing process, largely because they tend to have little knowledge of how to get published and how the publishing industry works. Authors working in indigenous languages face additional obstacles and capacity limits.

One of the most important means to support authors is through writers’ associations, such as the Academic and Non-Fiction Authors’ Association (ANFASA), Congress of South African Writers (COSAW), PEN South Africa, and various societies associated with one or more African languages. These associations should act as skills hubs, with programmes that nurture and encourage writers, and develop their skills and awareness. Some training or development programmes are available, but they are not consistently funded and run from one year to the next. For instance, the Centre for the

Book (which falls under the National Library of South Africa) has run a *Writers and Book Development Programme* which is aimed at “supporting and nurturing South African budding writers” but this is done on a small scale. More training and development initiatives need to be developed and funded. In addition, attention could be paid to incentives in the form of awards; these are significant because literary awards can confer visibility and status, and also lead to higher sales.

Support of the local publishing industry is a significant means to stimulate local authorship. Support for publishers supports authors, because increased sales and revenues lead to increased royalties and also enable publishers to make more risky decisions about new authors. However, publishers note that local authors all too often do not support local publishers; they are keen to get publishing deals for their own work, but not to buy the work of other local authors. Moreover, publishers criticise the quality of work submitted and complain of authors being unwilling to revise their writing for the target market: “Very few African authors write in their first languages and manuscripts submitted to publishers are usually in English. They tend to target older readers and are often of very poor quality” (Edwards and Ngwaru, 2010). Few publishers have the resources to provide developmental editing or long-term investment in their authors without assistance. Interviews show, though, that local publishers place a priority on publishing locally relevant work, on nurturing author relationships, and on actively commissioning or acquiring work by under-represented authors. If local publishing flourishes, then a multiplicity of voices will be supported.

Ways to overcome some of these obstacles include:

- Support for the establishment of writers’ associations, with funding for training hubs or programmes for authors, to educate them about the publishing process and improve the quality of their outputs
- Grants for author development and mentorship, so that publishers can invest in different authors

5.2 Readers

On the opposite end of the book chain to writers we find the readers. Readers are both a driver and an obstacle for the publishing industry: they generate demand and purchase books, but the book buying market in South Africa is limited in size. Moreover, there is a widespread perception of a lack of a reading culture, based on outcomes such as the poor performance of South African learners in international reading surveys. Several government campaigns focus specifically on reading as a result (e.g. National Reading Strategy and Coalition, National Reading Summit, and a critique by Baatjes, 2003). Most of these campaigns focus on reading among children, and few include provision for publication or distribution. Those that do support book publishing often support new title creation, not necessarily by existing publishers, and thus bypass the local industry rather than strengthening it. This report will not specifically make recommendations relating to the encouragement of reading, but support for the book industry will inevitably take into account and have an influence on reading practices.

Surveys of reading in South Africa support the idea that there is a lack of a reading culture (SABDC, 2007 and 2016). These findings are very similar to those found in a variety of countries, both developed and developing, around the world. These surveys also identify an avid and enthusiastic reader segment, which could be developed and grown. According to Nielsen BookScan data, 9.2 million books were sold in South Africa in 2018, largely in the trade sector that Nielsen monitors. Increasing the size of the book-buying population by just 1% could result in an additional R1.5 billion revenue annually. Obstacles to greater book purchasing include affordability and prices; the desire to read (rather than the ability or functional literacy levels); access to books; and the range of books available in diverse

genres and languages.

While the market for educational books is large, the trade market is small, and distribution points are limited and concentrated in urban areas. A small market size inhibits the growth of the book sector because it limits publishers' ability to recoup investments in books; economies of scale are limited; and distribution across wide distances is difficult. The small market is further fragmented by different language groups, and differential literacy rates in those languages. Affordability thus cannot simply be achieved by reducing costs on an individual basis. Research for the Global Book Fund reveals that the greatest market impact and efficiency lies in increasing print runs to achieve economies of scale in book production. They suggest several levers for achieving this:

- Increase funding and procurement volumes for books, especially to libraries;
- Create national databases of books published to aggregate demand and create awareness.

Further research on the many targets markets in South Africa, and their actual book-related behaviour is needed; an expansive definition of how people interact and engage with books, beyond the traditional focus on reading and purchase, has shown that far more young black audiences engage regularly with books than has been traditionally perceived (Immersive Books Project, 2021). Other opportunities include:

- Curate reading or book-related events that are welcoming and inclusive beyond the traditional book-buying public;
- Educate the public about the cost and value of books;
- Commission market research on the diverse markets for books in South Africa.

5.3 Diversity of languages

The White Paper specifically links publishing with multilingualism and the development of African languages. The majority of books published in the indigenous languages are intended for the schools market, as there is a proven demand. For the purposes of trade or leisure reading, the numbers of African-language books published are very low. Most books published in these languages are religious or educational, and frequently the same book is published in several languages (creating diversity of languages, but not of genre or range). Both anecdotal evidence and surveys argue that there are insufficient publishers regularly producing books in the local languages (Molokozi 2007; Motsaathebe). Publishers are criticised for being *reluctant* and unwilling to change; while publishers themselves frame the issue as a *lack of demand*. They argue that sales of such books are too low to be sustainable; that readers show a marked preference for reading in English; and that there is little marketing or visibility of such titles, for instance in the form of book reviews of African-language books (Morgan, 2006: 187). Decisions about which languages to publish or translate are driven by estimates of potential sales. For publishing to exist only in areas where commercial success can be achieved excludes the publication of important but marginal forms of cultural expression, e.g. literature in languages spoken by a small number of people outside of urban areas. If the market is not yet sufficiently developed to make such books viable, then state support or incentives may be needed.

Such initiatives are common in countries with minority languages or small reading markets for locally published works.

Apart from grants to authors, the Arts and Culture Trust, the South African Book Development Council and the Community Publishing Project have made attempts to provide incentives to publish in a wider range of local languages. The *Reprint of South African Classics in Indigenous Languages*, run by the National Library of South Africa, provides funding to publishers to reprint existing titles that have been identified as of literary or cultural importance. Evaluation of the project shows that it has been

successful in identifying titles and publishers, but that the books are poorly distributed to libraries and difficult to locate in bookshops. A second state-sponsored initiative is the *Indigenous Language Publishing Programme* run by the South African Book Development Council (SABDC). The programme sponsored part of the cost for publishers to produce indigenous language books. Evaluations found that the project was hampered by cumbersome bureaucratic processes, and, similar to the Reprint project, did not pay sufficient attention to distribution and consumption. The books are not widely available or publicised to the broader public, and books are often donated rather than supporting the local bookselling industry and ensuring ongoing royalties for authors. These projects can also support only a small number of publishers and titles each year, and funding is not committed so applications cannot always be planned in advance. While the incentives for local-language publishing are welcome, distribution and access may be a larger problem to overcome than production.

Moreover, in spite of a perception that “nothing is being published” in African languages, there is evidence to indicate that local publishers are capable and willing to publish local language books so long as a viable market exists. Some publishers focus on just a few languages, to serve a particular niche market or community. There are some excellent multi-language publishing projects, for instance the Puku Children’s Literature Foundation, which won the 2021 Unesco King Sejong Literacy Prize. Puku is not a publisher, but works with a number of local publishers to produce high-quality children’s books in indigenous languages. Beyond such high-profile initiatives, there is no easy way to determine the number of books published in local languages every year, and there is no centralised platform to make readers aware of the range of titles already available in their own languages. Without data, it is difficult to assess if there really is a scarcity of titles published in South Africa, and in African languages, in particular. Visibility and awareness of African-language titles is thus also an obstacle to wider access of such books.

One initiative from the Publishers’ Association of South Africa (PASA) set out to create a catalogue of works published in the indigenous South African languages. The catalogue, *Writings in Nine Tongues*, was published by PASA in 2007–2009, including over 4 000 titles in nine African languages. Analysis of the catalogue shows that most titles were in isiXhosa and isiZulu, and that the majority were schoolbooks, aimed at children between the ages of 2 and 14. Most of the books aimed at adults were intended for ABET purposes. Catalogues like *Writings in Nine Tongues* and the 2008 Department of Arts and Culture *Catalogue of South African Literature* are important interventions because they create awareness of books that are being published and show gaps in the publishing of certain languages and genres beyond schoolbooks. A regular, centralised source of information would be useful for teachers, librarians, bookshops, and readers. If made available digitally, it could reach a wide audience and serve a promotional purpose by indicating where books can be accessed and bought. A catalogue of this sort could also have export benefits, for instance through use at the Frankfurt Book Fair or other international book fairs, to sell rights and potentially export more titles. This database could be linked to National Library of South Africa’s database of locally published titles, which is based on legal deposit and ISBN allocation. Research argues that, “If this system were digitized and published online it would form a database record of all book publishing in the country and would make information about South African books and their publishing details globally accessible.”

Another strategy to assist in diversifying the range of languages published is state support for translations. It is not yet clear if translations are a viable and sustainable strategy to encourage writing, publishing and reading – and the purchase and use such books – in a broader range of languages. Translations are expensive, and expertise is limited. However, various co-publishing initiatives involving different languages have demonstrated that, by combining orders, larger print runs are able to achieve impressive economies of scale. The PEN Afrikaans Vertaalfonds could be seen as a possible model for funding translations, using foundations and private sector patrons to ensure sustainability.

Solutions thus need to focus on incentives to publish in local languages; on the generation of visibility for the titles that are published; and on funding models for translation.

- Continue funding of or incentives for the publishing of indigenous language titles, especially for genres other than schoolbooks;
- Develop and update a national database or catalogue, which lists all the titles in African languages published every year, linked to ways to access these;
- Develop funding models for translations and co-publishing across a range of languages.

5.4 Diversity of genres

The range of books available has been identified as a barrier to more book reading and buying. South African publishers produce books in a wide range of genres every year, including non-fiction such as reference books, cookbooks and biographies, and fiction genres such as crime, romance and literary novels. Non-fiction consistently dominates the Nielsen BookScan sales charts, and historically men are more likely to publish in this category, and in English or Afrikaans. The range of genres published in indigenous languages, however, is much more limited, almost entirely devoted to religious books (including Bible translations) and children's readers aimed at a schools market. Translations can also unintentionally limit the diversity of genres, as much of what is published in the African languages is multi-language editions of the same book. The dominance of the schoolbook market limits the kind and number of books being written and published in different languages. As the majority of African-language books are still being produced for schools, there are still limitations on the style and scope of these books. Kascula argues that, "When a nation's literature is dependent on prescription for schools in order to survive, the irony of transformation is patent. Clearly there is little or no adult readership" (2008: 127). Diversity in publishing, whether in terms of authors, book genres, or languages, can only be promoted to a limited extent within the confines of the kinds of books that adhere to the criteria for schools' prescription. The Africa Publishing Innovation Fund (run by the International Publishers Association) recognises this limitation, looking to support innovative ideas to diversify the book industry beyond the focus on textbooks.

Books beyond school are sometimes seen as luxury or non-essential items, but the important role they play in improving literacy and educational attainments, and developing national culture needs to be recognised and valued. There is a need to encourage publishing of children's books outside of school readers, as well as young adult genres, and post-school reading. If reading is to be developed beyond the classroom, and if the book trade needs to transform and become more diverse, then interventions need to be made at the level of trade publishing and distribution. It may also be helpful to aim for the publication of a broader range of formats and genres, rather than just focusing on "books" – magazines, newspapers, short stories or novellas, and comics can all contribute to building a flourishing reading culture and publishing industry.

Interviews raised concerns that a state publishing house would suppress diversity in the kinds of books published, possibly through political influence or through a restricted list of criteria. In the past, the Language Boards which oversaw the selection and evaluation of books for schools, limited the

development of creative and experimental writing, not to mention critical or oppositional books (Maake, 2000; Ntshangase, 1996).

The recommendations made under 5.3 would also contribute to overcoming obstacles in this category.

- Continue funding of or incentives for the publishing of indigenous language titles, especially for genres other than schoolbooks;
- Educate the public about the cost and value of books.

5.5 Small business development

Stimulation of the local publishing industry will also have an economic impact in terms of business development. While support for all kinds of publishers is desirable, it may be most cost-effective and have the greatest impact if the base of small publishers can be supported and grown. More than 80% of PASA members are SMMEs, and their survival is crucial for the future and sustainability of the book trade. Without a well-developed local market for locally published books, SMME publishers cannot survive or grow to compete with large international publishing companies. A diversity of publishers helps to address niche markets and constituencies, and encourages innovation.

The role of SMME publishers in the book trade can be seen as both an obstacle and a driver to greater diversity and accessibility. Internationally, research has shown that new publishing companies usually take at least four years to become profitable. Obstacles include the sustainability of micro-businesses, the high up-front costs of investment, the difficulty of predicting sales, low profit margins (in spite of perceptions of profiteering that are not borne out by analysis of ROI). Small business also experience difficulties in securing funding from banks or other lending institutions, partly due to unpredictable revenues and the unfamiliar (to those outside the industry) business practice of sale or return (where booksellers can return unsold books to publishers). Government contracts may be desirable, but slow payment terms may cause intractable cashflow problems. Without adequate capital or alternative forms of income, local publishers cannot grow, expand their operations, adopt better infrastructure or introduce innovations. A reliance on volunteers, unpaid time or personal financial investments is also not a sustainable means for developing the market.

One of the ways in which governments can support and protect local publishing industries is thus through support for SMME publishers. The aim of state interventions would be to drive localisation of the industry via the growth of majority black-owned small companies, to stimulate diversity in ownership, employment and products across the entire book value chain. A related intervention is skills development. While the larger and more established publishers have a good skills base, SMMEs often require mentoring and skills development, for instance in the areas of financial management, contracts and copyright, and design standards. There is a need for industry associations or a coordinating body to conduct such training and to coordinate the funding for training. This role has at times been performed by the Centre for the Book and the South African Book Development Council, but it needs to be systematised. The Community Publishing Programme, for instance, could be rolled out on a larger to scale to encourage emerging publishers and to improve their skills.

Small-scale support for publishers could also involve support for a network or collective of emerging publishing companies. These often start as author-publishers, with one or two books, but upskilling could result in their being able to publish more books, empower authors in their niche areas, and reach a specific reading community more directly. Small publishers are often situated within direct reach of their target communities. State support should thus encourage author-publishers and SMMEs

through associations, to share and collaborate. Author development thus becomes part of a broader book value chain.

- Support the development of a consortium or network specifically for SMME and emerging publishers; for skills development and improved access to funds and information;
- Explore state support programmes, such as subsidies or mandated library purchases, to support entrepreneurship in the book sector;
- Coordinate grants for training for SMME and emerging publishers, and a body to coordinate such training;
- Coordinate or provide financial support for SMMEs to attend international book fairs, conferences and training seminars;
- Leverage improved credit terms for small businesses.

6 Access & distribution

How do books reach their target markets? There is a particular problem of access and distribution in the book chain. Like authors, publishers want their books to be accessed and used, and there is a need to get books to readers and to make them aware of the titles available. As discussed above, while it can be argued that insufficient titles are published in African languages, the problem may not be one of shortage so much as distribution and availability.

Apart from initiatives aimed at supporting the publishing segment of the value chain, a need has also been identified to ensure that the distribution and supply of books is accessible, to enhance the availability of local books, and to optimise the supply chain. As has been shown, though, book production or provision does not equate with access. Research on the provision of textbooks has shown that improving distribution supply chains and infrastructure may be a more cost-effective form of support for the book sector than direct forms of subsidy. Improving demand, and the predictability of demand, can also reduce the purchase prices of books by improving economies of scale.

Distribution in the education and academic sectors works through a different set of channels, largely related to government purchases or campus booksellers. This report will thus focus on trade or general distribution, and will highlight three aspects: bookselling, library provision, and digital formats.

6.1 Bookselling

A well-established bookselling network is essential to the functioning of the trade books sector. Publishers and book buyers in South Africa have access to both traditional (“bricks and mortar”) bookshops and e-commerce portals, like Takealot or Loot. Apart from retail chains such as Exclusive Books, Bargain Books and Van Schaik bookstores, there are also small and independent booksellers, many aiming specifically to promote African writers and African languages. There are also non-traditional or non-book retail outlets, such as supermarkets and curio shops, that sell a limited range of books. Most of these booksellers are concentrated in a few urban areas, with smaller towns and the rural areas having no direct access to bookshops. This concentration is linked to demand and volumes; it would not be economically viable to operate bookshops in smaller areas with low sales.

A well-functioning bookselling network needs to:

- Aggregate supply from publishers, dealing with possibly hundreds of publisher accounts;
- Invest in a targeted range of stock that is relevant and appealing to their customer base, targeting their range to different regional and linguistic markets
- Coordinate the delivery of stocks between stores and warehouses;
- Market the range of books available;

- Employ and train personnel.

SMME publishers struggle with access to the established bookselling network and with understanding the mechanics of the sale or return process; this obstacle needs to be approached both from the side of publishers, by improving knowledge and skills, and of booksellers, by creating opportunities for small publishers to pitch their books. SMME retailers, in turn, can seldom manage the cashflow requirements and financial outlay to become sustainable.

Some proposed solutions for improving access tend to bypass the bookselling network, for instance by donating books directly to schools or libraries. These can work over the short-term or as once-off initiatives, but they do not contribute to the growth of the sector, and can hamper efforts to develop a sustainable, profitable network of booksellers reaching as broad a market as possible. Donations also often bypass sales, which means authors do not receive royalties for their intellectual property.

Online bookselling has been proposed as a means to overcome the obstacle of poor access to physical bookshops. In particular, collaborative models have been suggested to assist small publishers or booksellers to access e-commerce in a way that may not otherwise be able to. However, the local market conditions and consumer demand must be considered: even with the experience of lockdowns in 2020 and 2021, while a number of countries reported record earnings from online sales, the level of sales from online booksellers remained low in South Africa. Sales of digital formats, like e-books, are only around 3-5% of all sales, so most online retailing consists of print books. Online retailers like Takealot report low profits and low average order value on books, as compared to other products. Apart from infrastructure problems such as access to electricity, consumer concerns include access to a reliable and affordable Internet network, linked to high data costs; the need for a credit card; the security of online payments; the added cost of delivery, especially if couriers must be used rather than postal services; and the limited range of books available. Research suggests that drivers for online buying include factors such as faster delivery; safer ways to pay; lower costs; and a preference for online retailers that stock more products than just books (i.e. one-stop shopping). Customer readiness has been identified as the critical driver in countries such as China. There are thus still significant barriers to a widely used e-commerce system for books in South Africa.

Online sales can be beneficial for both publishers and readers, by creating visibility and offering access to a much wider range than can be displayed in a physical bookshop. But online retailers also put increased pressure on publishers to accept very high discount rates, thus squeezing their profit margins. The requirements for detailed metadata, in a different format for every retailer, also create obstacles.

Online bookselling is often more heavily skewed towards international titles, so there have also been discussions and some initiatives to create local online portals, which would bring together the range of books available, showcase locally published works, and create an easier purchasing experience. Most initiatives have been considered in basic education and in higher education, for learning materials. In these sectors, the range of books is pre-selected and the volume of sales can be predicted to some extent, and so sector-specific portals could work very well. In the trade sector, however, the range of books would be very wide, and consumer demand can fluctuate widely. For an online portal to work in this sector, there would need to be close cooperation between publishers, aggregators, and warehouses and distributors. Competition rules may prohibit publishers from setting up such a portal themselves (due to concerns around collusion and price fixing), so they may need to approach aggregators to set up such targeted platforms. Existing e-retailers already fulfil this function to some extent, but opportunities to enhance access to locally published works could be further exploited. For instance, a regularly updated online catalogue of locally published books, linked to retail outlets, could

enhance visibility and access. This database would need to be carefully planned in terms of issues like metadata, discoverability and search functions, as well as how it relates to both the online systems retailers use, and those used by libraries.

Without broader consultation with all parts of the book sector, it cannot yet be determined if it would be viable to set up a centralised e-commerce platform – especially given the potential competition from multinational retailers like Amazon. Given existing market conditions, such a platform would not be profitable. Before committing to the substantial capital investment needed to set up a new platform, a dialogue needs to be initiated between all the relevant stakeholders: the relevant government departments, publishers, booksellers, warehouses, distributors, aggregators, libraries, and readers or consumers. Content-sharing platforms will need to be differentiated according to sector, in consultation with experts from the different sectors (e.g. basic education, higher education, trade books, etc).

- Fund and coordinate training for SMME and black-owned publishers and booksellers;
- Commission further research on consumer readiness for online bookselling;
- Coordinate industry-wide dialogue on possibilities for cooperation and aggregation, with a view to developing a new platform for access to content within the South African publishing industry;
- Develop and maintain an online database or catalogue of locally published books, from all South African publishers, with links to existing retail outlets.

6.2 Libraries

The library sector is an integral part of the book trade, but its potential to improve the accessibility of locally published books is currently under-utilised. Some of the main obstacles to wider access are limited access to bookshops, the affordability of books, and awareness of the range of books available. Leveraging the library sector would help to alleviate these obstacles to enhanced access: while the bookselling network may be limited, libraries are much more geographically dispersed and can make books accessible to readers with limited buying power. While this report does not specifically examine the state of libraries and book lending in South Africa, this is a significant part of ensuring access to reading material for a broader part of South Africa's population. Access to libraries, and the range of books available in those libraries, must be considered in order to assess the viability of expanded distribution strategies. Library support is thus a key driver and a central component of a well-functioning book sector.

Within DSAC, library policies and funding are not coordinated with the book sector, as they fall under the Heritage cluster. Further coordination is required to integrate these different parts of the book sector. Research has shown that limited budgets for libraries reduce the availability of locally written and published books, which in turn reduces access to local cultural and intellectual products and hampers the viability of publishing local books in South Africa. Publishers struggle to survive with erratic sales and low economies of sale make books less affordable. Consistent sales of books to an established library network helps to stabilise the revenue of such publishers, improves economies of scale and thus drives down prices, and grows the range of locally published works available to South African readers. Moreover, a library procurement policy focused on locally published works could help to support SMME publishers and enable them to better compete with larger and better resourced publishers. Improved revenues also mean better royalties for authors, and reduces the risk of publishing in a wider range of languages.

As libraries select books from distributors and library service providers, one key strategy could be to distributors to showcase more diverse, locally published titles, and to support the purchase of locally published titles for libraries. This is the one intervention that interviewees and researchers argue would make a real difference to publishing, access and reading promotion:

“Certain sectors of the publishing industry, like African language publishing, should be targeted and stimulated by programmes like library buy-back schemes to attract writing, publishing and reading in such sectors.” (Interview)

“South African libraries should be buying one copy of every locally published book, which would also allow us to publish more widely and take more risks.” (Interview)

However, South Africa’s libraries are not serving these functions due to under-funding and a lack of a policy that would prioritise local book purchases. There is a need to:

- Develop a policy for the purchase of locally published works, especially in indigenous languages, by libraries in South Africa;
- Develop and maintain an online database of locally published works to guide distributors and library purchases;
- Guarantee funding for library purchases to support low-volume or culturally significant publications which are not commercially viable.

6.3 Digital formats

One of the initiatives proposed to improve access to books is the development of an online platform to distribute digital versions of South African books that is accessible and affordable for all South Africans. Various commentators argue that digital books could be a solution to the high costs of printing and improving access to far-flung areas, especially the rural areas. The local publishing industry has the capacity to develop and sell e-books, and most new books are brought out in both print and digital formats. Various reading campaigns and crowd-sourced publishing initiatives distribute digital versions of their books for free, using Creative Commons licences, while selling or donating print versions. These initiatives bypass the network for selling e-books and distributing an equitable share of the profits to retailers, publishers, and authors.

Commercially, the **market for e-books** and other digital products remains very small in South Africa – between 3% and 5% of books sold – with a continuing demand for printed products. This is not dissimilar from other contexts, where demand for e-books has plateaued at a level between 10% and 20% of all book units sold. In most countries, it could be argued that e-books currently reach a smaller sub-section of the existing book buying market, rather than developing a new market. Avid book buyers tend to purchase across a range of formats and genres, but **print is still the preferred format**, across age groups and genres, and among both authors and readers. In the South African context, two additional barriers to using e-books are access to electricity to charge devices, and affordable internet connectivity, rather than the price of e-readers. Most users prefer multi-purpose smartphones, tablets or computers, rather than e-readers, in any case.

Innovation in digital formats and infrastructure is expensive. For publishers that have done well with digital sales, three drivers can be identified: reader preferences in different sectors, pricing strategy, and digital marketing. The ongoing preference for print can hamper growth of e-book sales – authors continue to value printed versions of their books, and readers show a marked preference for printed products. Pricing strategy is linked closely to the price sensitivity of the market. Cost is often seen as

a driver for a shift to digital books, as they are perceived to be cheaper than print books, but there is in practice very little difference in the production costs. The fixed costs of producing books remain the same, and digital versions often add new costs, such as content generation, conversion, server maintenance, and skills development. Different e-retailers and e-readers also require different formats, so an e-book is not a single, simple format. In addition, since most publishers produce books in print format as well as a range of digital formats, the costs of production are in fact higher than if production was focused only on print, or only on digital. It is thus not clear how an online platform could make e-books available at more affordable rates, while still paying viable licensing fees and royalties to the content producers.

Marketing also needs to be tailored to overcome a lack of familiarity with digital formats, and to showcase the range of title available. At present, the overwhelming majority of e-books available are in English, and most of these are international titles. The costs of multiple formats limit the range of local titles available in digital form, especially from SMME publishers. The Global Book Fund report found in developing countries, “interviews reveal that the market for local language content is often too small to cover the costs of content generation, thus limiting the number of available titles.” The creation of an online platform that could serve a marketing function, highlighting South African books, as well as grants to small publishers to assist with digital conversion and training, could assist in making a wider range of locally published titles available and accessible online.

Drivers to leverage the potential of digital formats beyond e-books include the availability of print-on-demand facilities, the use of digital marketing, and the development of mobile and audio formats. The use of digital formats could potentially be enhanced by marketing to book clubs, which are growing in popularity, especially among the black reading market. Innovation in this sphere is only likely to happen if consumer demand grows.

In addition, the use of **digital lending facilities** at public libraries could be enhanced. South Africa’s public libraries have the capacity to offer online or digital lending platforms as well as physical spaces. Through partnerships with the OverDrive platform, library patrons can access and borrow e-books. Some streaming and rental service providers also now offer their services locally. There are still barriers to this service being widely used in South Africa. The biggest obstacle is the need for reliable internet access; access to e-reading devices (including tablets and computers); and an awareness of the service. Moreover, the range of books available is currently very limited, with few locally published titles and even fewer books in African languages. If incentives are given for publishers to participate (e.g. a set number of print copies purchased, or a royalty for e-books licensed), then they would agree to license all their digitally available content for such platforms.

- Develop and maintain an online database or catalogue of locally published titles, especially in the indigenous languages, to create awareness and improve accessibility;
- Provide grants to SMME publishers for digital skills development and conversions of existing titles to digital formats;
- Stimulate digital innovations through seed funding;
- Provide incentives or seed funding for local printing companies to expand the use of print-on-demand services;
- Provide incentives for publishers to license their works to digital lending platforms for libraries.

7 Role of government

7.1 State-sponsored publishing models

In many countries, government support is seen as essential to the growth of the creative industries, including the book sector.

Several models of state-sponsored publishing can be identified, internationally. For instance, in Canada, the government has sought to protect the industry from its highly competitive and dominant neighbour, the United States, by providing subsidies to local publishers on a competitive basis using the Book Publishing Industry Development Program (BDIDP). In countries like Sweden, Wales and Slovenia, the emphasis has been on supporting publishing in the local language, to ensure that it is not entirely dominated by English, through mandated library purchases of all new titles. The Welsh Books Council provides grants to publishers, to support around 300 Welsh titles a year, and also acts as a distribution hub. In the UK, small publishers and independent booksellers have opportunities to apply for funding through the local Arts Councils and Book Councils. In France, the Centre National du Livre provides grants to authors and small publishers, as well as French-language bookshops in other countries. German cultural industry support provided targeted funding after Covid, through a subsidy for printing and production costs; support to booksellers to expand the digital sales infrastructure; and additional funding for the Literature Fund and Translation Fund, for authors. Since 2020, a number of European governments provided additional grants to publishers during the pandemic, and mobilised special funds for the purchase of books by libraries, based on a selection from the catalogues of small publishers.

In some European Union member states, such as France, the state fixes the price of books, “as a mean to ensure the persistence of networks of independent bookshop throughout the countries, to maintain/protect equal access to reading; and the quality of authorship/editorial guarantee” (Prato and Simon, 2014). As regards VAT, a survey by the International Publishers Association (IPA, 2010) of 88 different countries found that “special treatment for books remains the norm.” Indirect intervention includes tax breaks, reduced postal rates for the distribution of publications. Thus, “With a variety of constraints, publishers can draw on public funding to mitigate against market challenges and difficulties, and to pursue initiatives in support of artistic excellence and audience reach” (Squires and Markou).

We could refer to these forms of government support as **state-sponsored publishing** rather than **state publishing**. To summarise, the main funding channels and models include:

- Project grants for publishers, to support locally authored books, based on a competitive application and title-by-title process. These grants are usually targeted at culturally significant areas of publishing that are traditionally unprofitable;
- Block grants for publishers based on a market-driven approach, in which operational funding is provided based on sales records, so funding becomes an incentive for publishers’ success in publishing local authors and in reaching local readers;
- Funding industry associations, for professional development, to develop skills and improve the visibility of local authors;
- Indirect support by growing market demand, e.g. by financing book vouchers for the youth, to encourage them to visit bookstores and purchase books.
- Indirect support to improve access, by funding libraries, to purchase locally published books and improve economies of scale;

- Supply chain initiatives, to modernise the book chain, through e.g. bibliographic data, standards for metadata and digital formats, access to sales data;
- International marketing assistance, to develop export sales and create higher visibility in foreign markets;
- Indirect support through tax rebates, preferential purchasing or credit terms;

In many cases, these initiatives are specifically targeted at small and emerging publishers, but the emphasis is on developing local publishing capacity and sustainability.

7.2 South African state initiatives

Proposals have been made for a state-owned publishing house and a state-owned online book purchasing portal. But what is the role of the state in the book sector?

Regarding **state publishing**, interviewees expressed a number of concerns about the encroachment of the state into the publishing and book retail industries. A primary concern is whether state publishing is the best, most cost-effective strategy to alleviate problems of access to books, or to achieve the sector mission of *More South African published books written by South African authors telling South African stories read by more South Africans*. Examples of state publishing in other countries have not shown much success, have been unsustainable as costs grew, and have had a detrimental effect on the local industry. Research in various countries consistently rejects state publishing as an option to improve questions of access.

State publishing is largely seen as a barrier to expansion of the local publishing industry, whether in the education sector or in other fields. Concerns have been expressed that a state publishing house could introduce unfair competition for the industry, and would potentially lead to a situation where only large publishers, and even multinational publishers, could compete and remain commercially viable. Targets of industry development would thus be undermined by a state publishing house. Small publishers interviewed were particularly concerned that state publishing would threaten their (already precarious) viability, would discourage the entry of new publishers into the market by raising the barriers to entry, and would stifle successful and innovative initiatives. Authors raised concerns about the range of books and authors who would be published, and whether a set of criteria for state publishing would have the unintended consequence of increasing gatekeeping and suppressing diversity. They also fear any changes in royalty arrangements, licensing or IP protection that could undermine their earning potential.

Interviewees also raised questions about the location and management of such a publishing house, the skills and capacity required when this is not the core business of government, and whether this is the most cost-effective use of public funds. There is little evidence to suggest that the state is better able to produce cost-effective high quality material than the skilled and experienced private sector. Possible added inefficiencies could include added layers of bureaucracy, while the full costs of running a publishing company could be masked if government resources are used but not fully costed into the overheads. Several respondents commented on the lack of coordination and implementation of existing government publishing initiatives, some of which are ad hoc and bypass the book sector and royalty-paying mechanisms.

It should be asked what kinds of books a state publisher would produce, and for what markets. State publishing could be feasible as an addition to other forms of support for the book sector, if there are books that are considered extremely culturally or socially important, and that would simply not be

commercially viable to produce. However, even in such cases, such books could be produced on the basis of private-public partnerships, or funding to small or black-owned publishers.

Rather, a need was expressed for the state to play the role of creating a regulatory and legislative and providing incentives and levers. There is a clear need for policy coherence and alignment towards the book sector, based on a robust national book policy, in which government, labour and the private sector operate as partners. The cultural contribution of the South African book sector needs to be recognised and seen as significant enough to justify public assistance to the industry. The state should thus support the development of more competitive and diverse publishing environment. Research suggests that investing in the industry would also be more sustainable and cost-effective than possibly short-lived government interventions: providing support for a single author has more limited impact than supporting a small publisher that could give a voice to many authors over its life-span.

Within South Africa, there has been little government support for the publishing industry, or **state-sponsored publishing**. Inconsistent government policy, and a lack of implementation of existing initiatives, remains a key barrier to the development of a thriving book sector. There has been a variety of initiatives, but these have not been consistent and sustained, especially when there are political or leadership changes in government ministries. Policies like the Growth Strategy for the Book Sector and the National Book Policy need to be finalised and implemented, along with the development, monitoring and maintenance of a policy and legislative framework to ensure universal access to books. A coordinating body like the South African Book Development Council or the Centre for the Book needs to be consistently funded, with a well-considered and transparent mandate. Its functions should include creating awareness of (and conducting research into) best practices for the production, distribution and access to books; promoting reading campaigns and advocating the importance of reading beyond the classroom; and coordinating funding for specific publishing projects. Sustainability and an ongoing commitment to initiatives, including formalised funding, is thus required.

The state could also play a significant role in brokering and supporting dialogue between all parts of the book value chain, involving industry stakeholders such as the Publishers' Association of South Africa, South African Booksellers' Association, LIASA; writers' associations; and so on.

- Coordinate regular, sector-wide meetings and initiatives to stimulate the industry and the market, and to assess the challenges of diversity, reading culture and access;
- Develop the legislative framework in consultation with industry stakeholders (e.g. copyright and IP protection);
- Finalise and implement a national book policy, including a nationally mandated book development body.
- Provide well-defined, multi-year funding to purchase books, increase demand predictability, and engage and build local publishing capacity.

8 Viability

Would it be viable to set up a state-owned publisher?

The feasibility of a state publishing house depends on the indicators used. If it is simply the production of a certain number of titles a year, in a certain number of languages, then that is a feasible programme. Based on indicators such as sustainability, cost-effectiveness and impact, state-owned publishing is not viable. Rather, the core recommendation for such a scenario is that publishing should remain part of an established and broader book value chain, within the private sector. With state-sponsored publishing initiatives, the aims of stimulating the production of local books, especially in

indigenous languages, expanding the pool of local authors, and enabling a broader part of the population to access books, can be achieved more efficiently.

The main recommendation for implementation is to promote **state-sponsored publishing**, through a variety of mechanisms and models. This could involve government partnering with the private sector on publication projects, through direct funding in the form of a subsidy, or indirect support, through the purchase of a pre-determined number of copies of books for distribution to public libraries. In addition, mechanisms to promote the visibility of what is already published should be funded, such as a catalogue or database of works published in indigenous languages.

Would it be viable to set up a state-owned online book purchasing system?

Online purchasing of books, and reading of e-books, is very limited in South Africa. The concept of an online book purchasing and lending system does have support in the book sector, but there is no consensus on how this should be established, where its institutional location would be, or how it would operate. A public-private partnership may be the best option, but models need to be discussed and costed. Further sector-wide consultation would be necessary to investigate the range of options available for this initiative. As an interim step, it is recommended to establish and maintain a database of all locally published titles, to market these works and make them more accessible. Links could be provided to existing retailers to enable prospective purchasers to easily buy books.

8.1 Implementation options

The recommendations emerging from this research include the following:

Policy:

- Develop the legislative framework, for instance to protect the intellectual property of South African authors and publishers;
- Coordinate regular, sector-wide meetings and initiatives to stimulate the industry and the market, and to address the challenges of diversity, reading culture and access;
- To set up strategies
- Use the Masterplan process to align policies from different government departments that impact on the book sector, and to minimise policy dissonance;
- Provide incentives, for instance through well-defined, multi-year funding to purchase books, increase demand predictability, and engage and build local publishing capacity.

Book development:

- Finalise and implement a national book policy, including a nationally mandated book development body.

The roles and functions of the book development body could include the following:

- Coordinate dialogue between all sectors of the book value chain, including the existing industry bodies;
- Fund or coordinate training hubs or programmes for small and emerging publishers;

- Fund or coordinate training hubs or programmes for authors, to educate them about the publishing process and improve the quality of their outputs;
- Fund or coordinate training hubs or programmes for small and emerging booksellers;
- Provide or coordinate grants for author development and mentorship, so that publishers can invest in different authors;
- Curate reading or book-related events that are welcoming and inclusive beyond the traditional book-buying public;
- Educate the public about the cost and value of books.

State-sponsored publishing initiatives:

- Provide grants, subsidies or incentives for the publishing of indigenous language titles, especially for genres other than schoolbooks, on the basis of project proposals;
- Continue funding existing publishing initiatives, such as the Reprint of African Classics and the ILPP;
- Develop funding models for translations and co-publishing across a range of languages, in cooperation with language development bodies such as PANSALB;
- Increase funding and procurement volumes for books, through mandated library purchases

Small business development:

A comprehensive skills strategy for the book sector, to address training needs for all parts of the book value chain, including training for authors, small publishers and small booksellers (working with associations, employers and labour)

- Leverage improved credit terms for small businesses;
- Provide financial support for SMMEs to attend international book fairs, conferences and training seminars;
- Business development programmes, Fund or coordinate training for SMME and emerging publishers, especially black-owned businesses;
- Training grants to enable small businesses to invest in upgrading skills
- Encourage paid internships at SMMEs, for example by expanding the SETA programmes;

Access and distribution:

Support the collection of book industry data by Statistics South Africa

- Develop and maintain an online database or catalogue of locally published books, especially in the indigenous languages, to create awareness and improve accessibility;
- Create links in the online database to existing retail outlets, to facilitate sales;
- Develop and fund a policy for the mandated library purchase of a set number of locally published works, especially in indigenous languages;
- Commission further research on consumer readiness for online bookselling;
- Coordinate industry-wide consultations to consider the different models for online platforms and databases for access to content within the South African publishing industry.

Digital formats:

- Provide grants to SMME publishers for digital skills development and conversions of existing titles to digital formats;

- Provide incentives for publishers to license their works to digital lending platforms for libraries;
- Stimulate digital innovations through seed funding.

8.2 Evaluation and monitoring

If these recommendations are implemented, some of the measures of success would include the following:

- Increased diversity of authors, languages and genres;
- Increased production of locally published books, and increased market share of local books especially in the trade sector;
- Increase in the number of locally owned publishing houses that are financially viable and sustainable;
- Increase in numbers of publishers beyond the traditional centres of Cape Town and Johannesburg;
- Improved access to and sales of locally published titles;
- Improved representation of locally published books, especially in indigenous languages, in South African libraries;
- Improved distribution of South African books to all parts of South Africa, through the library system.

9 Conclusion and recommendations

The book sector contributes to culture, education and knowledge creation in support of personal and national development. This understanding of the role of the book sector must be clearly articulated, as it forms the basis for the rationale for public support. This research suggests that the role of the state and the publishing industry are complementary, but that their roles do need to be clearly defined. On the one hand, the state has a role to play in regulating and stimulating the book sector; but on the other hand, the publishing industry needs to show its commitment to national objectives of diversity, transformation and indigenous knowledge creation. The state is thus encouraged to work with the publishing industry as partners, to achieve its objectives.

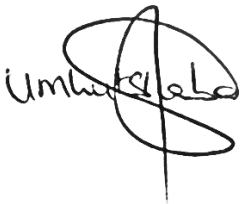
Models from a variety of international contexts show that is an important difference between state publishing and state-sponsored publishing. The latter tends to be more cost-effective and to ensure viability over a longer period, where state publishing can be effective as a short-term stop-gap measure or to produce a very limited set of outputs. A strong and viable domestic publishing industry is the best vehicle to develop South African authors and to make books available to South African readers. This is best achieved through state-sponsored initiatives that promote public access to books, for instance by purchasing locally published books and making them available in libraries.

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