

The background of the cover is a complex, abstract collage. It features a large, stylized red number '1' in the upper left corner. Below and to the right of the '1' are various geometric and organic patterns, including a grid of black squares with red borders, a blue and white circular design resembling a wheel or a fan, and a green and yellow grid pattern. The overall style is reminiscent of mid-century modern or pop art.

Digital publishing in developing countries

Octavio Kulesz

The logo consists of a stylized red graphic element on the left, resembling a series of horizontal lines or a book's spine, and the text 'Alliance internationale des éditeurs indépendants' in red to its right.

Alliance
internationale
des éditeurs
indépendants

The logo features a small crown icon to the left of a large, bold letter 'C', with the word 'Fonds' in a smaller font below the 'C'.

 C
Fonds

Prince Claus Fund for
Culture and Development

Digital publishing in developing countries

Octavio Kulesz

alliance-lab.org/etude

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FOREWORD

Thierry Quinqueton
President of the [International Alliance of Independent Publishers](#)

Publishing is sharing one's passion for a text. That entails being fully familiar with, and really involved in, the sphere of debate in which one wishes to include it. Works are not published within the "bubble of the global village", but within a particular living culture.

In developing societies, furthering and encouraging the contribution of books to public debate and cultural development, and thus participating in the construction of meaning, is no superfluous exercise; rather, it is a contribution towards economic, democratic, social and cultural development, which are inextricably linked.

This is the conviction shared by both the Prince Claus Foundation, which places the connection between culture and development at the very heart of its interventions, and the International Alliance of Independent Publishers, which brings together and promotes independent publishers; that is to say, those not controlled by states, big international finance groups or religious influences.

It is in this context that we asked Octavio Kulesz, an Argentine philosopher, formerly a traditional publisher (Libros del Zorzal) now turned digital publisher (Teseo), to carry out a study on the prospects of digital publishing in developing countries.

It is indeed our conviction that, far from invalidating the publisher's function, the incredible acceleration in the circulation of works and cultural production brought about by the digitization of communications makes the publisher's role all the more decisive within the new structure of knowledge exchange now being built.

However, the professional operations and the economic models that govern book publishing will be turned upside down as a result.

Insofar as these operations have, in recent decades, led to a form of automation or industrialization of publishing within that segment of the industry that has been taken over by large financial groups, thereby damaging bibliodiversity, one can hardly feel sorry about these changes and the announced disappearance of a golden age that has in fact never existed.

One of Octavio Kulesz' great merits is that he does not, for all that, feed the myth of digital salvation, but instead formulates concrete proposals that will enable independent publishers, as the mediators they are, to integrate their own projects and their own backlists into this new context.

In fact, as the reader will see on this website, the approach adopted is to propose an evolving, interactive study constructed in constant dia-

logue with publishers from developing countries, from the viewpoint of training, organization and experimentation as well as lobbying activities.

We hope it will be a tool that enables the economy of the digital circulation of knowledge and cultural products to thrive on the prospect of development for each one of our societies and cooperation between them, and not on undefined and univocal discourses that will only lead to dramatic identity withdrawals.



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Since I received the news in October 2010 that my application had been accepted, I have been lucky enough to work with total freedom on a topic that has always fascinated me. I am profoundly grateful to Laurence Hughes, Thierry Quinqueton, Clémence Hedde and the entire team at the International Alliance of Independent Publishers, as well as to Christa Meindersma, Adriana González Hulshof, Albert Ferré, Joumana El Zein Khoury and the Prince Claus Foundation, for this wonderful opportunity.

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I also wish to express my gratitude to Pablo Rossello, Claire De Braekeleer, Beatrice Pembroke, Mary Godward, Agustina Odella, Susan Amor, Huw Jones, Gelya Morozova, Fatme Masri, Paula Silva, Robert Ness, Donna McGowan and all the members of the British Council who have offered me their support for this project and for so many other initiatives in recent years.

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Finally, I am grateful for the generosity of the 120 publishers, booksellers, librarians, agents, programmers and distributors from over 40 countries that have responded to the online survey, as well as to all those colleagues who have agreed to share their perspectives on the subject of digital publishing in developing countries, and in particular to Gabriela Adamo, Anuj Agarwal, Hayat Alyaqout, Christian Ambaud, Sergey Anuriev, Livia Azevedo Lima, Charles Bolufer, Bruno Baldo, Karin Betz, Jaya Bhattacharji Rose, Catherine Blache, Christoph Bläsi, Diego Bresler, Ignacio Camdessus, Eugenia Campos, Carlo Carrenho, María Laura Caruso, Ekaterina Chekulaeva, Alice Cicolini, Russell Clarke, Gilles Colleu, Peter Collingridge, Ricardo Costa, Emily Chuang, David Dauvergne, Pablo Di Julio, Marta Díaz, Leandro Donozo, Joanna El Mir, Sékou Fofana, Etienne Galliand, Marco Ghezzi, Chloé Girard, Miriam Goldfeder, Chris Gruppetta, Jacques Guégané, Sofiane Hadjadj, Pablo Harari, Mónica Herrero, Zhou Hongli, Pitra Hutomo, Ansomwin Ignace Hien, Gabriel Jacobsohn, Hérard Jadotte, Serge D. Kouam, Yevgeniy Khata, Shereen

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INTRODUCTION

Digital Publishing in the Developing World: Imitation or Autonomous Evolution?

In the last 15 years, the digital revolution has thoroughly modified the way in which cultural assets are produced and distributed. Music was probably the first industry affected, but the impact has now reached all sectors, and in particular the book world. Indeed, e-books, audio books, print on demand, virtual stores and the expansion of cellular phones have profoundly transformed the means of circulating texts.

As is well known, there are marked contrasts in the assimilation of these technologies from region to region. The industrialized nations – in particular the US, Canada, Europe, Japan and South Korea –¹ have access to extremely efficient Internet services and plentiful human resources. Their firms therefore enjoy a considerable margin for action when it comes to testing out hardware, software and new digital publishing business models, which means that companies like [Amazon](#), [Apple](#), [Google](#) or [Sony](#) are taken as references in the media and at professional events all over the world. Now, it is clear that in the case of countries from the South, infrastructure limitations and low rates of human development hinder the advancement of electronic publishing such as it is known in more advanced regions.² And certainly what little news that comes out about digital publishing in the developing world is usually related to incursions undertaken by those same actors from the North.

Thus, the conclusion reached in numerous articles and international conferences is that, in order to promote electronic publishing, the countries of the South have no choice other than to await the arrival of successful models from the North. However, this assumption is highly objectionable. For a start, so far it has not proven easy to identify a “successful system” of digital publishing, even in advanced countries; in-

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¹ With regard to the difference between industrialized and developing countries, we have opted to follow the classification given by the International Monetary Fund (IMF) in its report of April 2010, although in the chapter on China we have included references to Taiwan and Hong Kong, which for the IMF belong to the advanced economies. Cf. [“Emerging and Developing Economies”](#), *International Monetary Fund*.

² Throughout the presentation we will use the terms “North” and “South” as synonyms for “more industrialized nations” and “developing countries”, respectively, while fully conscious of the fact that this distinction is highly schematic; indeed, developing countries like India or Mexico are located in the northern hemisphere and, inversely, a high income country like Australia is situated in the southern hemisphere. In addition, we will use the expression “emerging country” to refer to the subset of developing countries that demonstrate high rates of growth and possess significant geopolitical weight, particularly in the case of the BRIC group – Brazil, Russia, India and China.

deed, the sales figures for publications through Amazon's [Kindle Store](#)³ or Apple's [iBooks](#) are not widely available, which prevents us from knowing the extent to which in themselves these publishing platforms constitute as lucrative a model as is publicized.⁴ In fact, the constant changes in setting sale prices, defining formats and applying digital rights management (DRM) – or not – show that even the major players are still feeling their way.

Secondly, we must ask ourselves how useful it would be to reproduce the prototypes from the North in the South, as in addition to the disparities in infrastructure, there are also enormous cultural, linguistic and even religious differences. Let's not forget that digital models represent more than just a tool: with a notable dose of egocentrism contained in its very name and the attraction produced by a logo that refers, amongst other things, to biblical sin, an iPad may well captivate a young Westerner – educated in a particular tradition –, but it won't have the same effect on someone from India or the Cameroon. And, as we will point out later, the experience of reading from the screen of a cell phone means something very different to a Chinese user, for example, than it might do to a European one, due to the qualitative difference in the characters used in each case. Of course, a company like Apple will certainly find a highly profitable niche among the most affluent classes in developing countries, since the cultural and consumption patterns of these sectors merely imitate those of the North. But the interesting thing would be to find out what digital models might be a hit not just with the wealthiest 20% of the citizens of developing countries, but with the rest of the inhabitants, that is to say with the bulk of humanity.⁵

Thirdly, given the enormous population, and above all the accelerated economic growth observed in many countries of the South, it is hard to

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³ To avoid an unnecessary proliferation of hyperlinks in the main text we will only apply links to the most noteworthy portals when they first appear; the remaining references will be included in the footnotes.

⁴ Apple usually releases figures for the total number of downloads but not for sales. The recent project by the company from Cupertino, aimed at preventing the distribution of publications by third parties through its store, may be a sign that sales at the iBookStore have not been as high as expected, so – we might suppose – the 100 million downloads announced by Apple in March 2011 correspond to free texts. Cf. Cain Miller, Claire and Helft, Miguel: [“Apple Moves to Tighten Control of App Store”](#), *The New York Times*, 1st February, 2011 and [“Starting With a Bookend: Today's iBooks Announcement”](#), *iSmash-Phone*. Of course, this does not in any way diminish the noteworthy performance demonstrated by Apple's markets for applications and music, which – so far at least – appear to be much more successful than the market for books.

⁵ The inhabitants of the nations of the South represent around 82% of the global total, according to recent figures provided by the World Bank. Cf. World Bank: [“Population 2009”](#), *World Development Indicators database*, 15th December, 2010.

believe that the developing world isn't making its own contribution to the electronic age. In addition to the countless IT service providers in India and hardware manufacturers in China that support the Western platforms from behind the scenes, there are original and innovative digital publishing projects being carried out at this very moment in the South – local platforms that will one day be able to compete with foreign ones. In fact, some of these ventures are so dynamic that instead of debating who will be the future Apple of China or the Amazon of South Africa, perhaps we will soon be asking ourselves who will be the [Shanda](#) of the US or the [m4Lit](#) of the UK.

A matter of enormous significance

The development of electronic publishing in the South proves therefore to be a topic that is in itself worthy of discussion in global forums. But, more importantly still, it constitutes an absolutely vital issue for developing countries themselves.

On the one hand, according to the observations of the main actors involved, many of the typical obstacles of publishing in countries of the South can be overcome by incorporating digital technology into the book chain. Indeed, if the Internet connection tends to be defective in these regions, then the infrastructure of the book sector – distribution, retail sales, and printing – is even worse. In some cases, then, certain technologies can be employed to help skip the “Gutenberg stage” and work directly in digital form by making use of the equipment already available.

Likewise, the electronic solutions that certain countries of the South have implemented to overcome their problems of content distribution can also serve as a model for others, thus facilitating South–South knowledge and technology transfer. For example, the rich prospects for mobile phones in India, China and South Africa represent a fruitful precedent for the Maghreb and the Middle East.

Lastly, the rapid economic growth experienced by many nations in Latin America, Asia and Africa has increased the funds states have available to them to invest in infrastructure, training and research and development (R&D). Sooner or later, these countries will have to ask themselves what kind of digital publishing highways they must build and they will be faced with two very different options: a) financing the installation of platforms designed in the North; b) investing according to the concrete needs, expectations and potentialities of local authors, readers and entrepreneurs. Whatever the decision of each country may be, the long term impact will be immense.

Challenges

Having recognized the significance of analyzing digital publishing in developing countries, it is necessary to point out that a study of this nature inevitably faces numerous obstacles.

Firstly, the digital publishing projects already under way in developing countries – some of which have had a great impact on their societies – have not yet been sufficiently promoted in the media and at global events, which forces any researcher to delve much deeper into the particular context of each country.

The problem that then arises is that, at least in these regions, classical publishers do not always see electronics as an ally but rather as a danger that threatens the very foundations of culture. This negatively affects the dissemination of autochthonous digital projects, which lose visibility in the local press and media and can only be found in other types of arena, such as conferences on technology or gatherings on Internet start-ups.

Moreover, because of the very nature of the technologies involved and the countries concerned – many of them in the midst of transformation –, digital publishing in the developing world is so extraordinarily dynamic that any investigation of the topic dating from more than two years ago becomes an archaic document. Bibliographic searches thus prove to be far more complex.

Lastly, the developing world is geographically and culturally so vast that it is scarcely possible to carry out a detailed study of the experiences undertaken in every country, which forces us to make choices that are always difficult.

Methodology

The above-mentioned elements have led us to outline a heterodox and pragmatic approach on all levels. First of all, with regard to information, we have made use of a variety of sources. As soon as the research study got under way in October 2010, we distributed an online questionnaire that served as a preliminary survey: by February 2011, 120 publishers, booksellers, librarians, agents, programmers and distributors from across the developing world had contributed their responses and points of view on the issue of electronic publishing in their countries. The form is still active and can be found by following [this hyperlink](#). The graphs and tables obtained are located in the Appendix at the end of the report.⁶

In addition to the questionnaire, we conducted around 30 in-depth interviews, many of which will form part of a blog on independent publishing in the digital age. Particularly important was the possibility to work face-to-face with several of the publishers consulted, in Frankfurt (October 2010), Sao Paulo (December 2010), London (December 2010), Burkina Faso (December 2010) and Buenos Aires (February 2011).

As far as the bibliography is concerned, we must admit that the books available on the topic were of no real use. As we have already pointed out, any text on online publishing prior to 2008 constitutes a veritable relic. So we resorted to a vast catalogue of articles and papers, most of which come from online sources and can be looked up in the footnotes.

The topic in question has shown itself to be so dynamic that we have opted to publish these – still provisional – results in digital format, not just because of the easy access that characterizes the Web, but also because of the possibility of including hyperlinks in the text and exchanging comments with readers. We hope that, in this way, those professionals who are interested can contribute new information, different perspectives and other articles that will no doubt enrich the original study, which will thus – at least for a time – avoid the fate of those books crystallized in printed form that today prove obsolete.

Given the huge volume of existing information, we have limited the research to six major areas: 1) Latin America; 2) sub-Saharan Africa; 3) the Arab World; 4) Russia; 5) India; 6) China. This list includes emerging

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⁶ It is worth clarifying that the results of our survey have a purely orientative value. To obtain stable trends the sample should be wider and more diverse; for example – for reasons we will explain in the corresponding section –, we have not received responses from publishers in mainland China. Nevertheless, although at a quantitative level the data are highly provisional, the survey does serve to express aspects that are interesting from the qualitative point of view.

countries from the BRIC group as well as other nations with lower rates of growth. Of course, our selection leaves out a considerable number of nations – such as Indonesia, Pakistan or Mongolia – that might provide noteworthy examples of electronic publishing; although to a certain extent, some of the trends present in the areas studied may serve as a starting point for approaching these countries of Asia whose economic, cultural, political and religious ties with India, China or Russia are significant. In any case, this type of analysis will have to wait until a later date. The reader will also observe that even within the areas chosen, some countries do not receive a mention while others – such as South Africa in the sub-Saharan region – are dealt with *in extenso*; this is due to the particular selection of sources we have made, which by no means exhausts the extensive range of possible cases. We might also be inclined to think that the experiences described are representative of regional trends, insofar as the problems of an African, Arab or Latin American country are more similar to those of its neighbours than those of the US or Europe. But, once again: those countries not mentioned should be the object of future research.

We have attempted to focus on real cases of digital publishing, the technologies involved and the difficulties of migration faced by the players from traditional publishing. The reader will see that on various occasions we have described the situation of local e-commerce, even in relation to products that are not electronic, since the topic seems to us to provide a key background to the issue under study. On the other hand, given that we have limited ourselves to book and magazine publishing, we have not looked in depth at other branches – such as news publishing or e-learning – that would merit a separate investigation.

In our treatment of each region, we have generally preferred a descriptive tone to any taking of sides, on the conviction that exposing the facts by highlighting the voice of local actors is in itself a sufficiently strong commitment. Indeed, approaching the reality of the South in its own autonomy, and not as an imperfect reflection of the North, may open the doors to a new program.

Moreover, we have avoided as much as possible the temptation to issue simplistic proclamations that don't necessarily help build beneficial tools. On the topic in question it is always enticing to make pronouncements along the lines of "the software used in the South should always be open source, in order to fight the big corporations" or "we shouldn't use technology from the North", etc. Instructions of this kind transmit a great deal of intensity, but they are *a priori* difficult to prove: the interesting thing would perhaps be to find out which open source software is advantageous in which cases, which technology from the North is worth using and which isn't, in what way, etc.

Nonetheless, we have included step by step a significant number of proposals for the International Alliance of Independent Publishers and the Prince Claus Foundation, which we will come back to and expand on in the last section of the study. All of these recommendations are guided by the same principle: to consider the situation of developing regions with their own specificities, in order to deploy their true potentialities. As we understand it, the regions of the South do not need any “equalization” implemented from outside; equality is not the goal here, but rather the starting point, insofar as all the regions have enormous intrinsic strengths. Instead the objective would be to contribute from the inside towards enabling entrepreneurs from the South to successfully compete with their colleagues from the North and even manage to surpass them.

The exposition is therefore organized into the sections listed below, which may well be consulted separately but acquire greater meaning when read in the following order:

1. Latin America
2. Sub-Saharan Africa
3. The Arab World
4. Russia
5. India
6. China
7. Conclusions, proposals and action plan



LATIN AMERICA

Presentation



Business models have yet to be invented for Latin American electronic publishing, although certain actors are already carving out a clear direction. With new social sectors being incorporated into electronic consumption year by year, accelerating investment in several countries and the liveliness that characterizes its online literature, digital publishing in Latin America will have a lot to show for itself in the years to come. Traditional publishing houses, however, will have to strive to take advantage of the opportunities of the new age.

Technical data

1. Countries that make up the region: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Uruguay, Venezuela.
2. Population: 588,649,000 (2010)
3. Urban population: 79.6% (2010)
4. GDP: US\$ 2,760,840.9 millions (2010)
5. GDP per capita: US\$ 4,789.2 (2010)
6. Unemployment: 7.6% (2010)

» Latin America «

7. Politics and society: In addition to speaking Latin-based languages, the countries of Latin America share a common past characterized by colonial pressure from European powers and the marked geopolitical influence of the US, as well as a long history of political instability and a present focused on democratic strengthening, in a continual struggle to overcome the scourges of poverty, social inequality and violence.
8. Internet penetration: 34.5% (2010)
9. Mobile phone penetration: 90% (2010)
10. Illiteracy: 8.3% age15+ (2010)
11. Publishing industry: The traditional industry has considerable magnitude in the region, in spite of piracy and other growing problems such as low demand. In the survey carried out by the Regional Centre for the Promotion of Books in Latin America and the Caribbean (CERLALC) in 2009, 50% of publishing companies claimed their sales had increased (67%: 2008), while 26% acknowledged that they had fallen. One of the best performing sectors was that of children's and teenage literature, along with travel guides. Bookstores show an increasing tendency to cater to demand from their clients through the Internet (35%). With regard to pricing policies, Argentina is the only country in the region to operate with fixed prices. Mexico has passed the fixed-price law but it is not being properly enforced since the corresponding regulations have yet to be drawn up.

Sources: [Anuario estadístico de América Latina y el Caribe](#), December 2010; [Cepal](#); Cuent, David: "[América Latina es el segundo mercado de celulares más grande del mundo](#)", *BBC Mundo*, 7th October, 2010; [Internet World Stats](#), "[Internet usage statistics](#)", (2010), [Internet World Stats](#); [CERLALC](#).

The history of digital publishing in Latin America

The first experiments in digital publishing in Latin America date back to the late 1990s; that is to say, to the time of the first Internet bubble. Dozens of digital libraries sprang up throughout the region during that period. In 1999, in the framework of the Crecer Project, the Argentine rural libraries association founded the [Universal Virtual Library](#), with the aim of digitizing texts by classic authors, particularly Latin American and Spanish ones. That same year, the portal [Tiflolibros](#), the first Spanish-speaking digital repository for the blind, was also founded in Bue-

» Latin America «

nos Aires. Not long after that, in 2001, the Puerto Rican writer Luis López Nieves created the [Ciudad Seva Digital Library](#), for the purpose of familiarizing readers with the universally classic short story. Around the same time the webpage [Cholonautas](#) (a project developed by the [Institute of Peruvian Studies](#)) was inaugurated in Peru, followed by its virtual library specializing in social sciences.

Around the same time, the first sales platforms for electronic books were inaugurated – some of which are still active –, such as [Elaleph](#) or [Librosenred](#), both from Argentina.⁷ The file formats most commonly used were EXE,⁸ PDF and LIT.⁹

For various reasons, those pioneering platforms did not manage to become immediate commercial successes. No doubt the main ones were the fact that Latin American consumers were unaccustomed to reading from a screen and the limited number of online payment options.¹⁰ This last reason also explains why the very first online stores selling paper books achieved a lower level of growth than expected.¹¹

Similarly, one fundamental element contributed to the poor development of electronic books: in the early 2000s, in almost every Latin American country, traditional publishing showed signs of great dynamism,¹²

7 At that time the Argentine peso was overvalued, which encouraged the importation of technology and the creation of Internet start-ups.

8 That is to say, books that could be executed as small desktop applications.

9 The Microsoft Reader LIT extension constitutes a variant of the Microsoft Compiled HTML Help format, adapted to include DRM.

10 According to data from the consultancy firm [Tendencias Digitales](#), specializing in studies on the Latin American digital market, in 2007 – that is, quite some time after the first dot com bubble – 70% of Internet users in the region claimed never to have made a purchase through the web. The main reasons given were the low penetration of credit cards (32.6%) – greater in Peru, Costa Rica and Ecuador – and mistrust in the means of payment (31.6%). With higher rates in Costa Rica, Argentina and Mexico, in addition to other factors such as lack of trust in the delivery of the item (25.5%), the habit of choosing the product in the store (24.5%), the lack of personalized attention (15.4%) and the shipping costs (9.3%); cf. [“70% de los usuarios latinos aseguran no haber comprado por Internet”](#), *Internet-Latinoamérica*, 19th November, 2007. The situation has changed in the last few years: in a 2010 study, the same consultancy firm shows that 49% of Latin Americans have already made an online purchase. The leading countries in this modality were Argentina, Brazil, Puerto Rico, Mexico and Uruguay; cf. [“Casi la mitad de los usuarios latinoamericanos ha comprado por Internet”](#), *Internet-Latinoamérica*, 4th June, 2010.

11 According to data from CERLALC, in Mexico, Colombia and Brazil, sales of physical books through Internet channels between 1998 and 2004 did not exceed 0.2% of the total. Cf. Uribe, Richard: *La distribución del libro en América Latina*, CERLALC, September 2006, p. 7.

12 With the exception of Argentina, a country that suffered a profound economic crisis in the early 2000s.

» Latin America «

which is why publishers viewed the digital option with less interest.¹³ Moreover, the image of music stores closing down or traditional record companies in decline due to the unauthorized reproduction of CDs and MP3 files led most publishers to postpone any experiment with electronic formats.

However, since the mid-noughties, the appearance of certain actors, trends and digital tools has brought about a profound change in the publishing landscape.

Digital technology for printing books

Firstly, we should mention the expansion of print on demand (POD). Most Latin American capitals now have POD terminals, of varying sizes, depending on the dimensions of each market. Print on demand has gradually begun to displace the traditional Offset system, in a context of decreasing average print runs. The survey carried out by CERLALC in 2009 revealed that 20% of the publishers interviewed used POD, while in the following poll the figure had risen to 32%; moreover, 8% of the professionals consulted declared that they were producing 50% of their books in the on-demand modality.¹⁴

Although the technology available in most of Latin America is not of the same level as that used in the US, POD nevertheless proves to be more competitive for print runs of up to 300 copies. This reality, in addition to the fact that various on-demand printing houses offer services for distributing books through the Internet, has led numerous publishers to adopt a policy of stock reduction. The main POD companies in Latin America include [Bandeirantes](#) and [Singular](#) (Brazil), [Bibliografika](#), [Docuprint](#) and [Dorrego](#) (Argentina) and [Publidisa](#) (Mexico).¹⁵

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¹³ The study *Percepción sobre el clima empresarial editorial – 2004* by CERLALC indicates that 79% of the professionals surveyed had witnessed an increase in the level of sales in relation to the previous year.

¹⁴ Cf. *Percepción sobre el clima empresarial editorial y tendencias a corto plazo – Boletín 9*, CERLALC, October 2010, p. 8.

¹⁵ Publidisa, Publicaciones Digitales S.A., is a Spanish company founded in the year 2000, and a pioneer in the market for electronic books and print on demand. In 2005, it joined forces with Bibliografika of Argentina and also opened a plant in Mexico.

A new wave of virtual stores

At the same time, numerous traditional bookstores have discovered successful formulas for selling paper books via the Web,¹⁶ perhaps as a consequence of the greater propensity on the part of consumers to buy online, with Brazil leading the statistics in this area.¹⁷ But it is perhaps the incorporation of electronic books into these stores' catalogues that constitutes the real difference in relation to previous years. Thus, bookstores like [Saraiva](#) and [Cultura](#) (Brazil), [Paidós](#) (Argentina), [Gandhi](#) (Mexico), [Sophos](#) (Guatemala) and [Librería de la U](#) (Colombia) among many others, sell backlists of tens of thousands of e-books in Spanish, Portuguese and English, through their portals.

The region has also witnessed the emergence of purely digital bookshops, that is to say stores that only sell electronic books: such is the case of [Gato Sabido](#) (Brazil) and the recent [Biblit](#)s (Mexico). Opened at the end of 2009, Gato Sabido began with 400 titles in Portuguese and has worked ceaselessly to increase its backlist. It formed an alliance with the British company Interead to offer over 100,000 titles in English and market the e-reader Cool-er. After Interead went bankrupt in mid-2010, the economist Carlos Eduardo Ernanny, the founder of Gato Sabido, made it clear that his company would continue striving to find new content suppliers.¹⁸ Gato Sabido's texts are sold with Adobe DRM.

Biblit

s, the first digital bookstore native to Mexico, will appear on the Internet in February 2011 – at least this is what has been announced by its founders, Manuel Dávila, Eduardo Ávalos and Feli Dávalos.¹⁹ This store will not use DRM, as Dávila explains:

“ We are against digital locks. At Biblit

s, when you buy a book you also purchase possession of it. It is your copy and you can share it with whoever you want as many times as you want. What is more, if you lose it, the Biblits site gives you a spare copy.”²⁰

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¹⁶ 35% of the bookstores surveyed in the CERLALC report *Percepción sobre el clima empresarial editorial – 2010* (CERLALC) stated that they sold printed books through the Internet.

¹⁷ According to the study on e-commerce in Latin America, carried out by the consulting firm [AméricaEconomía](#) in June 2010, Brazil represents almost 61% of all Latin American retail e-commerce. The South American giant also has the best postal systems. Cf. América Economía Intelligence: *La fuerza del e-commerce*, June 2010, pp. 6-7.

¹⁸ Cf. “Cool-er à venda por mais um tempo”, *PublishNews*, 19th July, 2010.

¹⁹ Cf. Briseño, Karla: “[Biblit](#)

s: llegaron los libros digitales en español”, *Clarín Veracruzano*, 24th November, 2010.

²⁰ Ibidem.

Big aggregators

It is interesting to observe that most of the e-books sold in Latin American stores come from external aggregators, in particular from Spain, the US and the UK. In Spanish-speaking countries, the leading virtual bookstores obtain their backlists thanks to Publidisa (Spain), which has over 20,000 titles.²¹ In general, the imbalance between local and imported content is considerable – a matter that has provoked heated debates. Firstly, many readers complain about how uninteresting they find the selection of e-books on offer. In addition, the high price of the works, originally in euros, dollars or pounds, inhibits any desire to buy.²²

Among the few local aggregation initiatives, we must mention [Xeriph](#), a company also founded by Carlos Eduardo Ernanny, of Gato Sabido. The funds invested in the project are 100% Brazilian, although the platform has numerous external suppliers: the technical support, for example, is carried out in India. Just like the books marketed by Gato Sabido, the backlists distributed by Xeriph are sold with Adobe DRM, at the price set by the publisher. In any case, Ernanny urges local publishers to adapt their business models to the new era, to avoid the same problems of overpricing found in international platforms:

“At the moment, publishing houses are trying to work with the margins of a market condemned to extinction. The model must be reconsidered and challenged. Ignoring these changes or not listening to the consumer is institutional suicide.”²³

Another platform, which is also Brazilian, is the recently created Distribuidora de Livros Digitais (DLD). This was an initiative originally developed by Objetiva, Record and Sextante, which was later joined by Planeta, Moderna and Rocco. These publishing houses represent 50% of tra-

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²¹ Cf. *Conexión Publidisa*, October 2010.

²² In an article that appeared in *Publishing Perspectives*, the Argentine publisher Julieta Lionetti describes this phenomenon using a striking example: those enormous bases of e-books that do not include local titles force readers to settle for texts like the one published by a town council in Spain to train its clerks, *Auxiliar Administrativo del Ayuntamiento de Torrejón de Ardoz*, which in February 2011 is selling for almost 15 dollars. Cf. Lionetti, Julieta: “[In Argentina, E-books Are Sexy! \(But You Can’t Find Them Anywhere\)](#)”, *Publishing Perspectives*, 15th October 2010.

²³ Cf. Gugelmin, Felipe: “[Por que livros digitais ainda são tão caros?](#)”, *Baixaki*, 26th November, 2010.

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ditional publishing in Brazil.²⁴ Following the model of [Libranda](#) (Spain), and with a planned investment of over 1 million dollars, DLD will only supply bookstores²⁵ and aims to occupy a dominant position in the Brazilian digital book market. It is worth noting that the pricing policy encouraged by DLD is the opposite of that of Xeriph, judging from the declarations made by Sergio Machado, the president of the Record group:

“ *Bookstores, particularly national ones, were very concerned about the threat posed by Amazon. One of our priorities is to prevent any cannibalization of prices taking place in Brazil through unfair competition.*”²⁶

The upshot of this criticism against “cannibalization” appears to be that DLD will seek to prevent the price of e-books from collapsing. Of course the only way to achieve this result would be either by means of a law on fixed prices for e-books or else through exclusivity agreements, ensuring that publishers don’t hand over their archives to more than one distributor, as is now the case with Libranda in Spain. It remains to be seen then which of the two business and pricing models will prevail: whether it will be that of DLD – regulated prices, without competition – or that of Xeriph – prices adapted to the requirements of readers, who demand cheaper e-books.

With regard to formats, the e-books produced by Latin American publishers are generally distributed in PDF, and only a small proportion is sold in ePub.²⁷ This can be explained by the relative ease of exporting a book to PDF, with the help of the page layout programs most commonly used in the region (InDesign and, to a lesser extent, QuarkXPress). Few publishers today have the necessary know-how to convert their books to ePub, which is the reason why they are forced to outsource that service to different providers, at a cost that varies between 50 and 100 dollars per title.²⁸ So, unless sales justify a change of strategy, most publishers will continue to produce their e-books in PDF.

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²⁴ Cf. Abos, Marcia: “[Cinco das maiores editoras do país assinam contrato para a Distribuidora de Livros Digitais](#)”, *O Globo*, 14th June, 2010.

²⁵ That is to say, it will work strictly according to a B2B model.

²⁶ Cf. Victor, Fabio: “[Nova distribuidora de livros digitais planeja investir R\\$ 2 milhões até 2011](#)”, *Folha*, 9th June, 2010.

²⁷ According to Richard Uribe Schroeder and Sandra Villamizar Mantilla, “when investigating the penetration of digital books in Latin American publishing houses, 25% of the companies interviewed are publishing in digital format. The most usual format in this modality is PDF, used by 68% of publishers; for its part, the e-pub format was used by 18% of companies”. Cf. *CERLALC*, op. cit., October 2010, p.11.

²⁸ The aggregators themselves usually offer this type of service.

Devices and applications

So far, e-readers have not reached anything like a mass market, due to various factors. The most important one is without doubt the high price of these devices at the destination point, in the case of imported ones: in Argentina or Colombia, a Kindle bought for 139 dollars through Amazon may end up costing more than double that amount, owing to shipping and customs charges. On the other hand, a device like the Papyre²⁹ is sold in Buenos Aires at a price that varies between 300 and 600 dollars, depending on the model; if we bear in mind that the average Argentine salary is within this same range,³⁰ we might conclude that at current prices, it is unlikely that imported e-readers will ever become popular.

Other gadgets like the Apple iPad are for the moment so prohibitively expensive that they end up being considered luxury products intended more for the entertainment of the well-to-do (whose patterns of consumption are comparable to those of the US or Europe), than for use by the wider public. Nevertheless, some entrepreneurs such as [Tapps](#) (Brazil), [Moebius](#) (Argentina) and [The Crab Group](#) (Mexico) have already begun to develop content created for this model of tablet. The e-book *Rapunzel* was designed by Tapps as an iPad application in which readers can help prevent the protagonist of the story from falling from a tower, among other interactive possibilities. Moebius, for its part, is a comics label created in 2008, which in conjunction with the applications company [Moosgo](#) has produced an iPad version of *Don Quixote*. Lastly, the company The Crab Group has developed various iBooks, including most notably *El manuscrito Borges*, by Alejandro Vaccaro³¹ and *La tregua* (*The Truce*), by Mario Benedetti.³²

Even if, as we explained, the Apple device is currently a luxury product in Latin America, at least it can be used as an outward-looking commercial platform, as Cristián Parodi, Moosgo's director, points out:

“*The digital distribution of content using these devices enables access to other markets that were previously out of reach due to high costs and existing regulations. Now, thanks to iTunes and other online plat-*

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²⁹ Produced by [Grammata](#), a Spanish company.

³⁰ According to data from the consulting firm Marco Marketing, the average salary in Argentina is 483 dollars. Cf. Crettaz, José: “[Hacen falta 13,4 sueldos promedio para alcanzar el 'hogar digital'](#)”, *La Nación*, 6th December, 2010.

³¹ Cf. <http://www.itunes.com/apps/elmanuscritoborges>.

³² Cf. <http://www.itunes.com/apps/latregua>.

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*forms, it is possible to produce content in Argentina and sell them all over the world.*³³

In addition to the imported devices, there are already others designed in Latin America, which may currently end up being more expensive than the foreign ones, because of the lack of economies of scale and because many of the electronic components also come from abroad. We will have to see what happens in the future if internal demand greatly increases and e-readers begin to be manufactured entirely *in situ*. Brazil is the clear protagonist in this field also. The Alfa device, created by the technological group [Positivo](#),³⁴ is equipped with WiFi, touch screen, 2GB of memory and can be bought from Livraria Cultura for about 480 dollars. Also, the Leitor D, made by the company [Mix](#), was launched in mid 2010; it comes with an analogue keyboard and can be obtained through [a dedicated webpage](#), at a cost of 410 dollars. Mix, a company specializing in software, has developed numerous educational applications that will be available in the next version of the device.³⁵

Digital publishing houses

The accelerated pace of new developments in the electronic arena has encouraged the growth of native digital publishers, that is to say, publishing houses conceived entirely with the Web in mind. The profile of these ventures is extremely diverse. First of all we find self-publishing houses whose works are distributed in paper (POD) and/or electronic format, as is the case with [Autores de Argentina](#), [Liibook](#) (Argentina), [KindleBookBr](#) and [Mito](#) (Brazil), among many others. The Spanish company [Bubok](#) has recently established itself in Argentina – a development that prefigures tight competition in the market for author-released publications.

There are also digital publishing houses (POD and electronic books) with a literary profile, such as [El fin de la noche](#) and Blatt&Ríos³⁶ (Argen-

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³³ Cf. [“Publican el Quijote en versión comic para iPad”](#), *Ñ*, 9th April, 2010.

³⁴ This is the largest producer of computers in Brazil. In the third trimester of 2010 alone its turnover was 400 million dollars and it has already begun its expansion into Argentina and Uruguay. Cf. [“Positivo Informático reports EBITDA of R\\$142.0 million in 9M10, 27.7% up year-on-year”](#), *Positivo Informatica Press Release*, 11th November, 2010.

³⁵ Cf. [“Mix Leitor -d”](#).

³⁶ Cf. Tabarovsky, Damián: [“Novedades editoriales”](#), *Perfil*, 26th September, 2010.

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tina), or an academic one, such as [Teseo](#) (Argentina) and ITESM³⁷ (Mexico). The business model adopted by these publishers is generally oriented towards institutional sales and “the Long Tail”³⁸

Other digital publishing companies champion open access and [Creative Commons](#) licences, and are supported by contributions from sponsors and donations. One notable case is [LeerLibrosLibres](#) (Argentina). This site, directed by the designer Mario Spina, brings together works on art and culture that can be downloaded free of charge, in PDF format. The platform is entirely constructed using free and open source software.

It is also worth highlighting the ventures that experiment with enhanced reality, such as [Manoescrita](#) (Argentina). This publisher sells printed books that are reinforced with multimedia contents available on the Web. Thus, when the book *The Pied Piper of Hamelin* is placed in front of the webcam, texts, animation and melodies emerge from its pages. María Laura Caruso, the director of Manoescrita, explains:

“ We wanted to create a different publishing space, one that provided responses to some of the dichotomies of the publishing world. For example, the relation between books and new technologies.”³⁹

Mobile phones and micro-stories

With regard to mobile phones, so far in Latin America there have not been any publishing projects that have had an impact comparable to [those found in sub-Saharan Africa](#), perhaps because Internet penetration is higher among Latin American users than African ones, which means that the most innovative experiments are targeted directly at the Web. Some cell phone operators in the region have ventured in one way or another into the distribution of short fiction or audio books, as can be seen in certain stores selling Movistar applications,⁴⁰ but their diffusion has been limited.⁴¹

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³⁷ Cf. “[Serán 105 los 'e-Books' que publicará la Editorial Digital en 2011](#)”, *Crónica intercampus*, 14th January, 2011.

³⁸ Cf. “[Print-on-demand with extras](#)”, *Frankfurt Book Fair*.

³⁹ Cf. Boullosa, Cecilia, “[La realidad aumentada renueva los clásicos](#)”, *Ñ*, 5th August, 2010.

⁴⁰ Cf., for example, http://66.231.255.98/web/category.jsp?cname=viajes_libros.

⁴¹ As the swing towards digital is consolidated, it is to be expected that the big mobile phone operators will open their own e-book stores, for cell phones as well as for other

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Nevertheless, there are interesting things happening in informal web portals for hyper-brief texts intended as SMS messages. One such case is [Cuentos Pulgares](#) (Argentina), a collective writing project that proposes the creation of micro-stories. Augusto Jacquier, one of the promoters of the initiative, explains:

“ *While I was waiting to be given an appointment to get my driving license, a friend sent me some haikus. And while I was there something happened that occurred to me in a narrative manner, and I wrote a 160 character story, which is the limit for any standard cell phone message (...). The challenge is to generate something with what you have got. New technologies, such as the cell phone, give rise to new practices that have infinite potentiality.*⁴²

Online reading and writing

The Internet is currently home to much of the literary vitality of Latin America. The Web has become a privileged setting for creation and diffusion, thanks to free and open source tools like [WordPress](#), [Issuu](#) and [Blogspot](#). There are countless online literary journals and blogs, such as [Moleskine Literario](#) (Peru), [Ficción Breve](#) (Venezuela), [Boca de Sapo](#) (Argentina) or [CuatroCuentos](#) (various countries), which are setting a course and fast becoming one of the most fertile sources of modern-day Latin American narrative and poetry. Carolina Sborovsky, a writer and editor at [El fin de la noche](#), believes that, with its enormous plasticity, the Web represents a key stimulus for literature in the region:

“ *For Latin American literature – for all the actors involved –, the shift towards online platforms brings with it huge advantages in relation to ease of circulation, distribution and visibility. Its scope and possibilities reach towards the universal, and the timeless, which is what literature is concerned with. Moreover, within Latin America the digital medium enables “native” readers to discover texts in their own dialect without having to go through the hurdle of Iberian publication. In*

devices, using as a basis their huge numbers of users and their flexible payment platforms.

⁴² Cf. Ballan, Paulo: “[Cuentos pulgares: un vínculo entre las tecnologías móviles y la creación artística](#)”, *Universidad Nacional de Rosario*, 13th June, 2010.

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*simple terms: Argentine readers, for example, can read any Uruguayan or Chilean writer who publishes their work online, without any longer having to wait for a Spanish publisher or transnational publishing house to select that Chilean or Uruguayan for their catalogue and distribute them. Let's say that this is a step towards specificity: regional modulations, lexical choices peculiar to a community at a certain moment (captured and presented for reading almost simultaneously), its trends and affectations. In this sense, online literature has great documentary potential and, within the vast digital world, it veers towards detail and idiosyncrasy, which is also what literature is all about.*⁴³

With regard to academic publishing, there is also a definite trend towards putting content developed by local universities and research institutes on the Web.⁴⁴ These repositories aim to satisfy the bibliographic needs of a region that cannot always afford to pay thousands of dollars in subscriptions to access specialized texts. While virtual academic libraries enable researchers and students to consult different materials with Creative Commons⁴⁵ or similar licenses, many have decided to go a step further and create free repositories of works including some that are under copyright protection, which has provoked heated debates and even led to lawsuits. One such example was the legal action taken against Horacio Potel, an Argentine philosophy professor who had been uploading books by Derrida and Heidegger to the Web since the early 2000s.⁴⁶ Following fierce controversy in the graphic⁴⁷ and digital media,⁴⁸ the legal offensive, originally orchestrated by the [Argentine Book Chamber](#), came to nothing, since the Public Prosecutor's Office ended up dismissing the case against Potel in November 2009. It is interesting to observe that although the case did not prosper, it did not lead to any noteworthy developments in legislation either, which means that the current situation remains unclear. In any case, it is obvious that there is a tension in Latin America between, on the one hand, the traditional model of supply (publishing based on traditional copyright and the sale of printed copies) and, on the other, an avid demand for digital content. It will be very difficult for traditional publishers to hold back the tide of

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⁴³ Personal interview, February 2011.

⁴⁴ A detailed list of the academic libraries of a field like social sciences can be found here: <http://sala.clacso.edu.ar/gsd/cgi-bin/library>.

⁴⁵ One example is the [Repositorio Digital de la Escuela Politécnica](#) of Ecuador.

⁴⁶ That is to say, texts that were still privately owned.

⁴⁷ Cf. García, Facundo: "[El conocimiento no es una mercancía](#)", *Página 12*, 26th April, 2009.

⁴⁸ The Facebook group "[Contra la desaparición de Heideggeriana.com y Derrideana.com](#)" was supported by thousands of Net users.

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mass digitization, since [as we will see in the case of Russia](#), many of the unauthorized virtual libraries are located abroad or are part of closed social networks. An (anonymous) expert in digitization recently declared to the newspaper *Página/12* (Argentina):

“Circulation on the web is more complex than with printing firms. It is uncontrollable and unstoppable. You upload a book by Sartre and within a month it is on thousands of hard disks all over the planet. (...) Things that sell on a large scale are those that are digitized the most, as happens with music. There were users who came to us and said ‘Digitize the Da Vinci Code! I have a right to read Dan Brown!’ Until we decided not to accept requests on the list; and if it was a work of fiction we would wait a year for it to circulate. That way we managed to get rid of those people who ask for a book that just came out yesterday.”⁴⁹

Traditional publishing and its response to the digital world. Between danger and opportunity

The previous point may help to explain the attitude of many Latin American publishers and booksellers towards the digital age. Piracy is probably the major concern, since no one wants to suffer the same fate as record companies. However, paper publishing has its limitations and sooner or later publishers will have to experiment with new formats.

Leandro Donozo, the director of the prestigious independent publishing house [Gourmet Musical](#) (Argentina), explains how piracy weighed on his decision not to venture into selling electronic books:

“The main reason why I don’t publish electronic books is piracy. I am reluctant to release a copy, to release my master copy: when I release a normal PDF, that is my master copy; there is no difference between the file I send to the printer’s and the file I release. And I don’t want to release that because I know that as soon as I do, at least 100 people who might buy the book won’t buy it, because they would rather download it; they wouldn’t even buy it if it was cheaper. And I can’t find anyone who can give me a technical basis as to why what didn’t work with the MP3 is supposed to work with the electronic book. An equation needs

49 Cf. García, Facundo: [“Hay esperanza de gozar un acceso franco a la cultura”](#), *Página/12*, 23rd January, 2011.

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*to be found, and for me that is the main obstacle. I don't have the commercial solution, and I don't know whether anyone does.*⁵⁰

For a considerable number of Latin American publishers, the electronic age – and the possibility that texts may end up being copied *ad infinitum* – constitutes a threat to the book business itself. And there is a kind of self-fulfilling prophecy in operation here, which could escalate in the coming years: since publishers are scared away by the digital option, there is very little content available in electronic format, thereby increasing the chances of texts being digitized on a massive scale without authorization.

Nevertheless, we must remember that piracy is not a challenge that is restricted to digital formats: the latest survey by CERLALC reveals that illegal reprography – for example, photocopies – and piracy on paper are still two of the biggest obstacles faced by local publishing, and these systems of unauthorized copying have been around in the industry for many years. Moreover, it is interesting to observe that the two challenges that top the list of the professionals surveyed by CERLALC – above piracy – are not only not a consequence of the electronic age, but they might even be mitigated by incorporating new technologies into the book chain. We are referring to:

1. changes in macroeconomic variables;
2. low demand.⁵¹

Without going into details, in relation to the first point, we might suppose that a publishing system that were less dependent on paper supplies would enable publishers to cope better in a context of inflation, devaluation or economic instability in general. With regard to the second aspect, the growing thirst for digital content shown by Latin American readers is a sign that the demand for books is not decreasing, it has just been transformed and now calls for other formats and new mediums. If the publishing industry were to find a way to take advantage of these changes, the benefits would be considerable, as Donozo adds:

“*In my case, I publish very specific books, books on music, where the electronic book offers me better possibilities than the paper book. For example, sometimes I have to produce books with more pages than I can print, because they would cost me a fortune. In addition, there are times when it is necessary to include materials that are not text - illustrations, musical examples, musical scores, sound, video, references,*

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⁵⁰ Personal interview, February 2011.

⁵¹ Cf. CERLALC, op. cit., October 2010, p. 7 onwards.

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hyperlinks, bibliographies, internal hyperlinks, indexes of names with internal references – and here the electronic book may be much more efficient. At the same time, I want to publish more titles than I can print. So if I could make more interesting books that were cheaper to produce but were able to produce more titles, selling fewer copies and in a market like music where sound gives the book a new and extremely important dimension, that for me would be a great improvement.

In this context, it is interesting to observe that in a devastated country like Haiti, where paper publishing faces enormous restrictions, local publishers do not hesitate in identifying the huge opportunities that might emerge from new technologies. Rodney Saint-Eloi, the director of the publishing house [Mémoire d'encrier](#), has this to say:

“ *There is a great literary tradition in Haiti; the problem is the segregation of classes. Literature remains linked to the concept of social class. To people who eat, who go to school, who wear clothes, who travel... It is a social distinction. (...) paper exists but it isn't popularized, democratized. Digital formats will make it possible to widen the sphere of citizenship.*⁵²

Challenges and proposals: digitization, training and networking

If our vision is correct, then digital technology could signify a positive step for Latin American professionals, since, if properly used, these tools would help to boost the strengths and mitigate the weaknesses of present-day publishing. However, any digital reengineering of the sector will demand considerable effort.

First of all, any professionals seeking to distribute their titles in one of the digital modalities described above will need to have their entire backlist converted into electronic format. The most long-established publishing houses, particularly in the case of small and medium players, have digitized only a relatively small proportion of titles. At present there is very little help available for scanning backlists, unlike what happens in

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⁵² Personal interviews, December 2010.

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France for example.⁵³ In this case it would be worth submitting reports to local authorities – Ministries of Education, Culture and Production – in order to obtain support for digitization initiatives.

Moreover, as 77% of our Latin American survey respondents acknowledged, it would be essential to implement training activities to help update the working methods of small and medium publishing companies. For example, the survey reveals that publishers use very few software options other than Microsoft Office and Adobe InDesign, and virtually no personalized tools. Another difficulty is related to the insufficient legal knowledge publishers possess regarding the digital world. A typical case arises in copyright contracts. Very few small and medium-sized publishing houses have modified their contract models in order to market their works in electronic format; what is worse, some have even begun to sell digital copies without signing any ad hoc addendum with the authors, under the mistaken conviction that clauses like “the work may be published in paper format or in any future format” grants them the power to do so with electronic versions. As [Mónica Herrero](#), a copyright specialist (Argentina and Brazil) points out:

“Many publishing companies habitually include that line about the future format, but it is useless because copyright is interpreted in a restrictive manner, that is, if it is not explicitly stated what is being granted, the interpretation will always (in the event of a dispute) be in favour of the author, who is the party considered to be most vulnerable.”⁵⁴

On other occasions publishers feel disconcerted by the overly demanding contracts of certain digital aggregators; publishers may indeed be accustomed to signing exclusivity agreements with territorial distributors for their paper books, but the same course of action proves very risky in the case of electronic marketing. Thus it would be advisable to add to the training activities topics related to the new book chain and its business models – many of them yet to be invented.⁵⁵

These professional updating activities should be designed according to the local actors involved and would require the commitment of institutions currently operating in the region. A number of interesting initiatives of this kind have already been carried out, such as the [Congresso do](#)

53 That European country offers considerable assistance for digitizing back catalogues, mainly through the [Centre National du Livre](#) (CNL).

54 Personal interview, February 2011.

55 There is something to be learned here too from the case of France: the [Syndicat National de l'Édition](#) (SNE) offers its members legal and tax update programs, something that is essential for companies that need to adapt to the electronic age.

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[Livro Digital](#) (Sao Paulo, March 2010), the third Publishing Conference, organized by [Opción Libros](#) (Buenos Aires, September 2010) and the [Primera Muestra Internacional del Libro digital](#) (Bogotá, August 2010).

To ensure that the proposals do not remain purely abstract in nature, the training would have to be complemented by activities focused on developing professional and commercial links. Book fairs may prove to be a privileged arena for exchange, but so far these events do not appear to have put sufficient energy into digital technologies: 26% of our survey respondents gave a score of 1 out of 5 to the technological updating of local fairs, while 55% gave them 2 out of 5. Lastly, if we bear in mind that 74% of those interviewed acknowledged that dialogue with colleagues from the region constitutes their main source of information, it is at fairs and the different professional conferences organized locally that the greatest efforts for change should be aimed.

These meetings and seminars could help to overcome the paralysis that tends to prevail among the more traditional publishing houses, and even reawaken the flame of vitality and the desire for exploration that no doubt marked their beginnings, decades ago. Although of course the “ecosystems” that emerge from the different initiatives in digitization, training and networking will necessarily have to integrate new actors from the digital world – programmers, web designers, videogame developers, etc – and, in this sense, they will be very different from any other experience that has taken place in the past.

Possible trends

In any case, irrespective of the reaction of the traditional actors, there are various trends that are likely to accelerate the development of digital publishing in Latin America:

1. A new middle class will be rapidly incorporated into the consumer market, especially in Brazil. Digital products (hardware and content) will no doubt feel the impact, particularly bearing in mind that in a country like Brazil, around 80% of the new middle class considers it “impossible to live without computers”.⁵⁶
2. Various public initiatives will help to reduce the digital gap, especially the plans concerning technological infrastructure for the educa-

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⁵⁶ Cf. Benhamou, Françoise: [“La montée de la classe moyenne, enjeu pour la culture brésilienne”](#), Rue 89, 1st November, 2010.

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tion sector, such as the [Plan Ceibal](#) (Uruguay) and the [Plan Conectar Igualdad](#) (Argentina).

3. The promotion of local production in free trade zones such as Tierra del Fuego (Argentina) or Manaus (Brazil) will speed up the appearance of nationally produced hardware designed for electronic reading.
4. There will be a possible expansion of free and open source software, which has been part of the state policies of different countries for several years (Brazil⁵⁷ and Venezuela,⁵⁸ for example).
5. There may be modifications in legislation: possible exemption from certain taxes on electronic publications, discussions of fixed/variable prices for e-books and wider debate on current copyright laws.
6. The number of events related to digital publishing will increase (book fairs, exhibitions, conferences).
7. The curricula of publishing courses will gradually be updated.
8. Brazil – far and away the country that invests the most in R&D in the region –⁵⁹ will play a leading role in both developing electronic reading hardware as well as creating content platforms.
9. Local actors will increasingly compete with platforms from Spain and the US, and their success or failure will depend to a large extent on the quality of the links they manage to establish with the other domestic players: authors, publishers, booksellers, programmers, web designers and videogame developers.



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⁵⁷ Cf. Kingstone, Steve: “[Brazil adopts open-source software](#)”, *BBC News*, 2nd June, 2005.

⁵⁸ Cf. Proffitt, Brian: “[Venezuela’s Government Shifts to Open Source Software](#)”, *Linux today*, 30th August, 2002.

⁵⁹ Cf. *UNESCO Science Report 2010: The current status of science around the world*, UNESCO Publishing, 2010, p. 82 onwards.

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Presentation



Sub-Saharan Africa suffers from a serious lack of infrastructure and human resources. However, the extensive mobile phone network covering the region has enabled the emergence of new publishing actors that have made mobiles their main ally. Traditional African publishers, for their part, appear in general to be optimistic with regard to new technologies: the foundations of the paper book industry in Africa have historically been very fragile, and the leap towards digital may represent a great opportunity.

Technical data

1. Countries that make up the region: Angola, Benin, Botswana, Burkina Faso, Burundi, Cape Verde, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritius, Mayotte, Mozambique, Namibia, Niger, Nigeria, Republic of Congo, Rwanda, Saint Tome and Principe, Senegal, Seychelles, Sierra Leona, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe.
2. Population: 839,615,482 (2009)
3. Urban population: 37% (2009)
4. GDP: US\$ 946,094,822,923 (2009)

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5. GDP per capita: US\$ 1,126 (2009)
6. Politics: sub-Saharan Africa is a region characterized by political instability, ethnic conflicts and the permanent struggle to improve human development indices. Its history is marked by the legacy of the colonialist tradition which it endured for many years.
7. Mobile phone penetration: 41% (2010)
8. Internet penetration: 9.6% (2010)
9. Literacy rate: 67% age15+ (2009)
10. Publishing industry: sub-Saharan Africa is the poorest region on the planet, a situation that is also reflected in its publishing industry; access to books is restricted and libraries thus become fundamental agents. Over 90% of the books published in Africa are text books, most of which are published by multinational companies. Africa's publishing production represents around 3% of world production. It is important to highlight the region's enormous cultural and linguistic diversity.

Sources: [World Bank](#); [Book Aid](#); [International Telecommunication Union](#); [Langa Research and Publishing Common Initiative Group](#).

Reading devices in an incipient market

The first observation a visitor might make with regard to digital publishing in sub-Saharan Africa is that it is in an entirely embryonic state. For a start, the presence of e-readers is minimal. A device like the Kindle has such limited network coverage that in February 2011, only 7 countries – South Africa, Namibia, Botswana, Kenya, Gabon, Nigeria and Ghana – have access to this provision.⁶⁰ Moreover, given the disparity between the price of the device – including shipping and customs costs – and the average salary of the population, only the wealthiest inhabitants are able to acquire one. In November 2009, Arthur Attwell, a consultant and the director of the South African publishing house [Electronic Book Works](#), made the following reflections on the introduction of the Amazon device into his country:

“ *I think it's very unlikely the Kindle will make a significant impact in South Africa. It is very expensive for most people (especially when in-*

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⁶⁰ Cf. <http://client0.cellmaps.com/viewer.html?cov=2&view=intl>.

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*cluding the shipping costs) and is likely to be purchased by only a few wealthy early-adopters.*⁶¹

Since March 2010, the [Worldreader](#) organization has been handing out the device to students in Ghana, to explore the reactions of these young people to digital technology.⁶² According to David Risher, the founder of Worldreader and a former executive of Amazon, the medium term objective is reduce as much as possible the cost of each book read using this technology:

“*Lack of access to books has been solved by e-books. But there’s no market-driven plan to get e-readers to the developing world.*”⁶³

Nevertheless, Jonathan Wareham, a professor from ESADE (Barcelona) who has studied the case, points out that in order to make any progress, Worldreader would have to create a system of content, distribution, pedagogy and administration, as well as obtain administrative, cultural and political support. The challenges, adds Wareham, are immense: the initial objective of the program was to fight illiteracy, but ultimately it is faced with the need to change cultural rules.⁶⁴ Risher is at any rate optimistic, as he believes that since the teachers already know how to use the books, the Worldreader program – sometimes called the “One Kindle Per Child” project⁶⁵ – will prove to be easier to implement than other initiatives like [One Laptop Per Child](#) (OLPC).⁶⁶ This is no innocent remark on Risher’s part, since it reveals the rivalry that exists between these two experiments in introducing reading technology into the developing world.

Presided over by Nicholas Negroponte, OLPC is also a non-profit organization, based in Delaware (US), which developed the XO, a low-cost and low-energy-consumption portable computer that can be used in the

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⁶¹ Cf. Cummiskey, Gary: [“The Kindle arrives in South Africa”](#), *The Bookseller*, November 2009. In another article, Attwell refers to this sector as the “First World bubble”, beyond which e-readers are unlikely to have any impact. Cf. Attwell, Arthur: [“Applying publishing tech in southern Africa”](#), *On technology and information in the developing world*, October 2009.

⁶² According to its website, Worldreader is a non-profit organization that aims to put whole libraries in the hands of people in the developing world, by using tools like e-readers. Their motto is “Books for all”.

⁶³ Boss, Suzie: [“What’s Next: Curling Up with E-Readers”](#), *Stanford Social Innovation Review*, winter 2011.

⁶⁴ Ibidem.

⁶⁵ Cf. Fowler, Geoffrey A.: [“Nonprofit Tries One-Kindle-Per-Child In Ghana”](#), *Digits: Technology News and Insights* (The Wall Street Journal Blogs), 5th August, 2010.

⁶⁶ Ibidem.

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remotest of places and the most adverse environments. According to its website, OLPC's mission is to promote the education of school-age children in developing countries. The organization has produced hardware, software and content for over two million pupils and teachers, and has carried out various experiences in sub-Saharan Africa. OLPC receives financial support from companies like [eBay](#), [Google](#), [News Corporation](#) and [Red Hat](#).

The question that arises – and one that has numerous implications in the field of digital publishing – is what kind of content Worldreader's Kindles or OLPC's laptops offer in Africa. According to information disseminated by OLPC, XO users can access hundreds of thousands of free e-books provided by the [Internet Archive](#) Foundation of San Francisco.⁶⁷ Of course no specific details are given about what happens with pupils and teachers that require personalized content, in particular when the foreign repositories contain no literature in local languages – as is usually the case.

In 2010, OLPC France promoted the inclusion of an electronic book in the Malgache language into the XOs on the island of Nosy Komba (Madagascar). [Jeunes Malgaches](#), an independent local publisher, joined the initiative and contributed the first text.⁶⁸ According to Marie Michèle Razafinstalama, the director of the publishing house:

*“OLPC France discovered that when foreign books are introduced, difficulties arise, because there is always the language barrier. In some countries, books in French may work, but the problem is that these books are never adapted. In other words the content is not fitted to the context, and children can't identify with that type of book.”*⁶⁹

In addition to that one title in Malgache, the laptops contain 12 electronic books in French. Razafinstalama believes these texts will be less likely to interest pupils, because in primary school children don't yet understand that foreign language well. Moreover, there still does not appear to be a clear business model for publishers, given that so far it has been a non-commercial initiative: Jeunes Malgaches transferred copyright free of charge, OLPC received the text in PDF version and then adapted it to the device. Nonetheless, a publisher like Sékou Fofana, from the Donniya publishing house, in Mali, sees an advantage in including local texts in the XOs:

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⁶⁷ Cf. Roush, Wade: [“Internet Archive Opens 1.6 Million E-Books to Kids with OLPC Laptops”](#), *Xconomy*, 24th October, 2009.

⁶⁸ Cf. Razafintsalama, Marie Michèle: [“Le premier livre jeunesse malgache en numérique”](#), Presse Edition et Diffusion (Prediff).

⁶⁹ Personal interview, December 2010.

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“ *In commercial terms there isn’t much to be gained. But in terms of recognition and diffusion it may be a good option.*⁷⁰ ”

Regardless of the possible virtues of Worldreader or OLPC, what is certain is that both initiatives are based on a technological platform that seeks to install itself “from above”, in completely heterogeneous contexts.⁷¹ As is to be expected, the difficulties don’t take long to surface: the lack of content adapted to the users and the absence of a business model designed for local creators and entrepreneurs. In other words, they are projects that first get the technology on the ground and then face the problem of generating nothing less than an ad hoc “ecosystem” of people and infrastructure.

Worldreader and OLPC have achieved international renown – no doubt because of the stature of the actors and contributors involved –, but they are not the only projects related to digital publishing in sub-Saharan Africa. On the contrary, there are numerous local ventures that start from very different premises.

Between the digital and the analogue: experiences with CD ROM and print on demand

Founded in 2008, the publishing house Nouvelles Éditions Numériques Africaines (NENA) bases its business model on marketing electronic books on CD ROM. From its headquarters in Dakar, this company compiles law books in PDF format – with DRM – which it sells in Senegal and Cameroon. Each one of these books contains thousands of pages and comes with hyperlinks and other interactive tools.

Marc-André Ledoux, the head of NENA, has a very strong opinion about the projects imposed on Africa from outside without taking into account the particular conditions of the local context:

“ *In the field of African publishing, international cooperation projects and NGOs only complicate matters, every time they give assistance for a set period to publications that are ‘orphaned’ once this time is up,* ”

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⁷⁰ Ibidem.

⁷¹ The criticisms already outlined several years ago now by Lee Felsenstein make interesting reading on this point: “[Problems with the \\$100 laptop](#)”, *The Fonly Institute*, 10th November, 2005.

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and left without monitoring or marketing (...). The essential thing is for African publishers to persevere and produce (...). To tell the truth, the key to development in Africa, in my opinion – which is shared by many others – depends on the creation and growth of viable and sustainable small and medium enterprises.⁷²

Acknowledgement of the specific possibilities of the region has led some publishers to also explore the POD option. Electric Book Works will soon launch [Paperight](#), a platform that promises to transform any computer with a printer and Internet connection into an on-demand store. In this way, it will be possible to buy books at the local photocopying centre and pay for the cost of printing along with a small amount corresponding to the copyright and publisher's rights. According to Arthur Attwell:

“*There may be other ways of harnessing digital as well that will include distributing e-books through libraries and Internet cafés, kiosks, any infrastructure that doesn't require someone to be spending a lot of money on a device. I think print-on-demand has got a massive future for Africa, and developing countries in general, because of the way it caters to people with low cash flow and who just need a book right now; they can't afford to get an e-reader or even a netbook computer to read books in the long term.*⁷³

Another independent South African publisher, [Jacana Media](#), will soon have an [Espresso Book Machine](#), for printing book on demand locally. The machine will allow them to reduce distribution costs and replace the prevailing business model – produce first, sell later – with another, inverted, model – sell first, produce later.

The progress made by POD in South Africa has opened the doors to self-publishing ventures like [MouseHand](#). Part of the publishing company [RedHill](#), it offers authors services including interior and book cover design and proofreading as well as – most importantly – the possibility of marketing their books printed on demand or in electronic format, through portals like Amazon and Kalahari.

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⁷² Personal interview, January 2011.

⁷³ Cf. Turner, James: [“Bringing e-Books to Africa and the Middle East”](#), O'Reilly Radar, 19th January, 2010.

African online stores

[Kalahari](#) is one of the leading online stores in Africa and sells books, CDs, cameras and other mass-market products. In its [digital downloads](#) section, inaugurated in March 2010, it offers a backlist of almost 220,000 e-books and 50 electronic magazines at various prices and in different formats,⁷⁴ by both African publishers – for example [LAPA](#) – as well as foreign ones – including Random House, among many others. The store has even developed an application for reading e-books on computers and mobile phones. With regard to the e-readers and tablets sold by Kalahari, the [Samsung Galaxy](#) is the most expensive – at around 1000 dollars –, while the British device [Elonex](#) is far more accessible – at 140 dollars.

Another significant platform in South Africa is [Exclusive Books](#), belonging to the multimedia group [Avusa](#). Since October 2010, Exclusives has been selling e-books in ePub or PDF format, like its competitor Kalahari. According to the renowned portal [Book Southern Africa](#), most of Exclusives' e-books come from the US aggregator [Overdrive](#).⁷⁵

Book Southern Africa has set up its own electronic bookstore, called [Little White Bakkie](#) (LWB), through [Scribd](#). LWB sells files in PDF format with DRM, at the price set by the publisher. Of the total amount invoiced, 20% goes to Scribd, another 20% to LWB and the remaining 60% goes to the publisher. For the time being, given the payment limitations that exist in the case of Scribd, LWB's content can only be bought from the US.

In the field of digital magazines, [MyMag](#) and [CrushMagOnline](#) are two of the more active examples and are also South African. Founded in 2007, the portal MyMag sells magazines in interactive Flash format, with discounts of up to 40% on the price of the printed issue. CrushMagOnline is a free publication on wine and food, also in Flash format, which offers recommendations, restaurant reviews and interviews with chefs. This famous publication incorporates plenty of multimedia material.⁷⁶

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⁷⁴ The prices range from 3 dollars to 10,000 dollars, in the case of the book *Comprehensive Structural Integrity*. The formats are generally PDF or ePub.

⁷⁵ Cf. "[Exclusive.co.za Launches its e-books Store](#)", *Book Southern Africa*, 12th October, 2010.

⁷⁶ One of its issues can be found here: <http://cde.cerosmedia.com/1F4c24d5d3ee8d4606.cde>.

Digital repositories

In addition to the commercial platforms, there are numerous digitization initiatives and open access publications to be found across the entire continent. Below we will present two noteworthy cases.

The publishing company [Human Sciences Research Council Press](#) disseminates material on social science research in electronic format – downloadable free of charge – and printed format – at very low cost. The company is run by the Human Sciences Research Council ([HSRC](#)) and deals with topics related to social development, poverty reduction, and public policy and planning, among others. According to its website, Human Sciences Research Council Press represents the first open access publications portal in South Africa.⁷⁷ Garry Rosenberg, the company's publishing director from 2002 to 2009, underlines the importance of this modality:

“*There is ample evidence that open access titles get to more people, more quickly, than print-only publications. For example the HSRC Press distributes books in three regions comprising 11 countries, but has online readers in 184 countries. HSRC press titles are, on average, visited online 22.5 times more than the number of copies bought (...). Its spirit of being open is not merely an academic notion – it is part of a larger movement to create a public space that can carry forward the life and legacy of “print culture”. It is bent on increasing the democratic circulation of knowledge.*”⁷⁸

[African Journals Online](#) (AJOL), for its part, brings together works by African researchers with the aim of ensuring their worldwide diffusion. A non-profit organization based in Grahamstown, South Africa, it has been disseminating the content of around 400 academic journals from 29 African countries since 1998, with the sponsorship of the [Ford Foundation](#). All the digital tools used by AJOL are open source. As stated on the institution's portal:

“*At the same time as academic resources from the developed global North are made available to Africa, there needs to be corresponding online availability of information from Africa. Important areas of re-*

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⁷⁷ Cf. [“FAQ”](#), HSRC Press.

⁷⁸ Cf. Rosenberg, Garry: [“Broadening the exchange of knowledge”](#), *Mail & Guardian Online*, 13th June, 2008.

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search in Africa are not necessarily covered by publications from the developed world. African countries need to collectively play a greater role in the global online scholarly environment. African researchers also need access to their own continent's scholarly publications. Mainly due to difficulties accessing them, African-produced research papers have been under-utilized, under-valued and under-cited in the international and African research arenas. The Internet is a good way to change this, but many hundreds of worthy, peer-reviewed scholarly journals publishing from Africa cannot host their content online in isolation because of resource limitations and the digital divide. Valuable information has not reached the people who need it. AJOL is working to change this.

The mobile telephone, a key actor in African digital publishing

In addition to the devices and tools mentioned so far – all still in their early stages –, there is another actor that is perhaps the real protagonist of future electronic publishing in Africa: the mobile phone. In comparison to other technologies, the penetration of cell phones in the region is extremely high, not just in cities but in rural communities too. According to estimates by the International Telecommunications Union for 2010, access to mobile networks in Africa is around 41%, compared with 76% worldwide. Internet penetration, meanwhile, appears to be much lower: a mere 9.6%, in contrast to 30% for the rest of the planet. In Africa, then, mobile phones have four times more penetration than the Internet; and in relation to the global average, the African cell phone network is also much better positioned than the Web.⁷⁹ In some countries, like South Africa, penetration appears to exceed 100%,⁸⁰ to the extent that many African analysts point out that, there, cell phones constitute the real Net.⁸¹

This particular situation has led numerous companies and areas of the public sector to prioritize the mobile phone network for activities that in other regions are carried out through the Web, such as electronic payments. Within this field, a vital role is played by M-Pesa, a cell phone-

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⁷⁹ Cf. [“The World in 2010”](#), ITU.

⁸⁰ That is to say, there are more devices than inhabitants. Cf. [“ICT Statistics Newslog – South Africa Mobile Penetration Level Breaks the 100% Mark”](#), ITU, 28th January, 2009.

⁸¹ Cf. Matthews, Michelle: [“Cell-lit is all the rage”](#), *Mail & Guardian Online*, 8th June, 2008.

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based money transfer service that emerged in Kenya in 2007 and which rapidly expanded to Tanzania, South Africa and even Afghanistan.⁸² What is interesting is that although it was designed by an international company like [Vodafone](#) – in conjunction with [Safaricom](#) – and promoted by US and European foundations – such as the UK-based [DFID](#) –, this system is supported by the locally available infrastructure and meets the concrete needs of vast sectors of the population, two decisive factors in the success of any technological project.

M-Pesa and other similar payment solutions have served as a model for many other mobile applications. In 2009, for example, the University of South Africa ([UNISA](#)) introduced the AirPac service to guarantee its library members access to a wide catalogue and even give them the possibility of reserving books using their cell phones. At the time it was launched, Rita Maré, a professor at the university, enumerated the benefits of this institutional repository: increasing the impact of the university's research and facilitating the sharing of new knowledge, in order to give African academia greater visibility.⁸³

The possibilities offered by mobile phones have led some players to use the existing cellular network to distribute works of fiction. Although no longer active, the company CellBook, founded in 2007, was one of the first to follow this direction, by creating tailor-made software and solutions for publishers who wished to distribute their books through this medium. In 2009, Pieter Traut, the project founder, commented to [NewsWire Today](#):

“*The possibility to distribute books on mobile devices opens up new and untapped revenue streams for publishers and enables them to monetize content in a dynamic way in a world where the mobile phone has become the most popular digital device. Since 2007, more than 100,000 books have been distributed on mobile in South Africa alone and we engaged with some of the largest publishers to create CellBook versions on a host of exciting book titles. What makes CellBook so unique is that it now includes a number of cutting-edge features such as book search functionality and book review postings to social networks.*”⁸⁴

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⁸² Cf. [“About M-Paisa”](#), *Roshan connection*. M-Pesa has proved essential for those people who find themselves outside the formal banking system. Around 50% of the population of Kenya are estimated to use this system (Cf. Graham, Fiona: [“M-Pesa: Kenya’s mobile wallet revolution”](#), *BBC News*, 22nd November, 2010).

⁸³ Cf. [“AirPAC Launch”](#), *UNISA*.

⁸⁴ Cf. [“Mobile Applications Developer CellBook Signs Agreement with Oxford University Press”](#), *NewsWire Today*, 28th February, 2009.

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It was apparently the lack of a clear business model that led to Cell-Book being discontinued. But the closing down of this project did not discourage other entrepreneurs. In 2008, the South African platform [MOBFest](#) introduced [Novel Idea](#), a literature contest for cell phones. By sending an SMS, users could receive stories written especially for small screens – 28 instalments each of 900 characters – and then vote for their favourite author.⁸⁵ Although the Novel Idea texts were sent free of charge, at least they served as an exploration of new formats and as a promotion tool for local writers. As Michelle Matthews, the publisher in charge of the project observed:

“*I think that for now, fiction on mobile phones is a different experience to your traditional 300 page novel. Writers tend to write differently for the platform and readers don't want to read long texts on a small screen – at least not yet. I think it appeals to an overlapping market. It's always possible that someone will seek out a book by an author they've read and enjoyed on their mobile phone. So Novel Idea is a good marketing tool for established authors.*”⁸⁶

[MXit](#), for its part, is now one of the leading actors in the cell phone sector in South Africa. Its chat applications system, used by 27 million subscribers, makes this company the continent's main social network. Users can pay for small applications in the system's very own currency called the *Moola*. In May 2009, the writer Karen Michelle Brooks signed an agreement with MXit to sell her adventure novel *Emily and the Battle of the Veil* through the platform, where the work could be bought chapter by chapter, with Moola micro-payments. This 27-chapter-long book inaugurated MXit's m-books (mobile books) series and in barely a month it had already sold 5000 chapters. In the words of Brooks:

“*M-Books is the evolution of e-Books. I thought that access to books via a digital medium was a great way to give everybody access to my novel. More importantly, Emily and the Battle of the Veil is suited to teenagers and I wanted to make it accessible to them – hoping it will foster a love of reading and writing.*”⁸⁷

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⁸⁵ The first round of the contest saw the participation of writers such as Lauren Beukes, Sam Wilson, Sarah Lotz and Henrietta Rose-Innes – the winner of the 2008 [Caine Prize](#). Cf. “[Author biographies](#)”, *Novel Idea*.

⁸⁶ Cf. Cummiskey, Gary: “[Stories put to the text](#)”, *The Book seller*, 25th September, 2008.

⁸⁷ Cf. “[MXit Launches its First SMS Book: Karen Michelle Brooks' Emily and the Battle of the Veil](#)”, *Book Southern Africa*, 7th May, 2009.

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In September 2009, the South African Steve Vosloo, an expert in IT systems, published the story *Kontax*, by Sam Wilson, first from his [own site](#) and then through MXit. The publishing project, known as [m4Lit](#), was supported by the [Shuttleworth Foundation](#) and its objective was to promote reading among South African youngsters. *Kontax* was distributed free of charge in English and in Isixhosa – one of the country's official languages –, while an interactive space was set up where readers could leave comments, discuss the story and suggest alternative endings that were later entered into in a competition. In just two months the mobile site exceeded 63,000 subscribers.

In 2010, m4Lit inaugurated [Yoza](#), a free virtual library that now houses *Kontax* and other texts especially written for mobile phones, with genres ranging from adventure tales to stories about football, love stories and classic plays like [Macbeth](#).

Vosloo's reflections on the success of m4Lit are quite revealing:

“*I too love the form of a book, the weight and smell of it, the feeling of the paper. I would be devastated if books were to vanish, relegated to museums. But we can't ignore the changes that are happening in the world, nor the advantages that new technology offers. Books are highly durable – read on the mountain top without fear of the battery dying –, but prohibitively expensive. Without libraries, our youth can't access books. I agree that we desperately need libraries, but concede that we probably won't see them built and stocked for some time (if ever). What our youth do have, however, are cell phones. The project that I lead, called m4Lit (mobiles for literacy), takes this book-poor/cell phone-rich context of South Africa, indeed of most of Africa, as a point of departure. If cell phones are what's in the hands of young people then that is what we have to work with.*⁸⁸

Traditional publishing and the digital age: opportunities, challenges and proposals

Vosloo insists on the need to use the technology available and not just focus on paper books, but what happens in the case of traditional publishers?

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⁸⁸ Cf. Vosloo, Steve: [“It's about reading, not paper vs pixels,”](#) Steve Vosloo. Project leader in Cape Town: Technology + Education + Africa, 31st May, 2010.

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Those working in the printed book sector all agree that publishing in Africa has been facing enormous challenges for decades. According to the Cameroonian publisher François Nkeme, from the company Ifrikiya, the first problem is related to the cost of materials; indeed, in spite of the [Florence Agreements](#), paper continues to be taxed in numerous countries of Africa, which explains why books are so expensive; secondly, serious difficulties exist in distribution: there aren't enough bookstores, just three or four in Yaoundé and the same number in Douala; for which reason the publisher has to think up alternative sales channels.⁸⁹ Nkeme therefore believes that technology does not represent a danger for publishing but rather a great opportunity:

“*Digital really can help us (...). I think it is up to us [the publishers] to impose it and at least begin slowly, cautiously; because after all it is true that we have nothing to lose. Digital technology would help us reach a foreign public. But I believe that, as publishers, if we want to make progress in that area, we have to offer an electronic version that is not too expensive, since, as I was saying, the bulk of the cost for us is printing in paper format. Perhaps by going through a digital version we could sell the book more cheaply, at an accessible price.*”⁹⁰

Serge Dontchueng Kouam, the director of another Cameroonian publishing house, [Presses Universitaires d'Afrique](#), points out that print on demand is perhaps the tool that can most help publishers in the region:

“*I think if we could link up the small group of local publishers with print on demand terminals, our commercial and financial possibilities would increase. So rather than creating a local market for on-demand print runs, it is a matter of creating an external market to broaden the frontiers of local production.*”⁹¹

But some publishers believe that POD would even favour internal distribution. Russell Clarke, the manager of the South African publishing house Jacana Media, which – as we have already seen – is putting its faith in POD, also points to the fact that logistical deficiencies and the lack of points of sale constitute a serious obstacle for African publishing. In this sense, print on demand may represent a key step forward:

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⁸⁹ Cf. Pape-Thoma, Birgit: [“Ifrikiya, une maison d'édition camerounaise ouverte sur le continent”](#), *Afrik*, 5th July, 2010.

⁹⁰ Personal interview, December 2010.

⁹¹ Ibidem.

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“ *Using POD for single or small orders makes more sense than traditional distribution. At the moment, it’s also very difficult for readers in sub-Saharan Africa to access digital books. Most e-readers aren’t available on the continent yet and internet services are still slow and unreliable at best. So we’re in a situation where combining traditional codex formats with digital printing methods makes the most sense – for now!*⁹²

Nevertheless, the possibilities opened up by digital technology won’t be able to be implemented immediately, due to the limitations inherent in the local situation. The 12 publishers from South Africa, Benin, Mali, Ivory Coast, Senegal, Cameroon, Madagascar, Guinea and Burkina Faso that responded to our survey point out that the restructuring of the book sector faces numerous obstacles:

- 1) local professionals do not always have the necessary know how;
- 2) publishers do not have their backlists converted into digital format;
- 3) piracy is very widespread;
- 4) there is a lack of public sector support;
- 5) the software is too expensive.

In order to address the first point, it will be important to design training programs, many of which can be carried out in conjunction with institutions that are already active locally, such as the African Centre for Training in Publishing and Distribution (CAFED). As several of the publishers interviewed suggest, it would also be beneficial to work with the universities in the region.⁹³ The activities should cover technical topics – digitization; conversion to ePub and other formats; layout programs; typographies; e-readers; cell phones; POD –; as well as legal topics – copyright, publishing contracts; distribution contracts –; and economic ones – business models; pricing strategies; digital service costs –, among others. It will be essential to tackle these issues dynamically – given that these are problems that have not even been resolved by the most industrialized countries – as well as in an experimental fashion – since as we have seen, the projects that have had the greatest impact have been those that have taken into account the concrete infrastructure and real needs of the continent. Some interviewees propose creating a virtual exchange platform for those that have smooth Internet access.⁹⁴

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⁹² Ibidem.

⁹³ Cf. Personal interview with Amande Reboul, the librarian at the Lycée Français Saint-Exupéry, in Ouagadougou, December 2010.

⁹⁴ Cf. Personal interview with Eric Kossonou, the director of Éditions Éburnie, Ivory Coast, January 2011.

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The second aspect – the conversion of backlists to digital format – could also be approached with the collaboration of local actors like universities, which often have the basic equipment for carrying out the tasks of scanning and text recognition. In this case it will be essential to coordinate the work with the training activities described in point 1.

With regard to piracy, this is another topic to be discussed at the training events, in particular to evaluate whether the digital business model of African publishers needs necessarily to involve the sale of copies – as is the case in the analogue system – or else the sale of licenses to local and international institutions.⁹⁵

As almost all the interviewees mentioned, the public sector does not accompany the publishing industry either in its current analogue form or in its digital explorations. Serge Dontchueng Kouam points out that certain regulations are not only ineffective but also even harmful:

“Up to now, there has been a kind of injustice. At the local level, there is an elite that can pay for goods and services by electronic means. To do this you need a credit card and your own internet connection. Inversely, there is no credit mechanism that makes it possible to sell through the Internet. So money circulates in one direction (South-North) but not in the opposite direction (North-South). Through the Internet payments can be made abroad but not the other way round.”⁹⁶

In this case, it will be vital to put pressure on the different areas involved, to ensure that the work of publishers is not hindered. This applies to banking system regulations but also to investments in infrastructure, which may foster the “ecosystem” of local writers, publishers and entrepreneurs or else destroy it completely.

When it comes to software, it is clear that the price of a program like InDesign is prohibitive for a publisher from Burkina Faso or Rwanda. There are various possible options here. Any publishers that cannot do without certain tools could request a price reduction, depending on the number of those involved and how much pressure they are able to exert. Another equally interesting route would be to make use of free and open source solutions. It must be stated that only two of the publishers interviewed from sub-Saharan Africa declared themselves familiar with open source solutions. On this point it would also be essential to give assistance with training, as well as with tailor-made software pro-

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⁹⁵ Cf. Attwell, Arthur: “[Ereading and education in emerging markets](#)”, *On technology and information in the developing world*, 8th October, 2010.

⁹⁶ Cf. *supra*, December 2010.

» Sub-Saharan Africa «

duction, bearing in mind the particular possibilities and demands of the sector. No doubt it will not be simple to research and develop personalized tools, given the scarcity of resources faced by local entrepreneurs and the lack of support from the public sector. In any case, it will be necessary to work closely with the community of programmers of free and open source software, which has gained a growing presence in Africa in recent years.⁹⁷ There may also be opportunities to collaborate with business incubators such as [Appfricalabs](#), [HiveColab](#) and [Silicon Cape](#): Africa's next great digital publishing projects may perhaps emerge from these centres.⁹⁸

Possible trends

In spite of the enormous difficulties that exist with regard to infrastructure and human resources, digital publishing in Africa shows interesting potential. Based on the cases studied we can outline a number of future trends:

1. The mobile phone network will continue to be fertile terrain for new experiments in book publishing or promotion, given that Internet penetration will certainly take many years to reach the levels of other regions; in the field of cell phones we will probably witness the exploration of business models that do not even exist in the US or Europe.
2. Print on demand will have a greater presence.
3. The training of traditional publishers will be a decisive factor that might accelerate change. The key will lie in the ability of African professionals to exploit the potential of digital technology without falling into formulas for “implanting” technologies inconsistent with the local reality which – like a *deus ex machina* –, not only do not help but may be a considerable waste of time and resources.



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⁹⁷ This is demonstrated by the repercussions achieved by the [Idlele](#) conferences, held in South Africa, Kenya, Senegal, Nigeria and Ghana, with the aim of discussing the opportunities for open source in sub-Saharan Africa.

⁹⁸ Many of the continent's digital start-ups can be found on the [Afrinnovator](#) webpage. Cf. [“Archive: Web Apps”](#), *Afrinnovator*.

ARAB WORLD

Presentation



In the Arab world, as is the case in sub-Saharan Africa, in the Arab world digital publishing is highly incipient. The Arabic language represents a very powerful cohesive force, which may give rise to electronic platforms with transnational reach, but which at the same time – due to technical issues such as the treatment of fonts – involves numerous challenges. Of course, none of these challenges is insurmountable; in fact, the proliferation of blogs and the eagerness for digital content demonstrated by a section of the population indicate the potential that exists. If there were a way to bring together its human resources and existing technology, the Arab world could become a significant player in the field of electronic publishing.

Technical data

1. Countries that make up the region: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen.
2. Population: 300,892,543 (2009)
3. Urban population: 58% (2009)
4. Macroeconomics:
5. GDP: US\$ 1,062,418,867,027 (2009)

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6. GDP per capita: US\$ 3,597 (2009)
7. Unemployment: 10.3% (2010)
8. Politics: Political instability, ethnic and racial struggles and social inequality are some of the main characteristics of this region whose unifying element is the Arabic language.
9. Mobile phone penetration: 79.4% (2010)
10. Internet penetration: 24.9% (2010)
11. Literacy: 74% (2008)
12. Publishing industry: The Arab publishing industry faces infrastructure problems, particularly with regard to distribution. The average print run rarely exceeds 2,000 copies. Other difficulties are censorship and piracy, in addition to the lack of purchasing power and illiteracy. According to UNESCO, around 30,000 titles are published every year, although other figures give a total of 60,000 new works. There is no policy of price-fixing and no standardization of registers (ISBN, cataloguing) – probably the reason why there are few reliable statistics available on the Arab publishing industry. In terms of production, the leading countries are Lebanon and Egypt, which in 2008 published 3,300 and 2,310 new titles, respectively.

Sources: [World Bank](#); [Laborsta](#); [International Telecommunication Union](#); [Abu Dhabi International Book Fair](#).

A first approach: virtual stores

The first thing we find in the Arab world are some important online stores selling printed copies. One noteworthy example is [NWF](#) (Neelwafurat), whose very name reflects its intention to emulate Amazon, for just as the famous US brand alludes to the South American river, Neelwafurat refers to the Nile and the Euphrates. NWF was founded in 1998, in Beirut, and so far has not ventured into the e-book business.

Other platforms have entered into this terrain. One of the first players to do so was the portal [Arabic eBook](#), presented in 2002 as a new business unit of the IT service company [Integrated Digital Systems](#), based in Beirut. As can be read on its portal, its books cost between 5 and 20 dollars, and are downloadable in PDF format, protected by Adobe DRM. Arabic eBook's backlist contains over 7,500 titles.

Also within this group of commercial platforms, one undertaking that has achieved international significance is [Kotobarabia](#). This Egyptian company, founded in 2005, aims to position itself as the main distribu-

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tor of electronic books in Arabic and has almost 10,000 titles spread over more than 30 categories. From the beginning Kotobarabia's explicit mission has been to "build an Alexandrian library that can't burn down".⁹⁹

Kotobarabia's earnings come partly from individual sales (B2C model) but above all from library subscriptions, particularly from abroad (B2B model). An IP recognition system makes it possible to identify the client's provenance, which will determine the sale price of the e-books, since this varies depending on the country. To avoid any attempt at censorship, Kotobarabia's servers are located in the United States, although up to now they have not had to face any significant problems with Arab governments. Like Arabic eBook, Kotobarabia began distributing files exclusively in PDF, but then developed its own DRM and is already working on an ePub version.

Non-profit portals

In addition to stores selling e-books, there are also private, non-commercial digital publishing projects, such as [Nashiri](#), which launched its activities in 2003. This site, founded by Hayat Alyaqout, a young Kuwaiti woman, combines a free electronic library with a digital book publishing company. Not long after its appearance, it already offered over 120 e-books, 2000 articles and more than 100 writers from various countries. The portal currently receives around 200,000 hits per year, from across the Arab world, from Morocco to Oman.¹⁰⁰

In 2005, Hayat Alyaqout also founded [I-Mag](#), a free digital magazine that until 2008 was published quarterly in Flash, HTML and PDF format, with the aim of presenting different aspects of Islam to a mainly English-speaking public. When asked why the magazine's slogan was "Enlighten Your I", Alyaqout gave an unexpected explanation:

“By ‘I’ we mean yourself, and we also mean your ‘eye,’ because we do have several sections that deal with art and photography.”¹⁰¹

The magazine has now been discontinued due to lack of funds and the instability caused by depending on voluntary collaborations.¹⁰²

99 Cf. [“About Us”](#), *KotobArabia e-Library*.

100 Cf. “Recent Visitor Map” in [StatCounter – Nashiri](#).

101 Cf. Sajjad, Valiya S.: [“Dress code no business of State”](#), *Arab Times*, 21st December, 2009.

102 Personal interview, January 2011.

Technical difficulties of digital publishing in Arabic: ePub and OCR

PDF or Flash formats do not present any technical complications for local publishers. But Ramy Habeeb, the co-founder of Kotobarabia, explains that even when a text in Arabic has been carefully laid out using InDesign and other similar tools, converting it to ePub proves extremely troublesome, for various reasons:

- 1) The flow of text goes from right to left, which creates layout problems: if there are indented paragraphs or quotations in the ePub file, they will not be displayed properly. This means that even when the right to left flow is shown correctly, certain formats make the characters become illegible – a problem that needs to be solved manually. So it is not possible to obtain an ePub directly from an RTF or an InDesign file: the text has to be checked line by line.
- 2) Another difficulty is related to fonts. Habeeb points out that the same thing happened in European publishing several decades ago, when publishers differentiated themselves from each other by their typefaces: each publisher could create their own one, and the result was a plethora of fonts. This is now no longer a problem in Europe, as there are different standardized instruments, such as Microsoft Office or InDesign. However, with texts in Arabic the difficulty remains, because whenever there is a quote from the Qur'an, for example, publishers take great pains to ensure the lines are written in an extremely beautiful font, but the ePub converter is often unable to decipher it. One solution would be to treat these fonts as images, but this gives rise to a new problem: that of inserting an image into a file.
- 3) Thirdly, most Arabic letters can be represented in three or four different ways. The letter will look different if it appears alone, if it is at the beginning, in the middle or at the end of a word. Often the publisher needs the letter to look as though it is the middle of a word but it appears as though it were alone – and the result is complete gibberish.
- 4) Lastly, classical Arabic – which is not always used but is used in high-brow texts – has *Teshkiel*, or accentuation. It is possible to place 5 different accents on the letters “a”, “b”, “c”, for example, which constitutes a technical challenge when it comes to converting to ePub.¹⁰³

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¹⁰³ Personal interview, December 2010.

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Now, if the profusion of Arabic fonts is a problem for converting to ePub, the same thing occurs when it comes to using text recognition systems (OCR). Habeeb explains this in the following way:

“*There are so many dots and lines and other things that an automated OCR system can mistake for a letter or convert into another letter. And to complicate matters even more, because the industry is relatively poor, the quality of the paper and the quality of the ink used isn't always the highest. All of these factors combined make OCR an extremely difficult endeavour.*

It is interesting to examine the strategy implemented by Kotobarabia to overcome these technical hurdles:

“*So as a result, each time we take on a book, it either goes through one of two processes: 1) One process is that we fully type it so that it's fully searchable. We discovered that typing a book with a series of edits is cheaper than working with current OCR software that's on the market. Then we'll go through the whole process of creating the metadata behind it and uploading it to the site and converting it to the two formats that we are currently using commercially. 2) The thing that we do is to scan the pages, and then we'll have people read the pages and pick out keywords, so that the books become semi-searchable. We do this for most of our books. But if we find that a book is being read over and over again, or that this title has a particular interest, then we'll go back and retype it. It's actually cheaper this way to do it. It's a more sustainable business model.*¹⁰⁴

E-readers and tablets

Like in sub-Saharan Africa, in the Arab world possession of e-readers and tablets is limited to the wealthiest stratum of the social pyramid. The sales figures for the Kindle are not known, and devices like the iPad are considered luxury products. As Ramy Habeeb observes:

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¹⁰⁴ Turner, James: [“Bringing e-Books to Africa and the Middle East”](#), O'Reilly Radar, 19th January, 2010.

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“ We are not seeing the iPad phenomenon like we see it in the West, but part of the reason we are not seeing it is because the iPad is quite expensive in the Middle East, especially when you take into account the average salary that someone in Egypt or the Levant is earning, compared to the sale price of the iPad... So you are really getting the elite, like the A consumer, the A class consumer that can afford it. But the bigger issue is just that the AppStore and the iTunes Store are very limited in the Middle East, so what's the point of having an iPad if you don't have access to the iTunes Store, if the AppStore is very limited... I mean, the AppStore is OK, you still can get quite a lot of apps, but it's not like Europe, where you just have a lot more. (...) It's all English, so you have to be bilingual to really be able to effectively use the AppStore.¹⁰⁵

When asked whether an e-reader could be developed in a country like Egypt, by adapting it to the needs and expectations of local readers, Habeeb does not appear to be overly enthused:

“ I think I am a pretty positive person, who believes that anything is possible, so I hesitate to say “no”. But I don't think so... no. Then again, if you had asked me 5 years ago if people in Egypt would eat sushi, I would have laughed at you and said “there's no way for people to eat sushi”. But now, today, sushi is the most popular cuisine in Egypt. So anything could happen. But sorry, I don't think so!

Electronic payments: between the Web and mobile phones

Another characteristic that distances the Arab world from the countries of the North is the unwillingness of Internet users to make online purchases,¹⁰⁶ which perhaps explains why none of the virtual stores aimed at PC users from the internal market has been particularly successful. Ramy Habeeb comes straight to the point on this topic:

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¹⁰⁵ December 2010, cited *supra*.

¹⁰⁶ A recent study reveals that only 32% of the inhabitants of the Arab world are in the habit of buying products or services via the Web, compared with 62% in the United Kingdom. Almost half of those surveyed were from the Gulf States – with greater purchasing power –, and very few from the Maghreb (13%) or the Levant (7%), where digital consumption habits tend to be even lower. Cf. [“Media consumption & habits of MENA Internet users”](#), Effective Measure-Spot On PR, September 2010.

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“Unfortunately for the Arab world, as an online economy, generally speaking the Arab world is not used to purchasing anything online. It's become a culture of free online purchasing – people in my region simply do not wish to pay for content. This is a bit different from territory to territory, I hesitate to generalise and say that the entire Arab world is like that. You find that the Gulf States, like Saudi Arabia, especially, Kuwait, Qatar, UAE, Bahrain they tend to purchase a bit more online, but when you look at the Levant, Egypt, Jordan, Lebanon hardly purchase anything online. And Syria, zero. Whereas the other states will get occasional traffic, in Syria you get nothing. And my bet is that the reason for this is because of the anti-credit-card-to-be-used-online culture.”¹⁰⁷

Just like in sub-Saharan Africa, in the Arab world it may be mobile phones rather than the Web that are the real protagonists of electronic commerce. Among the local telecommunications companies that have already championed the cell phone-based payment system we should mention [Etisalat](#) and [Zain](#). The first of the two companies, based in the United Arab Emirates, offers a money transfer service via mobile phones that, according to the company's website, is part of a wider m-commerce strategy.¹⁰⁸ Zain, which emerged in Kuwait in 1983, is now present in 7 countries in the region and in January 2011 it presented its mobile wallet platform in Jordan.¹⁰⁹

The cell phone-based payment systems will no doubt continue to expand throughout the Arab world and will be crucial for the economic viability of many digital publishing projects.

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¹⁰⁷ December 2010, cited *supra*.

¹⁰⁸ That is to say, commerce via mobile phones. Cf. [“Etisalat Mobile Money Transfer Service”](#), Etisalat.

¹⁰⁹ Cf. [“Mobile commerce comes to the Middle East: ‘Zain E-mal’ mobile wallet service is launched”](#), Zain, 30th January, 2011.

Mobile phones as a publishing platform

Here too we can mention Kotobarabia, which in an attempt to diversify and supply the internal market, has put its efforts into distributing e-books via cell phone infrastructure.¹¹⁰ In order to do this, in 2009, the portal teamed up with [Sarmady](#), the digital branch of Vodafone in Egypt.

Similarly, the Austrian company [Blackbetty Mobilemedia](#), specializing in reading software for mobiles, has made its own inroads into the field. Jörg Hotter, the CEO of Blackbetty, believes the next phase of digital publishing in the Arab world – just like in sub-Saharan Africa – will be played out on those tiny screens that characterize the 800 cell phone models available today.¹¹¹ What is interesting is the particular use these small devices have – and will have – in the region. According to Hotter:

“*There is big difference in publishing mobile-device books for the Arab world than publishing for Europe. In Europe, it's more about entertaining people, since readers have easy access to printed books anyway. But I think that in other countries, where book publishing and distribution is not that developed, it is important to bring people books that they can't buy in stores. (...). We think for these countries, it's not about entertainment, but about making books accessible in a way that is already technologically possible. In many parts of the Arab world, people have jumped directly to the mobile age. As with land line connectivity, they jumped a technology.*¹¹²

In addition, an application for using iPhones¹¹³ to read material digitized by the National Library was presented in Tunisia in May 2010. The tool, designed by the company [Sanabil Med](#), can be downloaded free of charge and currently (in February 2011) allows access to 15 manuscripts in Arabic and French. However, given the scarcity of the devices and of Apple stores in the Arab world, it is reasonable to assume that such applications will in effect benefit foreign users for the most part.

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¹¹⁰ According to data from the [National Authority for the Regulation of Telecommunications](#), mobile phone penetration in Egypt reached 72% in 2010. Cf. “[Egypt reaches 72 per cent mobile penetration](#)”, *Commdot*, 9th April, 2010. Internet presence, on the other hand, barely exceeds 20%. Cf. “[Africa](#)”, *Internet World Stats*, data from February 2010.

¹¹¹ Cf. Rossetti, Chip: “[Austria's Blackbetty Tackles Arabic Ebooks for Phones](#)”, *Publishing Perspectives*, 22nd July, 2009.

¹¹² Ibidem.

¹¹³ And iPads.

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If so far these pioneering projects have mainly been devoted to adapting printed publications to mobile devices, the most profound change will arise when texts created especially for that medium begin to be published – as we saw in the study of sub-Saharan Africa. In this regard, the Algerian publisher Sofiane Hadjadj¹¹⁴ plainly states:

“*Mobile telephony, which is rapidly developed, light and flexible, has made sure everyone is kitted out. This has created new and highly diversified modes of communication – from romantic conversations to professional discussions, from keeping in touch with family to calling friends. People – especially young people – have freed themselves from the collective domain to find their own private sphere for the first time – in a home there is only one TV watched by the whole family, just one land line, etc. For digital publishing it is clear that overcoming the lag in equipment – computers and tablets – will take a long time. Easily used and economical, “soft” solutions will be favoured, since young people are very attached to their mobiles.*”¹¹⁵

The challenges of paper publishing: inefficient distribution and censorship

Now, while all these digital experiments are being carried out, what is going on in traditional publishing? The fact is that in the Arab world, the book sector has been facing enormous challenges for decades, with its main problem being the lack of a uniform distribution system. What is worse, there is no proper database containing abstracts, information on authors, ISBNs, prices, availability and other basic details. As Eschweiler and Goehler¹¹⁶ explain, publishers always have trouble when it comes to organizing the invoicing and dispatching of books; for readers, book fairs are one of the few opportunities to find slightly more varied offerings.

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¹¹⁴ Director of the independent publishing house Barzakh, in 2010 he received the [Prince Claus](#) Award “for giving concrete form to Algeria’s voices, for opening up a much-needed space of critical reflection on Algerian realities, for building a bridge connecting different languages and cultures, and for creatively breaking through the threatening cultural isolation of the country”. Cf. [“Barzakh Editions profile”](#), *Prince Claus Fund*.

¹¹⁵ Personal interview, January 2011.

¹¹⁶ “Book Distribution in the Arab World”, in *Publishing research quarterly*, Heidelberg, Springer, 2010, vol. 26, n°3, pp. 193-201.

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Recently, in a survey sent to 600 Arab publishers, Goehler discovered that only 2% of the interviewees were satisfied with their distribution.¹¹⁷

In 2005, Kotobarabia had conducted its own study on the paper book market in Egypt, which anticipated these findings. The company analyzed the reach of the distribution of 150 titles on various topics, including works by first-rate Arab authors and others by unknown writers. The conclusions were the following:

- 10% of the titles were available in practically all the conventional distribution channels;
- another 10% could not be obtained anywhere;
- the remaining 80% were only available within a radius of 5 kilometres of the publisher's office or the author's house.

A book published in Cairo would therefore be difficult to find in Alexandria – and even more so in Amman or Casablanca.¹¹⁸

Another significant obstacle that affects traditional publishing in much of the Arab world is censorship. As the publishers interviewed explain, in the Middle East and North Africa, media like radio and television are totally controlled. Written communication enjoys a degree of freedom, but there are certain lines it is advisable never to cross, with the most delicate issues always being politics, sex and religion.

Writing on particular topics can lead to a newspaper being closed down or to a book being banned, although censorship can certainly take more subtle forms, as Ramy Habeeb points out:

“*In fact there is a very strong argument to say that the ISBN is a censorship tool... Because most Middle East ISBN agencies (the only exception I can think of is Syria) are run by the National Libraries, which are by extension a government organisation. They only issue you one ISBN at a time, and you have to get the book approved before you can print it. Now of course this book approval is under the disguise of being for standards (specifically the ISBN)... but the reality is that if you are talking about religion, or if you are talking about politics, or if you are talking about some of these sensitive subjects, the book won't be approved for publishing. It's the way for the government to keep control.*”¹¹⁹

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¹¹⁷ Cf. Nawotka, Edward: [“Abu Dhabi Launches Pan-Arab Book Distribution Company”](#), *Publishing Perspectives*, 3rd March, 2010.

¹¹⁸ Cf. Rossetti, Chip: [“Kotobarabia's Arabic E-Books Extend Borders”](#), *Publishing Perspectives*, 18th June, 2009.

¹¹⁹ December 2010, cited *supra*.

Digital technology as an opportunity

As we suggested when analyzing the situation in sub-Saharan Africa, the fundamental challenges of publishing in the Arab world – in this case, inefficient analogue distribution and censorship – can be overcome or at least mitigated thanks to the incorporation of electronic technology.

With regard to distribution problems, it is obvious that digital offers a potentially unlimited supply. As Sofiane Hadjadj points out, once files have been produced and uploaded to the platform, they are available to any user in the world with just one click of the mouse. Of course, there are the problems of payment and promotion, etc, but – as Hadjadj adds –, that is another matter. The most important thing is that the book is available.¹²⁰

When it comes to the obstacle of censorship, numerous publishers trust that digital technology will provide the tools to overcome it. Unlimited and easily accessed electronic supply contrasts with the restrictions of the printed book, which has to adapt to bureaucratic designs.¹²¹ Thus, digital versions will always be more flexible than the paper book or magazine, although it is true that governments have also learned how to intervene in the Web: for instance, download platforms can be blocked or publishers' sites hacked. Following the demonstrations that took place in Egypt in January 2011, there has been no end of false Facebook accounts, aggressive posts and comments that pollute forums, and so on.¹²² But in any case, blogs and other means of digital expression have gained so much momentum in the Arab world that it will be no easy task to effectively censor them en masse. A recent study by the [Berkman Center, Harvard University](#) reveals that the regional blogosphere is awash with discussions on domestic politics and religion: the power of digital technology has thus enabled two of the three great taboos of paper publishing to free themselves from the chains imposed by analogue censorship.¹²³

Ramy Habeeb, for his part, believes that the quickest way to quell the attempts at censorship would be to promote the development of thriving and economically viable digital ventures:

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¹²⁰ January 2011, cited *supra*.

¹²¹ There are numerous examples of banned books that end up being uploaded to the Web for free download. Cf. Daragahi, Borzou: "[In Jordan, a bookstore devoted to forbidden titles](#)", *Los Angeles Times*, 15th November, 2010.

¹²² For a detailed description of the different modalities of digital censorship applied by governments in the region, see: "[Middle East and North Africa](#)", *OpenNet Initiative*.

¹²³ Cf. Etling, Bruce; Kelly, John; Faris, Robert and Palfrey, John: *Mapping the Arabic Blogosphere: Politics, Culture, and Dissent*, June 2009.

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“ *I think what you need to do to combat censorship is to build a market. And by building the market, by making this industry a thriving, powerful industry, they'll fight the censors themselves. But by having foreign bodies getting angry, wagging their finger, “shame on you”... it's ineffective. Build the market, make the book profitable and then you will see censorship being dealt with by local market forces.*¹²⁴

For all the above reasons, digital technology may represent a great opportunity for publishing in the Arab world. However, traditional publishers don't always find it easy to take advantage of the new opportunities. The publishers from Yemen, Egypt, Algeria and Lebanon that responded to our survey all point to three main obstacles that hinder the restructuring of the sector:

- 1) lack of training on digital matters;
- 2) deficiencies in technological infrastructure;
- 3) lack of public sector support.

One of the survey respondents even suggests that migration to digital could damage the current network of bookstores, which makes the horizon appear not just inscrutable but also frightening. And it is clear that in a context of unawareness, helplessness and fear, very few traditional publishers will plunge into exploring the electronic age.

In order to circumvent the above-mentioned obstacles the following lines of action might be pursued:

- 1) obtaining the most complete training possible on digital topics for analogue publishers;
- 2) encouraging the use of existing infrastructure – in particular the mobile phone network – and other possibilities that require a relatively moderate investment – such as POD;
- 3) turning to the R&D centres that already exist in the region;
- 4) promoting exchanges of experiences between analogue publishers, digital publishers and other actors from the local electronic world – particularly programmers and Internet start-ups.

With regard to the first point, there are numerous regional training and networking initiatives already working on the issue. In the section devoted to Africa we refer to CAFED, located in Tunisia, and we should also mention [KITAB](#) and the [Abu Dhabi Book Fair](#)¹²⁵ as some of the many

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¹²⁴ December 2010, cited *supra*.

¹²⁵ Kitab is a body formed in 2007, through the joint actions of the Abu Dhabi Authority for Culture and Heritage and the Frankfurt Book Fair. Its main objective is to promote books

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actors involved in training Arab publishers. It would be essential for these institutions to include in their programmes such urgent topics as metadata treatment, cataloguing, publishing software and conversion to ePub in the local language, among others.

As for point 2), it is clear that much more experimentation is needed on the part of publishers with regard to testing new formats, new channels and new business models, particularly with mobile phone platforms. No doubt this will entail a process of “trial and error”, but a dynamic market and a diverse publishing “ecosystem” will only emerge if local actors are the ones who first take the plunge. POD is another promising technology, as numerous analysts have been pointing out for some time.¹²⁶ Indeed, with a relatively modest investment, printing outlets of this kind can be set up at different points in the region to form a network that will prove extremely useful in making up for the shortage of bookstores and distributors. The Alexandria Library, in Egypt, has already incorporated POD machines (the Espresso Book Machine model) into its installations.¹²⁷ Incidentally, this same technology might enable local publishers to print their books abroad, so as to satisfy the demand of global buyers; for this it will be necessary to link up Arab publishers with international POD distribution platforms.

To promote this path of combined training and experimentation it will be essential to allocate research and development (R&D) resources. Although many of the publishers interviewed point out that the public sector has not had much input in the restructuring of the sector, there are centres and laboratories in the region – both private and state-run – that could make a substantial contribution. Below we will present some examples located in the Persian Gulf, in Qatar to be precise.

[Qatar Foundation](#) was set up in 1995 in Doha. Its mission is to foster human capital “in a region whose developing needs and potentialities are considerable”.¹²⁸ This institution invests in different research programs in applied technology: medicine, energy, the environment and IT. The computer science department investigates areas such as the Web 3.0, social networks and other tools focused on the Arabic language. Many of the education and research programmes are carried out in conjunction with international bodies like [CERN](#), [FITCH](#), and [HEC](#).

and reading in Abu Dhabi and neighbouring countries. Among other activities, it is in charge of organizing the Abu Dhabi Book Fair, an event that has gained international reach.

¹²⁶ Cf. Nawotka, Edward: [“Is POD a Possible Answer to Book Distribution Barriers?”](#), *Publishing Perspectives*, 3rd March, 2010.

¹²⁷ Cf. [“Choose a Book and Print it instantly”](#), *Bibliotheca Alexandrina*, 21st February, 2007.

¹²⁸ Cf. [“About Qatar Foundation”](#), *Qatar Foundation*.

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[Qatar Science & Technology Park](#), a member of Qatar Foundation, houses different technology companies and acts as an incubator for start-ups. In addition to providing work space in its impressive installations, QSTP offers support programmes for companies that need to develop and market technology. It is worth highlighting that the institution has recently developed the electronic platform, “IQRA”, which hosts ancient and modern texts in both Arabic and English.¹²⁹

For its part, the Supreme Council of Information and Communication Technology of Qatar ([ictQATAR](#)) is working on a national digitization plan, to protect the local cultural legacy. The interesting point is that these materials (texts, photos and videos) will be made available to users free of charge, with an explicit policy of [digital inclusion](#).¹³⁰ The Council has organized numerous seminars on open access,¹³¹ Creative Commons¹³² and other key topics for digital publishing. Hessa Al-Jaber, the Secretary General of ictQATAR, says on this subject:

“What we have learned, first and foremost, is that no nation and no region has a monopoly on innovation and new thinking. In the right environment, the mind can flourish. There is no area on the globe that has an inherent advantage in asking new questions, or exploring new areas. Anywhere you have a collection of smart, young and ambitious individuals, you will have fresh thinking. That happens to describe Qatar – but it also describes a lot of places. That means that anywhere and everywhere great research is possible, and new approaches can be found. That is a wonderful thing, because it means that a nation and region like ours, which came to the game a bit later than others, has an equal chance to compete. While measuring the impact of such national R&D investments is difficult, some studies suggest that private companies earn 20 to 30 per cent returns on their R&D spending. We think that on a national level the returns are likely to be even higher.”¹³³

The initiatives that we have described represent just a sample of the large number of R&D centres existing in the region – many of which can be found on the list of members of the [Arab Information and Communi-](#)

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¹²⁹ Cf. Agonia, Ailyn: [“QSTP translates book from Latin to Arabic”](#), *Qatar Tribune*, 14th December, 2010.

¹³⁰ Cf. Al-Jaber, Hessa: *Digitally Open: Innovation and Open Access Forum*, 23rd October, 2010.

¹³¹ Cf. [“Digitally Open: Innovation and Open Access Forum”](#), *ICT Qatar*.

¹³² Cf. [“Sharing Digital Content in the Arab World”](#), *ICT Qatar*.

¹³³ Cf. Al-Jaber, Hessa: [“The Government’s Role in Promoting ICT Research”](#), *ICT Qatar*, 12th December, 2010.

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[cation Technologies Organization](#) –,¹³⁴ thereby disproving the view that the Arab world lacks its own technological resources for an eventual restructuring of its publishing sector.

Another unfounded belief is that there is a shortage of human capital. In fact – and following on from the aforementioned reflections of Hessa Al-Jaber –, the Arab world abounds in enterprising potential. One only has to visit the portals [YallaStartUp](#) or [StartUpArabia](#) to see the variety of Web projects being developed in the Middle East and North Africa. These young companies may prove to be unexpected allies for publishers, insofar as many of their developments are aimed at optimizing the experience of digital reading and writing in Arabic.¹³⁵ One notable example is [Yamli](#), founded by Habib Haddad, a young Lebanese engineer now living in the US. According to Haddad's account, during the Lebanese War of 2006, most of the information on the events was only available in Arabic, so in order to stay informed it was necessary to carry out searches in that language, something that is far from simple when using a keyboard with Latin characters. In November 2007, after several months of work, Haddad inaugurated the portal Yamli.com, which, thanks to a real-time transliteration engine, makes it possible to conduct searches in Arabic using Latin characters. The Lebanese engineer believes the project will help to increase the penetration of Arabic on the Web, since up to now the lack of equivalencies between Arabic and English has created a vicious circle:

“ *[The problem] starts with the difficulty of typing Arabic, which leads to less people searching for it, and less money for Arabic publishers.*¹³⁶

There are also countless designers and programmers developing plug-ins, scripts and other software solutions for free use by the Web community. One such person is the Qatari specialist Abdulrahman Alotaiba, the creator of the extensions [Inline Text Direction](#) and [Arabic Links For Print](#), aimed at improving the experience of writing in Arabic, in both digital and printed format. On his personal website, Alotaiba states:

“ *I am a strong believer in open source development (...). I believe that I wouldn't have reached the level I am at currently if it wasn't for Allah's*

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¹³⁴ Cf. “[Member Sates](#)”, Arab ICT Organization.

¹³⁵ They also implement online payment systems and mobile phone applications, among other tools that may be extremely useful for electronic publishing of the future.

¹³⁶ Cf. Streit, Valerie: “[Window Opens to Arabic Web](#)”, CNN Sci Tech Blog, 14th January, 2009.

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*blessing and then the open source community. I owe the open source community so much that I devoted most of my personal projects to [it].*¹³⁷

Alotaiba's example, and that of many other programmers, shows there are significant human resources in the Middle East and North Africa and to the extent that they make a name for themselves and forge links with the publishing sector, they will be able to accelerate the development of different electronic publication projects, for any of the existing mediums: computer screens, e-readers, tablets and mobile phones.

Possible trends

Currently, it is possible to identify various forces that are likely to have a considerable effect on future publishing in the Arab world:

1. The recent political events that took place in Egypt, Yemen, Tunisia, Libya, Syria, and other locations have already brought about modifications in the power structure of those countries, something that in turn will lead to changes in the way control and censorship is exercised.
2. The younger generations, eager for content that goes beyond the reality their parents were accustomed to, may become more and more involved in blogs and other digital social networks.
3. Analogue publishing will increasingly show its intrinsic weaknesses and its limitations when it comes to satisfying new demands.
4. Publishers will have good opportunities to venture into the electronic age, although this will require a great deal of experimentation with different tools, formats and mediums.
5. Print on demand and mobile phones may play a fundamental role, at least in the short to medium term.



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¹³⁷ Cf. Alotaiba, Abdulrahman: "[Learn more about me](#)", *Mawqey*, the virtual home of Abdulrahman Alotaiba.

RUSSIA

Presentation



As can be inferred from the data for the sector, since 2008 the Russian publishing industry has entered a delicate phase due to an economic downturn. However, electronic publishing projects do not appear to have suffered the same impact and although very little news about the Russian digital industry reaches Europe and the US, some extremely dynamic actors have emerged in recent years. A country of gigantic proportions, with serious analogue distribution problems, Russia now has numerous online platforms and a solid hardware industry that already manufactures numerous local e-readers. Those two pillars, along with a State that sometimes shows a great capacity for action, could make Russian digital publishing a leading player.

Technical data

1. Surface area: 17,075,400 km²
2. Population: 141,850,000 (2009)
3. Urban population: 72.8% (2009)
4. Language: There are about 160 different ethnic groups that speak around 100 languages. Russian is the only official language, but the Constitution grants the republics of the Russian Federation the right to declare native languages co-official.

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5. GDP: US\$ 1,230,725,856,403 (2009)
6. GDP per capita: US\$ 8.676 (2009)
7. Unemployment: 6.7% (2010)
8. Politics and society: The Russian Federation was founded in 1991, after the fall of the Union of Soviet Socialist Republics (USSR). Its system of government is that of a semi-presidential republic: the President is the head of state and the Prime Minister the head of government. The Federation is divided into 83 politico-administrative bodies: 21 republics that exercise a high degree of autonomy over most internal issues and have their own constitution; 9 *krais* (territories); 46 *óblasts*(provinces); 4 autonomous districts; 1 autonomous province; and 2 federal cities. The Russian Federation has a great wealth of natural resources and an extraordinary cultural diversity. Ethnic conflicts are among its main problems.
9. Internet penetration: 42.8% (2010)
10. Mobile phone penetration: 147% (2010)
11. Literacy: 100% (2008)
12. Publishing industry: Russia has over 5,000 publishing houses and 3,000 bookstores. In 2010 the number of titles published was 121,738, 4.6% less than in 2009. This downward trend was more pronounced in 2009, a year in which recorded sales amounted to 2.45 billion dollars – 20% less than in 2008. Piracy is one of the main problems facing the industry. In addition, there is currently no fixed-price policy. With regard to exports, the main destinations are the former Soviet republics, as well as Germany, Israel and the United States. Russia has a rich tradition of book fairs with the main exhibitions being the [Moscow International Book Fair](#), the [Saint Petersburg Book Salon](#), and the [Krasnoyarsk Book Culture Fair](#).

Sources: [International Telecommunication Union](#); [Internet World Stats](#); [World Bank](#); [Russian Book Chamber](#); [Laborsta](#).

Online stores (selling copies)

As an initial approach, it is important to recognize that within Russia there are a significant number of websites dedicated to the sale of books, in both paper and electronic format.

Founded in 1998 in Saint Petersburg, the company [Ozon](#) began by selling paper books – just like Amazon. It now covers a wide selection of products ranging from hardware and music to beauty products and jew-

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ellery.¹³⁸ Its users – 4.2 million of them registered by August 2010 – can choose between 14 shipping methods and 18 forms of payment: cash, card, electronic money – such as [Yandex](#) and [WebMoney](#) – and deposits through the network of [Qiwi](#) terminals. Ozon has recently branched out into selling electronic books and downloadable audio-books; the prices of these items are set by the publisher (or author) and generally vary between 1 and 5 dollars. The most common e-book formats are: ePub, PDF, DJV, RTE, DOC and FB2.¹³⁹ On the opening day of the 23rd Moscow Book Fair, the store presented its own reading device, the Ozon Galaxy, in partnership with the telecommunications operator [MTS](#).¹⁴⁰ This e-reader has a 6-inch touch screen with electronic ink display, comes with 3G connectivity and costs 270 dollars.

Another general store is [Biblion](#). Born in 1999, this platform sells books, e-books, audio-books, toys, software and music. Its backlist of physical books shows great diversity, although for the moment the range of e-books it offers is fairly meagre.

In addition to these e-commerce portals there are numerous purely digital stores – companies that only sell content in electronic format. Below we will present a few noteworthy examples.

[Salebook](#) – an initiative launched by the publishing house [Ravnovesiy](#) – was inaugurated in February 2005. Its electronic publications can be read on computers thanks to software developed by the company itself. Ravnovesiy has been in the multimedia book market for 14 years and since its beginnings as a publisher of law books on CD, it has accumulated hundreds of titles, divided into around 20 collections.

[EposBook](#) – which belongs to the multimedia group [AGM](#) – has presented itself since 2009 as an electronic bookstore that pays particular attention to the user's experience. It covers a vast range of genres – from books on religion to love stories – and the prices of its e-books rarely exceed 3 dollars; there are even publications that sell for just a few cents, such as [this short story by Sergey Gerasimov](#). The portal has developed its own book reading application for the iPhone.¹⁴¹

If Ozon usually calls itself the “Russian Amazon”, since 2008 [iMobilco](#) has sought to position itself as the local iTunes: it sells music, films and books, with a backlist of almost 20,000 titles provided by the main Rus-

138 Nevertheless, physical books continue to represent its core business. In 2009, that sector accounted for 38% of sales (3,741,693 copies). Cf. “[О компании](#)”, *Ozon.ru*.

139 FB2 constitutes an open format, based on XML. It was originally developed in Russia.

140 Cf. “[Российские операторы сотовой связи будут продавать букридеры](#)”, *Pro-Books.ru – Book Business Online*, 6th July, 2010.

141 Cf. “[EPOS Books](#)”, *iTunes Preview*.

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sian publishing companies, in digital format alone. It recently launched its e-reader iChitalka, which comes with a 6-inch touch screen with electronic ink display and Wi-Fi.¹⁴² At the same time, it offers its own application for downloading texts on the iPhone and iPad.¹⁴³

The portal [Elkniga](#), for its part, belongs to the publishing group [AST](#) – one of the most powerful in Russia – and sells e-books, audio-books and digital magazines. When it comes to payment, the client can choose options – like SMS – that don't require registration or credit cards.

Inaugurated in 2009 on the initiative of the conglomerate [Softline](#), the platform [Bookee](#) offers its users the possibility of buying e-books and organizing them into a virtual library that can be synchronized on a variety of devices. Softline's extensive commercial network – present in nearly 20 developing countries, from Venezuela and Colombia to Vietnam and Egypt – may lead to the expansion of Bookee to other linguistic territories.

Lastly, the e-bookstore [BestKniga](#) – owned by the group [DDC](#), which we will present in greater detail shortly – began its activities in April 2010 and has set itself the medium-term goal of offering a backlist of over 30,000 titles, in FB2 and PDF format. It works with dozens of publishers, including AST, [Eksmo](#)¹⁴⁴ and [AdMarginem](#).

Subscription stores

In addition to portals selling individual copies, Russia has numerous websites that base their business models on subscriptions.

First of all, we should mention [Bookmate](#), an online reading club whose users can read e-books by paying a monthly subscription fee of 99 roubles, or just over 3 dollars. The site, which was designed by three young Russian programmers and designers – Andrei Zotov, Egor Hmelev and Kirill Ten –, has over 65,000 titles that can be leafed through on a host of devices. Some of the works have been made free and open source to encourage site traffic – over 60,000 visitors a day. In an interview given in October 2010, the site creators explained:

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¹⁴² Cf. , ["Айчиталка — это устройство для чтения электронных книг"](#), *Аймобилко*.

¹⁴³ Cf. ["Айчиталка"](#), *iTunes Preview*.

¹⁴⁴ A conglomerate that controls 15% of Russian book production. Cf. ["ЭКСМО по-тихому купило 'Литрес'"](#), *Вебпланета*, 21st June, 2009.

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“In general terms, the book as a format has to fight for the attention of users. And now the competition comes from Facebook, among many other channels. To compete with them, access to reading must be simple and have a modern interface: I see something, I want it, I press a button and I read it. Bookmate is moving in that direction: offering easier access to books and achieving a more entertaining and informative experience.”¹⁴⁵

For its part, the portal [KnigaFund](#), which like BestKniga is owned by DDC, has been offering texts online since 2008. With over 2000 titles being added to the site every month, it provides a backlist of over 50,000 works, including educational and scientific material, textbooks and lectures. Among other possibilities, the platform allows readers to make notes in the margin, insert markers and select extracts. The cost of the service varies according to the subscription period: a yearly subscription to any of the categories – for example, History, Natural Science or Philology – costs 175 dollars; this price applies to individual users: corporate clients can obtain differential rates.¹⁴⁶ KnigaFund has achieved considerable fame, so much so that in 2009 President Medvedev requested several of the country’s institutions to subscribe to this fee-paying virtual library system.¹⁴⁷

Digital distributors

Public sales portals are supplied by the publishers themselves or by digital distributors. One of the best-known players in the field of e-book distribution in Russia is [Litres](#). Founded in 2006 through a merger between different portals and then acquired by Eksmo, this aggregator and seller of electronic books began with just 90 titles and now has over 30,000, provided by around 50 publishing houses from all over the country. Currently, most of the e-books sold in Russian stores come from Litres. According to the estimations of Sergey Anuriev, the director of Litres, the platform controls almost 70% of the Russian e-book market.¹⁴⁸

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¹⁴⁵ Cf. [“Интервью с создателями Bookmate”](#), Самиздал.

¹⁴⁶ Cf. [“Цены”](#), [KnigaFund.ru](#).

¹⁴⁷ Cf. [“Assets”](#), [Prof-Media](#).

¹⁴⁸ Cf. Kaplin, Roman: [“Интервью журналу ‘Университетская книга’”](#), [ЛитРес](#) and [“Рынок конкурирует не ценой, а объёмом доступного контента”](#), *ibidem*.

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In order to expand its business, Litres has formed alliances with e-reader manufacturers, on-demand printers and even cell phone companies. Anuriev believes that the most profitable model for the electronic book is the sale of copies, since – in his opinion – the subscription system has not even worked abroad. The company is extremely active in the fight against illegal copies and its strategy is aimed not just at using legal interventions but also at developing markets where before there was piracy: a matter of turning unauthorized sites into genuine sellers.¹⁴⁹ In November 2010, Litres announced the opening of an annual electronic literature competition, with 12 categories voted for by readers, including the most popular author, the discovery of the year and the best work of fiction.¹⁵⁰

As we have already mentioned, the firm Digital Distribution Center (DDC) is the owner of the stores BestKniga and KnigaFund. Created in 2007, this company aims to become the leading aggregator in the educational and scientific field in Russia. In addition to selling copies or subscriptions through its two portals, DDC custom builds platforms for the country's institutions. In 2009 it launched [TatKnigaFund](#), the virtual library of the Republic of Tatarstan. The project is overseen by local authorities and brings together more than 1000 titles in the Tartar language.

Free access virtual libraries

In addition to these retail stores and commercial distributors, we find numerous first-rate libraries that make their backlists available to the public in digital format. Some sources claim that there are no less than 400 official electronic libraries in Russia, without counting the privately-run portals.¹⁵¹ In this regard we must highlight the efforts made by the [Russian State Library](#): the biggest institution of its type in Russia and one of the most important in the world, it has a digital repository containing hundreds of thousands of works of all kinds, which can be consulted on the Web and in countless virtual reading rooms. Its backlist consists largely of university theses, which total 600,000 documents.¹⁵² In 2005,

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¹⁴⁹ Ibidem.

¹⁵⁰ A list of all the winners can be found on [this page](#).

¹⁵¹ Cf. [“Russian president says reading should be encouraged in all forms”](#), *RIA Novosti*, 22nd April, 2010.

¹⁵² It should be pointed out that the digitization of academic contents is part of State policy – President Medvedev himself recently stressed the need for a centralized database

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the Library promoted the creation of the [Association of Electronic Libraries](#), a body that groups together the main local repositories.¹⁵³

These platforms will no doubt prove to be essential in a country characterized by its vast geography. As stated on the State Library's website:

“Thanks to access to electronic collections, we are giving more educational opportunities not just to the inhabitants of big cities but to all Russians who are interested in learning.

E-readers and other local devices

If, as we have seen, there is considerable activity taking place in on-line platforms – stores, distributors and libraries –, then we must acknowledge that the hardware industry displays even greater vigour. In addition to the aforementioned Ozon Galaxy or iChitalka, dozens of e-readers are manufactured in Russia and sold in both the domestic market and abroad, particularly in the former Soviet republics. The variety and sophistication of these local devices are so great that the e-publishing specialist Vladimir Prohorenkov states:

*“In 2010 I personally tested 32 different e-readers, including just a few foreign ones: the SonyPRS-350/650, the Nook by Barnes&Noble and Amazon's Kindle. All the others were national products, with regard to both design and production.”*¹⁵⁴

Indeed, on entering the site [The-Ebook](#) – coordinated by Prohorenkov –, the visitor is presented with a whole host of devices that don't tend to appear in the foreign media.

One new development that did come within the radar of the Western news portals was the alliance between [PlasticLogic](#) and [Rusnano](#), perhaps because of the impact this move will have on the global hardware industry, particularly in the field of e-readers. Rusnano – a state-owned nanotechnology mega-corporation based in Moscow – has decided to invest 700 million dollars in the US/UK company PlasticLogic, with the

incorporating all the theses in the country. Cf. [“Диссертации РГБ в сети Интернет”](#), Российская государственная библиотека.

¹⁵³ Cf. [“Государственные организации”](#), Российская ассоциация электронных библиотек.

¹⁵⁴ Personal interview, January 2010.

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aim of setting up an electronic component manufacturing plant on Russian soil. Many sources agree that the initiative is designed to greatly expand production of plastic screens for e-readers.¹⁵⁵ In any case, it is obvious that Russia is becoming a player that cannot be ignored in the field of reading devices.

Print on demand

In comparison with the progress made by electronic platforms and hardware companies, a technology like POD is still very much in the background. Nevertheless, some firms in the sector have begun to back this new modality. In October 2010, the third annual [“On Demand Russia”](#) exhibition was held in Moscow and the event enabled dozens of companies – particularly equipment manufacturers and software firms – to exhibit their products and services. Leonid Shakhmundes, the director of the American Technology Print Center – one of the organizing bodies – had this to say:

“*Providers from the printing world need on-going education and forums like this one to better understand what options are available and how they can use them successfully in their businesses.*”¹⁵⁶

The present POD network has enabled the emergence of self-publishing portals such as [Samizdal](#), [Book4Baby](#) and [Book4Family](#), all of which belong to [Webov and Knigin](#), an independent digital publishing house that targets the niche market of personalized publications. Under the slogan “modern technology in the service of literature”, Samizdal offers authors the possibility to publish and distribute their books through the Web, in print on demand format, and it also carries out design, proof-reading and image editing work. Book4Baby, for its part, brings together educational and child development titles. Lastly, Book4Family is oriented towards the market for gift books and commemorative works.

In addition to the B2C model characteristic of the self-publishing sites, we also find B2B businesses, that is to say, portals that offer POD services to other companies, more specifically to publishers. One rele-

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¹⁵⁵ Cf. Gorst, Isabel: [“Deal of the day: betting on Russia’s e-readers”](#), *The Financial Times*, 26th November, 2010.

¹⁵⁶ Cf. [“ON DEMAND Russia 2010 A Success for Attendees & Exhibitors”](#).

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vant example is [Kniga Po Trebovaniyu](#) (On Demand Book), which works for over 200 Russian publishing houses. Kniga Po Trebovaniyu's books are printed to order and can be obtained at local stores like Ozon and Biblion but also in international bookstores like Amazon, Barnes&Noble, Blackwell and Adlibris. Kniga Po Trebovaniyu is about to install dozens of POD terminals in different cities in Russia – an initiative that will enable readers from distant locations to access a backlist of 300,000 works in 50 languages.¹⁵⁷ Yevgeniy Khata, the company director, acknowledges that digital printing currently has a secondary presence in the Russian book sector, but points out that responsibility for this lag should perhaps be borne more by the publishing houses than by technology companies.¹⁵⁸

Publishers in the face of the digital revolution

So, given the profusion of software, hardware and digital business models, what is happening in the case of Russian publishers? According to Prohorenkov, the relative scarcity of content for new mediums is a bad sign:

*“We are not having much success with digital content. Publishers are afraid of illegal copies and don't target the market for electronic books. As a result, we barely have a total of around 300,000 digitized works, which represents a lot less than the content available in the US. A normal store sells about 30,000 or 40,000 items at most. In contrast to the US, in Russia device manufacturers and content aggregators tend to work separately.”*¹⁵⁹

Piracy is a problem that is often mentioned in the debates within the sector. The tone of these discussions is usually one of resignation, and the fact that sites for unauthorized downloads of books in Russian continue to proliferate, even in countries as far away as Ecuador¹⁶⁰, is proof of the difficulties faced by publishers in their attempts to deal with this challenge – in spite of the efforts of Litres and other platforms. In this

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¹⁵⁷ Cf. [“Тираж не имеет значения”](#), *Region-perm.ru*, 29th September, 2010.

¹⁵⁸ According to his estimations, POD does not exceed 0.2% of the market total. Cf. Kozlov, Vladimir: [“Buddy, can you spare a book?”](#), *The Moscow News*, 25th November, 2010.

¹⁵⁹ January 2011, cited *supra*.

¹⁶⁰ As is the case of the site [Librusek](#).

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sense, the apprehension felt by traditional publishers in the face of the digital age is understandable.

Artem Stepanov, an editor at [Mann, Ivanov and Ferber](#), says there is vicious circle in operation within the Russian market: users are not used to paying for an intangible product, and even when they are willing to pay, they have trouble finding legal download sites, since these portals tend to sell very little and the big publishing houses are not enthusiastic about giving them their best content. According to Stepanov, sales of e-readers increased considerably in 2010 and you can see people using these devices on the subway or bus every day. Nevertheless, sales of e-books are not going up, partly for economic reasons: users buy a 200 or 300 hundred dollar e-reader knowing that all they have to do then is enter pirated sites to download their favourite texts for free. The conclusion reached by Stepanov is categorical:

“ *It seems to me that a major shift in behaviour will happen when Apple or Amazon enters the Russian market. I already see that people buy apps for iPhone and iPad just because it's very easy and fast. When buying e-books is this simple then we'll see big changes. Unfortunately now it's easier to find a pirate book (you just google the title and get several working links) than to buy a legal file.*¹⁶¹

The creators of Bookmate also join the debate and suggest an alternative explanation. They agree with the vicious circle hypothesis, but they attribute it to the publishers rather than the readers:

“ *The paper book market gives the impression of being very important, but nobody has the rights for digital. The public interest in e-books is enormous and is growing day by day; however, the publishers don't show any interest, perhaps because there is no market yet. And there is no market because the publishers don't show any interest... this situation is not going to be easily changed. Things are even worse for translated works, because Western authors don't target this market at all – Russia scares them.*¹⁶²

Confirming this view, Mikhail Ivanov, also from the publishing house Mann, Ivanov and Ferber, comments:

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¹⁶¹ Personal interview, January 2011.

¹⁶² Cf. *supra*.

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“ We have allocated money to the publication of e-books, but this sector represents just 1% of our earnings, and we don’t have much time to devote to the topic. In fact the digital sector involves additional complications, for example, the need to sign an ad hoc contract, relating to electronic rights.¹⁶³

The advantages of digital, in spite of everything

Technology and the Web are advancing at such a speed in Russia that they appear to exceed the possibilities of traditional publishers. However, it is clear that digital could represent a significant qualitative leap in this country with regard to the distribution of written content.

Russian publishing has always faced an obvious obstacle: the problem of distributing paper books across the length and breadth of its vast geography. The writer Andrei Guelassimov describes the phenomenon based on his own experience:

“ When I wrote my novel *Thirst*, I happened to be living in Siberia. At that time, I had no means of publishing it. The nearest publishing company was thousands of kilometres away! So I uploaded the document to the Web free of charge. Then, when my novel was published on paper, the publishers wanted to take it off the Internet. But I received countless letters from readers living in remote regions who begged me not to withdraw the book from the Web, as that was the only access available to them. Our country is gigantic; it is difficult and expensive to transport goods. In Vladivostok or in Magadan, you can’t get hold of my book.¹⁶⁴

In this sense, options like online stores, virtual libraries and even print on demand constitute an almost obligatory step. Such technologies represent the only way to ensure that an inhabitant of Siberia can access reasonably similar backlists to those available to a fellow citizen from Moscow and – above all – that there is a degree of equality with regard to the price each one pays.

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¹⁶³ Cf. “[Больше не горят](#)”, Секрет фирмы n° 8 (300), 9th August, 2010.

¹⁶⁴ Cf. Cano, Amélie: “[Le boom de l’édition numérique en Russie](#)”, TV5Monde, 27th May, 2010.

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In addition, a fair number of publishers and authors have been persecuted and censored for having published texts on sensitive topics. For example, Ad Marginem Press came under direct pressure over a novel by Bajan Shiryanov about drugs and a satirical work by Vladimir Sorokin that caricatured the figures of Stalin and Khrushchev. In the first case, the whole publication was seized; in the second, Alexander Ivanov – the director of the publishing house – was sentenced to two years in prison.¹⁶⁵ Just as we suggested in the study on publishing in the Arab world, digital could prove to be a freer means of publication in Russia too. Of course, censorship also inhabits the Web, but it tends to be much less effective – at least for the moment. This is another reason, therefore, for Russian publishers to explore electronic channels.

In any case, it will be essential for local publishers to accelerate their exploration of the digital field, since it is no longer just an option but an irreversible evolution. The more established publishers will probably find it harder to adapt, due to the very structure of the business they have been conducting in recent decades. However, newer and smaller ventures may succeed in getting fruitful experiments under way, insofar as they can network with the players that have emerged in recent years – virtual stores, digital distributors, online libraries, hardware companies and on-demand printers. Without such networking, it will be difficult for platforms and devices to find enough local texts, in which case the only possibilities left open will be piracy or else the uncontrollable arrival of closed systems from the US – with their own e-readers and their own content. The fastest way to speed up the formation of a local digital “ecosystem” will be to link up those new players with content producers – authors and publishers –, through a range of possible activities like conferences, training seminars and workshops. In this sense, the Knigabait 2010 exhibition, which brought together numerous digital entrepreneurs during the Moscow Book Fair, was a step in the right direction. In contrast to the other countries studied so far, Russia does not lack either infrastructure or capital. Thus, the elements required for a great electronic leap appear to be in place: all that is needed is the spark that can get them to make contact and ignite their immense potential.

165 Cf. Kalder, Daniel: [“Notes from the Underground: Indie Publishing in Putin’s Russia”](#), *Publishing Perspectives*, 16th March, 2010.

Possible trends

Although as yet there are no digital business models in Russia that can entirely supplant the traditional system, there are forces that could accelerate the migration of the industry:

1. Sooner or later the economic crisis that has plagued the book sector since 2008 will lead publishers to reduce print runs and seek new and more efficient forms of production and marketing, such as print on demand and the many variants of electronic distribution. Thus, digital restructuring will not only be a good way of providing equal access for all inhabitants, it will also be an essential requirement for reducing costs.
2. Russian readers' thirst for digital content, which is demonstrated by the boom in e-readers and the increase in piracy, may result in new modes of creation, designed specifically for digital mediums.¹⁶⁶
3. There may be heated legislative debates, such as those that have already taken place on topics including reprography, taxes on e-books and access to virtual libraries.¹⁶⁷
4. The most influential factor in the future may perhaps be the group of hardware companies which, along with mobile phone operators, have an enormous market volume domestically (within Russia) and abroad (in other countries of Asia, particularly the former Soviet republics), which guarantees them an extraordinary capacity for investment and manoeuvre



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¹⁶⁶ A premonitory example is that of the novel *Metro 2033*, published by Dmitry Glukhovsky in 2002; the work could originally be read free of charge on the Web and became a huge bestseller after it was published on paper; Glukhovsky's later titles were published directly as online experiments.

¹⁶⁷ Cf. for example the discussions taking place within the [Russian Association of Online Publishers](#).

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Presentation



India has extraordinary human capital with regard to IT development. This has enabled it to build up a thriving industry of publishing services and online platforms that can compete against the US giants themselves for variety and dynamism. Among traditional publishers, digital is often seen as an interesting opportunity, although it is not without its challenges: piracy, the lack of defined business models and limitations when it comes to building a brand are some of the problems that still need to be tackled. If the country's entrepreneurs could manage to find the right tools and the right market, India could become a global leader in electronic publishing.

Technical data

1. Surface area: 3,287,595 km²
2. Population: 1,155,347,678 (2009)
3. Urban population: 66.9% (2009)
4. Language: Hindi is the official language. Each state and territory of the Indian nation has its own official languages, with the Constitution recognizing 22 in total.
5. GDP: US\$ 1,310,170,521,447 (2009)
6. GDP per capita: US\$ 1,134 (2009)

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7. Politics and society: After a long history of colonialism and internal struggles, India has implemented sustained political and economic reforms to achieve great prospects for development. With regard to its system of government, India is a federal republic with a parliamentary system. The president is the head of the executive power and holds office for a period of 5 years.
8. Mobile phone penetration: 66.16% (2010)
9. Internet penetration: 6.9% (2010)
10. Literacy: 63% (2006)
11. Publishing industry: In India there are around 16,000 publishing houses publishing in a number of languages, although 45% of the 60,000 titles the country produces each year are in English. In fact, India ranks third, behind the US and the UK, in book publishing in English. The main distribution channels are publishers, bookstores, commercial representatives – who visit institutions, schools and NGOs –, fairs and, to a lesser extent, the Web.

Sources: [World Bank](#); [Indian Department of Telecommunications](#); [Internet World Stats – India](#); [Telecom Regulatory Authority of India](#); [Frankfurt Book Fair](#).

India as a global provider of IT services

In order to analyze experiences related to digital books in India, we must begin by reminding ourselves of the importance that information technology (IT) services have acquired within the country. According to the [National Association of Software and Service Companies](#) (NASSCOM), the IT sector represents no less than 6.4% of GDP and 26% of exports.¹⁶⁸ The accelerated growth of hundreds of companies located in Bangalore – known as “India’s Silicon Valley” –, Chennai, Hyderabad or Pune is evidence of this same phenomenon.

With 500,000 new engineers graduating every year,¹⁶⁹ the leading role played by India in IT services is largely the result of decades of State investment, as applied science was given considerable impetus by the public sector from the post-war period on. Nehru himself – India’s Prime Minister from 1947 to 1964 – stated at that time:

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¹⁶⁸ Cf. NASSCOM Strategic Review: *The IT-BPO Sector in India*, 2011.

¹⁶⁹ Cf. [“What NASSCOM should do to nurture the next-generation of Indian entrepreneurs”](#), NASSCOM, 14th December, 2010.

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“ *It is science alone that can solve the problems of hunger and poverty, of insanitation and illiteracy, of superstition and deadening of custom and tradition, of vast resources running to waste or a rich country inhabited by starving poor. Who indeed could afford to ignore science today? (...) The future belongs to science and those who make friends with science.* ¹⁷⁰

The current efforts of the Indian State are reflected in the operations of the [Software Technology Parks of India](#) (STPI), a public corporation run by the [Ministry of Information Technologies](#), whose activities are carried out in around twenty cities. STPI's main objectives are to promote exports of IT services and encourage the creation of small and medium enterprises in this sector.

Software technology is now central to the internal functioning of the public sector, to the extent that in November 2010 the Indian government announced its plans to develop its own operating system for security reasons.¹⁷¹

Publishing services companies

The championing of the software industry has made India a global centre for publishing-related technological services. There are countless companies of varying sizes offering services that include digitization, text recognition (OCR), conversion to ePub and layout. In one survey disseminated by [Valuenotes](#) in early 2010, 66% of publishers interviewed from the US and the UK admitted to having outsourced their pre-production work to India.¹⁷²

Among the firms that provide publishing services we can mention [Data Outsourcing India](#), [Amnet](#), [Aptara](#) and [Vel Software](#). These are companies that tend to participate in international book fairs and count the world's leading publishing houses among their clients.

These service companies face a constant challenge, which we will come back to when we analyze the problems facing publishing houses:

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¹⁷⁰ Cf. Ram, Atma, “The Making of Optical Glass in India: Its Lessons for Industrial Development”, *Proceedings of the National Institute of Sciences of India* 27, 1961, pp. 564-5.

¹⁷¹ Cf. Krishnadas, Kariyatil: [“Security concerns prompt India OS initiative”](#), *EE Times*, 10th November, 2010.

¹⁷² Cf. Menon, Ravi: [“Publishing: India remains top outsourcing destination”](#), *Business Standard*, 27th January, 2010.

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we are referring here to the difficulty of building solid brands and competing on the basis of price alone. As it says on the Amnet website, low prices are a fleeting competitive advantage:

“ *The communications infrastructure had been built between Western countries and India. And state and local governments understood that companies like Amnet contributed to overall prosperity. They were eager to support us. But there were some clouds on the horizon. The first generation of outsourcing was based on providing the services of India’s highly-educated, English-speaking talent pool at rock bottom prices. That couldn’t continue. Being the lowest cost provider is almost always a losing strategy because the advantage is easy to copy. By 2000, Indian companies were seeing lower cost price competition from China and the Philippines.* ¹⁷³

Selling printed books through the Web

Many entrepreneurs from the IT world in India have dedicated themselves to e-commerce. Sachin and Binny Bansal, both computer science graduates of the [Indian Institute of Technology, Delhi](#), opened the store [FlipKart](#) in 2007. Like [Amazon](#) – a company in which they had previously worked –, they began by selling physical books, but have now branched out into music, films and mobile phones. FlipKart offers numerous means of payment including credit card, debit card, bank transfer and cheque, and the site recently added the possibility of paying cash on delivery, something highly sought after by local consumers.

FlipKart is currently visited by around 6 million users and sells an average of 5000 books per day, from a total backlist of 6 million titles, both national and imported.¹⁷⁴ The portal is extremely active in online social networks, and in late 2010 the company acquired [WeRead](#), a book recommendation site¹⁷⁵. It is interesting to note that FlipKart’s Facebook page currently has more fans than Amazon’s does¹⁷⁶. The prices of local

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¹⁷³ Cf. [“The story of Amnet”](#), Amnet. *The data company*.

¹⁷⁴ Cf. Sen, Sunny: [“Ready To Script A New Story”](#), *Business world*, 11th December, 2010 and Maidan, Pragati: [“Flipkart showcases its portal at the World Book fair”](#), *The Financial Express*.

¹⁷⁵ Cf. [“FlipKart turns more social, with weRead acquisition”](#), *SiliconIndia*, 24th December, 2010.

¹⁷⁶ February 2011.

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books tend to be much lower than those of imported ones and generally range between 2 and 8 dollars.

So far, FlipKart has avoided moving into e-books. This prudence is echoed by most of the general stores – such as [India Plaza](#), [Jumadi](#), [Landmark](#) or [Rediff](#) – and the online platforms dedicated exclusively to selling books – such as [uRead](#), [Pustak](#), [Bookadda](#), [Simply Books](#) and [Pop a Book](#).

Stores that sell electronic publications. The emergence of digital ecosystems

Let's look now at some of the sites that have made inroads into the distribution of digital books and magazines.

The virtual bookstore [Odyssey360](#), for example, offers freely downloadable e-books in PDF through a link received by email. The texts are on subjects related to marketing, computing, health and self-help.

In addition to almost 14,000 paper books, [BookGanga](#), which presents itself as an “online bookstore of Indian literature” offers 139 e-books¹⁷⁷ and 54 e-magazines,¹⁷⁸ mostly in Marathi. These publications, rarely costing more than 2 dollars, can be read on both Windows and Apple devices, for which purpose BookGanga has developed its own reading software.¹⁷⁹ Users can leaf through the opening pages of the texts thanks to another of the company's own systems, based on Flash. It should be clarified that BookGanga is one more link in the chain of [MyVishwa](#), an IT company with offices in India, the US and Australia, which has built a veritable ecosystem of web applications – from videogames and music to emails and blogs. Another fundamental component of MyVishwa is [ePaper](#), a system designed for reading Web versions of printed newspapers. According to its website, MyVishwa

“... creates time for you to develop a relaxed, organized and balanced core within yourself that will radiate all your positive energy to everyone in Seven Circles, that is MyVishwa – the entire Universe.”¹⁸⁰

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¹⁷⁷ Cf. [“eBooks”](#), BookGanga.

¹⁷⁸ Ibidem.

¹⁷⁹ Cf. [“To read eBooks, download the latest version of eBook Reader”](#), BookGanga and [“BookGanga Reader”](#), iTunes Preview.

¹⁸⁰ Cf. [“Our Philosophy”](#), MyVishwa.

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Another e-bookstore that started up in January 2008 is [India Ebooks](#), owned by the software company [ESource](#), based in Delhi and Toronto. The prices of its e-books – mainly from Indian publishers – range from under one dollar¹⁸¹ to over 30 dollars.¹⁸² ESource has developed its own DRM and offers a reading application for texts in PDF version.

Founded in the US in the mid-1990s by Shinu Gupta, [A1Books](#) began by selling books through the Web, at a time when Amazon had barely been heard of. In December 2007, the company inaugurated [A1Books India](#), on the conviction that this market concealed enormous potential for e-commerce.¹⁸³ The firm recently presented its own platform selling e-books, most of which come from international publishers and are sold in ePub, PDF, LIT and Mobi formats. These publications – supplied by the US aggregator Overdrive – are considerably more expensive than those offered by BookGanga. Indeed, the visitor may come across e-books in PDF that cost 120 dollars or even more.¹⁸⁴ When asked about the main challenges of an online store in India, Gupta replied:

“*Branding and traffic to the site are the biggest challenges. Building quality content is yet another big challenge in the Indian market where the online business is just evolving. Customers are too demanding and computer savvy, whereas the sellers are yet to catch up with the pace to the needed levels.*”¹⁸⁵

Among the e-commerce platforms that have experimented with e-books, the one most often cited is, perhaps, [Infibeam](#). Created in 2007 by another former Amazon employee – Vishal Mehta –, this store based in Ahmedabad emulates its US peer in aspects ranging from aesthetic features – like the logo and webpage layout – to commercial ones. Infibeam claims to have around 10 million titles in its backlist of physical books, which makes it the biggest bookstore in India. In January 2010, Infibeam captured the attention of the local and international media when it announced the launch of [Pi](#), its own e-reader with electronic ink and touch screen, at an initial price of 220 dollars. In addition to the relatively accessible cost and its long-life battery, Pi offered another considerable advantage over the Kindle: it made it possible to read in Hindi, Sanskrit and

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¹⁸¹ See for example: *Changing Image of India*.

¹⁸² See for example: *Encyclopaedia of Mathematics*.

¹⁸³ Cf. “Times Internet (Indiatimes) acquires 50% stake in online book marketplace A1Books,” *Alootechie*, 31st July, 2008.

¹⁸⁴ Cf. For example: “[Game Theory and Business Applications \[eBook\]](#),” *A1Books India*.

¹⁸⁵ Cf. “[Interview of the week: Shinu Gupta, CEO, A1Books](#),” *Webnewswire*, 30th November, 2009.

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13 other Indian languages. The e-books and electronic magazines – in ePub, PDF and LIT formats – that users used to be able to find on Infibeam's website were mostly international publications that cost between 12 and 24 dollars, that is to say, quite a lot more than the average printed book.¹⁸⁶ According to Sachin Oswal, the company's vice-president, this was due to the fact that publishers in India still hadn't begun to digitize their content, which forced the site to make use of international aggregators.¹⁸⁷ For this reason, in May 2010 the company inaugurated its [InDigi](#) service, a platform that enables authors and publishers to upload works and market them through Infibeam's e-books portal.¹⁸⁸ As a result, we now find texts from local publishers at much more competitive prices, with some costing just 1 dollar.

As well as the e-books acquired through Infibeam, the Pi device allows users to read their personal documents without any technical obstacles or additional costs. For this and other reasons, Oswal stresses the impact a device like Pi could have on schools in India:

“ *Its battery, that works for a week, enables about four to five students to share a single Pi. This is particularly effective in rural areas where there is a shortage of resources and electricity.*¹⁸⁹

It is hard not to associate these comments with the attempts to introduce Kindles into Ghana, [as we described in the chapter on sub-Saharan Africa](#). However, we must admit that in the case of the Pi device, the project is being carried out by a local company that is fully familiar with the concrete problems of the country. And ultimately, native ventures may be able to prevail where Amazon and other firms from the North have failed. Indeed, Amazon would be hard pushed to design as many Kindles as there are linguistic regions in India, and it would be even less able to reduce shipping costs in such a way that its device could compete with others designed *in situ*. In any case, what is under discussion here is who imposes the hardware standard so as to then retain control over the sale of content: Amazon has understood this perfectly, which is why it has reduced the price of the Kindle to a level close to the manufacturing cost.¹⁹⁰

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¹⁸⁶ For example, the title *In Pursuit of Ecstasy*, by Sujata Parashar, sells in the printed version for just \$1.50; in addition, shipping within India is free.

¹⁸⁷ Cf. Chaturvedi, Pooja: [“E-book reader for Indian languages”](#), *Livemint*, 30th May, 2010.

¹⁸⁸ Cf. [“Infibeam.com Extends eBooks Platform with Digitization, Distribution and Print On Demand”](#), *India PR Line*, 5th July, 2010.

¹⁸⁹ Cf. Chaturvedi, Pooja: *op. cit.*

¹⁹⁰ Cf. Gallagher, Dan: [“Does Amazon Make Money on the Kindle?”](#), *Digits. The Wall Street Journal Blogs*, 28th January, 2011.

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Whoever imposes the standard will have more chances not only of obtaining control of the B2C market but also of winning public biddings. In January 2010, the Indian State approved a plan to reduce the digital gap in different schools in the country, with an investment in software, hardware and electronic content of over 1.5 billion dollars – a figure that gives a clear idea of just what is at stake.¹⁹¹ With the race to control hardware and content in mind, in July 2010, Infibeam – which has started working with Indian educational institutions –¹⁹² presented its own Android tablet – called [Phi](#) – to compete with the iPad. A few months later, it introduced the second version of the e-reader Pi, this time equipped with WiFi connectivity and more memory, among other improvements on the first model.¹⁹³

In addition to Infibeam, there is another interesting project in India that integrates an online platform with a reading device: [DC Books](#) / [EC Media](#). In 1974, the writer and Keralite activist Dominic Chacko Kizhake-muri – nicknamed “DC” – inaugurated the bookstore DC Books, which over time was to become a formidable conglomerate – the [DC Group](#) –, with activities as varied as publishing, computing, radio and even hotels. DC Books now has a backlist of around 10,000 titles, particularly in Malayalam, and has published various books by Vargas Llosa as well as the *Harry Potter* saga in that language. The significant point is that the group controls 60% of EC Media,¹⁹⁴ a company founded in 2009 in Bangalore whose explicit goal is to distribute affordable e-readers and content in the Indian market, in both English and regional languages.¹⁹⁵ EC’s portal welcomes users with this quote from the American writer Ralph Lombreglia:

“*The proper artistic response to digital technology is to embrace it as a new window on everything that’s eternally human, and to use it with passion, wisdom, fearlessness and joy.*”

In August 2010, EC Media presented the [Wink](#), an e-reader with electronic ink, an analogue keyboard and an interface designed to operate in English and 15 Indian languages.¹⁹⁶ In February 2011, the standard 6 inch model now costs around 200 dollars, while the 5 inch XLite version, launched

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¹⁹¹ Cf. Sibal, Kapil: “[1 lakh govt schools to go 'smart'](#)”, *The Times of India*, 10th January, 2010.

¹⁹² Cf. Chaturvedi, Pooja: *op. cit.*

¹⁹³ Cf. “[Infibeam Announces Pi2 – An Upgraded Version of Pi with Touch and Connectivity](#)”, *Infibeam*, 20th January, 2011.

¹⁹⁴ Cf. Lison, Joseph: “[Two Indian e-readers set to hit market](#)”, *Livemint*, 1st February, 2010.

¹⁹⁵ Cf. “[About EC Media](#)”, *EC Media*.

¹⁹⁶ The name Wink comes from “without ink”.

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in December 2010, sells for 180 dollars. EC Media's marketing strategy has been to build a veritable ecosystem around the device. To begin with, at [WinkStore](#) users can find over 200,000 e-books and digital magazines, in ePub and PDF format with DRM. Some of these publications can be downloaded free of charge, while others can cost up to 200 dollars.¹⁹⁷ The store already offers titles in Hindi,¹⁹⁸ Marathi,¹⁹⁹ Malayalam²⁰⁰ and Kannada,²⁰¹ among other languages. In the words of Ravi DC, the CEO of EC Media:

“ *With its rich cultural heritage, India has a plethora of languages so it was essential that we introduce a product that befits that rich heritage and vast history and literature available to us. The idea is to make national and international content, including those that are rare, out of print and hitherto paperback editions accessible to readers on the digital platform.*²⁰²

In the medium term, EC Media plans to construct five other main pillars around the Wink: WinkWire – a personalizable electronic newspaper –; Winkeractive – a social network for book recommendations –; WinkPublish – a new publishing house that will publish around 10 titles a month –; MagsonWink – an application for mobile devices –; and My Wink, My Words – a literary competition for young authors.²⁰³ The directors of EC Media are fully aware of the fact that they cannot base their business on selling devices alone, as Pradeep Palazhi, the head of the company's operations explains:

“ *Content is the king. Any revenue model that focuses on the e-reader device won't be sustainable. Revenue models that focus on content revenues, CLV (customer lifetime value), communities and added value will thrive.*²⁰⁴

197 Cf. *Medicine, Magic and Religion: The FitzPatrick Lectures delivered before The Royal College of Physicians in London in 1915-1916*, in *Wink Store*. Oddly, in *Wink Store* there are quite a few duplicated titles that are sold at different prices. The reader can find an alternate version of the abovementioned work by W. H. R. Rivers for just 14 dollars. Cf. *Medicine, Magic and Religion*, in *Wink Store*.

198 Cf. *Bansuri Samrat Hariprasad Chaurasia*, in *Wink Store*.

199 Cf. *Truth About Making Smart Decisions*, in *Wink Store*.

200 Cf. *Vilapalm*, in *Wink Store*.

201 Cf. *Krusha Ssompada*, in *Wink Store*.

202 Cf. Tankha, Madhur: [“A record 40,000 visit Delhi Book Fair”](#), *The Hindu*, 2nd January, 2011.

203 Cf. Kurup, Deepa: [“Digital publishing in regional languages”](#), *The Hindu*, 12th January, 2011.

204 Cf. Murali, D.: [“When eReaders nudge into bookshelves”](#), *The Hindu*, 8th October, 2010.

Public sector efforts: scientific repositories, virtual libraries and mass-market devices

If, as we have sought to show, Indian commercial platforms demonstrate remarkable dynamism, free-access websites are certainly not to be outdone.

First of all, we find hundreds of institutional repositories built using free and open source software – in particular EPrints and DSpace. A considerable number of these portals host texts related to applied sciences and aim to give visibility to India's abundant academic production, through open access.²⁰⁵ One example is the [Ministry of Earth Sciences Repository](#) – a government initiative that compiles scientific articles, lectures, books, theses and reports, mainly in PDF. The [Indian Institute of Astrophysics Repository](#), for its part, has over 5,000 items organized into around a dozen collections. Lastly, the [Online Publications Repository](#), run by the [National Institute of Science Communication and Information Resources](#) (NISCAIR) brings together almost 10,000 academic articles from twenty or so journals written in English and in languages native to India.

In addition to sites with scientific material, we also find portals that host texts, images and other examples of the country's cultural legacy. A case in point is the [Panjab Digital Library](#), which has scanned millions of pages since 2003 and offers visitors the chance to savour manuscripts, books, magazines, newspapers and photographs of great beauty and historical value originating from this region. In November 2004, the *Times of India* wrote:

“*[The Panjab Digital Library has] put the crumbling, yellowing pages with delicate calligraphy into the time machine and pressed the eternity button.*”²⁰⁶

The Library has set-up an open space for volunteers who wish to participate in the digitization, IT development and fund-raising work.²⁰⁷

Lastly, the [Indian Institute of Science](#), based in Bangalore, has spent years digitizing books in English, Hindi, Sanskrit and other local lan-

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²⁰⁵ Cf. Ghosh, S.B. and Kumar Das, Anup, “Open access and institutional repositories – a developing country perspective: a case study of India”, *World Library and Information Congress: 72nd IFLA General Conference and Council*, 2006.

²⁰⁶ Cf. “[Media Room](#)”, *Panjab Digital Library*.

²⁰⁷ Cf. “[Volunteer](#)”, *Panjab Digital Library*.

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guages. This ambitious initiative, designed to create the Digital Library of India, is part of the [Million Book Project](#), the universal archive sponsored by [Carnegie Mellon University](#) in the US. The official portal of the Digital Library of India is not properly up and running yet²⁰⁸ (in February 2011), and currently the texts have to be consulted on mirror sites.²⁰⁹

The impetus given to scientific repositories and virtual libraries is a further indication of the efforts made by the Indian State to reduce the digital gap. This zeal is also demonstrated by the numerous initiatives to produce and distribute hardware for the masses, due to the fact that in smaller towns there aren't usually any computers or fixed connections for accessing Web content. In July 2010, the Indian [Ministry of Human Resource Development](#) presented the prototype for a tablet designed for students costing 35 dollars, that is to say, several times less than the Apple iPad.²¹⁰ According to some sources, this device symbolized India's response to OLPC's 100 dollar laptops.²¹¹ The initiative sparked heated controversy in the local and international media, in particular because on previous occasions the Indian government had released resounding statements about devices for the masses that ended up coming to nothing.²¹² In any case, it is undeniable that handing out hardware on a massive scale is very much a part of the State's plans and we will have to watch carefully to see what happens in this area in the future.

Cell phones

Despite the efforts of public and private bodies, neither fixed Internet connections nor e-readers, or tablets have mass penetration in India today. [As occurs in sub-Saharan Africa](#), the only devices that are found on a wide scale are cell phones. In late 2010, India had around 752 million cell phone users, and to give an idea of the rate of expansion in this market, in December of that year alone, they were joined by 22.62 million new subscribers.²¹³

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²⁰⁸ Cf. <http://www.dli.ernet.in/>.

²⁰⁹ Cf. for example: <http://www.dli.cdacnoida.in/>.

²¹⁰ Cf. Halliday, Josh: ["India unveils world's cheapest laptop"](#), *Guardian.co.uk*, 23rd July, 2010.

²¹¹ Cf. ["India unveils prototype for \\$35 touch-screen computer"](#), *BBC News*, 23rd July, 2010.

²¹² Cf. Roy, Prasanto K.: "Why India's \$35 computer joke isn't funny", *The Economic Times*, 26th July, 2010.

²¹³ Cf. Telecom Regulatory Authority of India: *Telecom Subscription Data as on 31st December 2010*, 9th February, 2011.

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One of the keys to this growth is related to the existence of companies – both local and foreign – that manage to adapt their models to the local reality. For example, in August 2010, the Indian company [Wyncom](#) – based in Gurgaon – announced the launch of the [Y45](#), the first cell phone with an analogue keyboard in Hindi.²¹⁴ the device also has an application that enables the user to send messages free of charge to the rest of India, as well as to the United Arab Emirates, Kuwait, Saudi Arabia, Singapore, Malaysia and the Philippines.

The dizzying progress of mobile devices has also led many Web portals to adapt their interfaces to these appliances and offer content in regional languages. The site [OneIndia](#) can already be accessed from mobile phones and read in English, Hindi, Kannada, Malayalam, Tamil and Telugu. As B.G. Mahesh, the CEO of OneIndia, points out:

“Just 12% of Indians are comfortable with English, the rest, which happens to be the majority, want language content.”²¹⁵

Cell phone operators themselves are among the most dynamic actors in written content distribution today. Vodafone, for example, markets an entire series of Momics ([mobile comics](#)), which it includes in the “Movies and Television” section of its website. Most of these comics deal with Indian mythology and can be downloaded by sending an SMS.

At the same time, India has seen the emergence of veritable factories producing content designed for mobile devices, such as [Mogaé Digital](#). Nevertheless, the most noteworthy example is [MobileVeda](#), a start-up whose headquarters is in Vellore and which, since 2006, has carried out various telephone publishing projects. One of these initiatives is [Fublish](#), a download platform for free books in Tamil, in both written and audio format.²¹⁶ [Seed](#), another of MobileVeda’s offerings, is a library of 1000 titles in Tamil and English compressed onto a memory chip which sells for 11 dollars. According to Ganesh Ram, the head of the venture, this idea will help reveal the hidden capabilities of mobiles phones and bring about a positive change among users, but without taking the typi-

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²¹⁴ Cf. Achalla, Venu: [“Wyncomm Gives India Its First Hindi Qwerty Mobile Phone”](#), *WAT Blog*, 28th August, 2010.

²¹⁵ Cf. Waghre, Prateek: [“OneIndia.in Goes Mobile In 5 Indian Languages With NewsHunt”](#), *WAT Blog*, 10th November, 2010. Internet access from mobile phones is usually obtained using smartphones, but a recent development by [HP](#) in India could give even the most basic appliances the chance to access the Web, through SMS. Cf. [“HP Labs India”](#), *Hewlett Packard Development Company*.

²¹⁶ The site offers a mobile phone screen emulator. The following link shows how a text in Tamil would look: [MicroEmulator](#).

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cal route of offering them mere entertainment. In general terms, MobileVeda's objective is:

“... to constantly innovate and develop solutions for our local market that should exceed or at least be on a par with the current trend in the international arena, provided in a cost-effective manner.”²¹⁷

There are even traditional publishing companies that have undertaken explorations with mobile phones. In July 2009, [HarperCollins India](#), in association with the operator [Reliance Communications](#), announced the launch of the novel *Deaf Heaven*, by the famous local writer Pinki Virani, through text messages and audio files.²¹⁸ Similarly, the publishing house [Penguin](#) – which has a significant presence in India – has distributed books through the mobile network, thanks to an alliance with the operator Mobifusion.²¹⁹

Indian publishers and experimentation with digital tools

It must be recognized that for Indian publishers, experimentation with new technologies is not an exotic option but rather an extremely valuable opportunity. On its portal, a long-established publishing house like [Pustak Mahal](#) proclaims itself to be “India's largest publisher of mass appeal books” and at the same time “the first Indian publisher to be truly digital, in all ways”. Its webpage happens to include the Google Books search engine for all its titles, which are sold in paper format in stores like Infibeam or Albooks or as e-books in Amazon's [Kindle Store](#).²²⁰

In addition, [Tulika](#) – a prestigious publisher of children's books based in Chennai – has recently built applications for 3 of its titles, in conjunction with [Fliplog](#), an apps platform belonging to the local company [Apptility](#). The interactive book *Ekki Dokki* is therefore now available (in bi-

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²¹⁷ Cf. [“PUBLISH is passé; get ready to FUBLISH”](#), *openPR*, 26th November, 2007.

²¹⁸ Cf. Adil, Sahar: [“Pinki Virani's 'Deaf Heaven' in Audio-Mobile Book”](#), *My Bangalore*, 13th July, 2009.

²¹⁹ Cf. [“Mobifusion in the News”](#), *Mobifusion*.

²²⁰ Nevertheless, it is worthy to note that the [printed version](#) of a book like *Three Shades of Green* costs half the price of [its electronic counterpart](#).

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lingual English/Hindi version) for the iPad²²¹ and can soon be obtained in other formats. In this context, the comments made by Tulika's managing editor, Radhika Menon, in 2003 seem highly prophetic:

“ *A very real problem with books is where do you store them. There are schools without walls [in India], so how do you access books then? Maybe if you have a computer somewhere and children can go there to read, maybe this will help. In fact there are very backward areas in India that have gone completely online and it's really made remarkable progress in terms of literacy. So I wouldn't dismiss electronic books. In fact I am looking at it the other way, not so much for the upper class or elite market but for a much wider reach at the grassroots. I think technology can play a major role there.*”²²²

Similarly, numerous companies that publish audio-books on CD, DVD and even cassette have gradually moved towards using online downloads as a means of distribution. One is Karadi Tales, which sells not only titles on MP3²²³ but also content on Flash that it calls “videobooks”.²²⁴

More and more publishers are also turning to POD. These include [CinnamonTeal](#), a company founded in 2007, which from its headquarters in the city of Goa has set up a self-publishing system based on this new technology. Its co-founder, Leonard Fernandes, named Indian publisher of the year 2010 by the British Council,²²⁵ considers print on demand a definite plus:

“ *I believe on-demand printing has a lot of potential in India, after one considers the breadth of diversity one can find in this country. People have different languages, different dialects, customs, traditions and festivals – a lot of experiences to share. These experiences may appeal to only a small section of society making it unviable for mainstream publishers but a very good case for on-demand publishing.*”²²⁶

If it proves interesting to analyze cases of publishers who avail themselves of providers and technologies that are, so to speak, “already there”,

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²²¹ Cf. [“Ekki Dokki – English/Hindi Bilingual Book”](#), iTunes Preview.

²²² Cf. Rosario, Brigitte: [“Online Publishing? No Thanks, Says Writers, Publishers”](#), eHome Makers, 4th December, 2003.

²²³ Cf. [“Charkha Audiobooks MP3”](#), Karadi Tales.

²²⁴ Cf. For example: [“From Karadi Tales Heritage”](#), Karadi Tales.

²²⁵ Cf. [“YCE – Publishing Award”](#), British Council.

²²⁶ Cf. Kumar, Jaya: [“Cinnamonteal-On Demand printing”](#), My Bangalore, 9th February, 2009.

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it is even more eye-opening to discover that in India certain publishers of printed books implement their own IT development. An inescapable example is [New Horizon Media](#) (NHM), a publishing house founded in Chennai in 2004, which in just a few years has managed to put together a backlist of 1,100 titles in 3 different languages: English, Tamil and Malayalam. On [a subdomain of its webpage](#), NHM hosts various freely downloadable tools that really make the task of writing on a screen much easier for those who use regional languages.²²⁷

The digital age: challenges and proposals

Of course, not all Indian publishers show the same enthusiasm for new technologies. In fact a significant number of associated problems are mentioned repeatedly in the comments we have collected. Below we will give a brief description of these difficulties, as well as a number of proposals aimed at mitigating them.

1) To begin with, many publishers have still not digitized their backlists, partly for fear of piracy. It is worth pointing out that all the Indian publishers contacted in our survey highlighted the issue of piracy as one of the fundamental dangers of electronic publishing. In any case, although it is true that digitization might encourage unauthorized downloads of many materials, we must remember that in India piracy is also a problem for paper publishing, with some sources claiming that illegal copies of printed books exceed 25% of the country's total production.²²⁸ John Makinson, the CEO of Penguin Global, makes the following observation:

“*What distorts the market in India, in the physical book market, is the activity of pirates. Not only do they cannibalize our sales, but they act as a lid on pricing. That's an issue that we're always having to address.*”²²⁹

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²²⁷ For a clear analysis of the difficulties related to using characters in these languages, cf. John, Gautam: [“Thoughts on Unicode in India”](#), *Gautam John's Blog*, 21st February, 2011.

²²⁸ Cf. Mukherjee, Ritwik: [“Book piracy reaches alarming levels in India”](#), *Financial Chronicle*, 3rd February, 2011.

²²⁹ Cf. Sharma, Sanjukta: [“John Makinson | Publishing in India is a step in the dark”](#), *Live-mint*, 14th April, 2010.

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The issue of piracy will probably need to be tackled within a broader framework, while bearing in mind the gap that exists between the demand on the part of citizens and the supply that is actually within their reach. Ultimately, piracy is particularly harmful for economic models that don't take into account the context in which they are introduced. Distributing e-books with DRM that cost 10 dollars in a region where paper books are sold at half that price is patently absurd, and if these texts end up circulating en masse in unauthorized form, it will mean two things: a) that the business model was ill-conceived; b) that the local public is eager to consume digital content, making it essential to continue exploring new marketing alternatives. In this light, Ajit Balakrishnan, the CEO of Rediff, has interesting things to say with regard to India's digital future:

“*I keep telling my colleagues that there are two or three things to keep in your mind every day when you wake up, one is mobile, that is a big, big inflection that is about to happen. The second is (...) design products for mass marketing. You don't want to design products for the elite; design products for a man driving a scooter with his wife and child on the back... keep him in mind. That's the key. You don't worry about anything else. The rest will follow.*²³⁰

Within this framework, then, it would be worthwhile organizing workshops on the different economic issues linked to digital, such as business models, pricing strategies and distribution through existing platforms, among other topics that could prove fundamental in order for Indian entrepreneurs to take advantage of their gigantic domestic market, along with international markets for English language content – especially the US and the UK.

2) Many Indian publishers have also expressed the need to acquire knowledge on legal matters and a better understanding of what rights to transfer, how to do so, and what contracts to sign with big local and international aggregators. For this reason, it would be worth coordinating training seminars on topics related to contracts and authors' rights in the digital age.

3) An additional aspect, and one closely related to the points above, has to do with the difficulty faced by numerous companies when it comes to brand building, as expressed in [the aforementioned comments by](#)

230 Cf. [“Ajit Balakrishnan – Chairman Rediff.com On What Is Needed For Digital Media In India”, Youtube, 22nd January, 2011.](#)

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[Shinu Gupta and Pradeep Palazhi](#). India has extraordinarily thriving IT service companies, but this does not always result in the creation of solid brands as it does with US or European companies. Indeed, the brand image of an Indian IT service provider would appear to be strengthened by the mere fact of opening an office in the US. Without a brand, any company succumbs to the commoditization of its products and services, that is to say, it ends up competing on the basis of price alone – something that, as we have seen, is unsustainable.²³¹ In this light, it would be highly advantageous to arrange workshops on brand consolidation, using the case of other developing countries that can serve as an example.

4) With regard to the technical complexities involved in producing texts in regional languages, the native and open access tools already available will be enormously useful for those traditional publishers who decide to embark on a digital migration process. This is why it would be a good idea to extensively disseminate the achievements of the most dynamic actors – software companies, start-ups and digital publishing houses – and organize practical activities in which these findings can be applied to concrete cases.

5) Lastly, it will be necessary to put pressure on the public sector to continue investing in projects likely to reduce the digital gap. However, these initiatives must always be oriented towards nourishing native “ecosystems”, so that any financing of hardware for distributing written content is carried out according to the concrete needs and requirements of local readers – particularly with regard to their language. This will favour both users and content producers, who will be given an effective stimulus for migrating to digital.

Possible trends

At any rate, digital publishing in India will be positively impacted by a series of powerful tendencies that will carve out a new landscape in the medium and long term:

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²³¹ Sameer Sharif, the CEO of [Impelsys](#), an IT company of Indian origin based in Bangalore and New York, states this plainly: “The effort is to create our own IP (Intellectual Property), not just be a service provider”. Cf. Raghu, K.: [“Bangalore firm gives digital life to cookie monster and friends”](#), *Livemint*, 7th December, 2009.

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1. To begin with, we are already witnessing a social phenomenon that will leave a profound imprint: the emergence of a new middle class hungry for hardware and content adapted to their concrete reality. It is worth bearing in mind that – as a survey by the consulting firm TCS disseminated in 2009 shows – the Internet is by far the favourite pastime of teenagers from urban homes in India.²³² These young people demand – and will increasingly demand – texts written in their own languages on topics that directly concern them. In this sense, local digital publishing will have a considerable advantage, at least initially, when it comes to competing against actors from the US or Europe.
2. In addition, India's increasing technological sophistication and the progressive interaction between content producers and IT companies may lead to the enrichment of the digital publishing industry.
3. Thirdly, it is highly likely that we will see a proliferation of experiments in text dissemination via mobile phones, given the mass penetration of these devices throughout Indian society, regardless of class or region.
4. Finally, in spite of all its limitations – with regard to coordination, budget etc –, the Indian State will certainly continue striving to reduce the digital gap, particularly among the inhabitants of rural areas.



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²³² Cf. [“Urban students are digital natives, reveals TCS Generation Web 2.0 survey”](#), TATA Consultancy Services, 29th July, 2009.

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Presentation



Of all the developing countries, China is perhaps the most advanced in terms of digital publishing. E-reader manufacturers, digital ecosystems and mobile phone companies have a huge market volume, as well as plentiful economic resources. The State, for its part, keeps an iron grip on all the players' movements and actively encourages the restructuring of the book sector, through both investments in infrastructure and training programmes. The new global giants of digital publishing will very likely emerge from China and the rest of the Asia-Pacific region.

Technical data

1. Surface area: 9,596,960 km².
2. Population: 1,331,460,000 (2009)
3. Urban population: 44% (2009)
4. GDP (nominal): US\$ 4,984,731,371,688 (2009)
5. GDP per capita: US\$ 3,744 (2009)
6. Unemployment: 4.2% (2009, official figures)
7. Official language: Mandarin (Putonghua). There are a host of local dialects.
8. Politics and society: China is a socialist republic governed by the Communist Party. It is the most populous country on the planet and occupies one of the vastest territories. The system of power rests on

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three pillars: the Party and – subordinate to it – the Army and the State. China's current administrative structure is based on three levels: provincial, district and cantonal; there are 23 provinces, 5 autonomous regions, 4 municipalities directly under the central government and 2 Special Administrative Regions – Hong Kong and Macao –; China considers Taiwan its 23rd province. The country has been under communist rule since the middle of the last century but over time the introduction of liberalizing political and economic reforms has made China one of the countries with the greatest development prospects.

9. Internet penetration: 31.6% (2010)
10. Mobile phone penetration: 60% (2010)
11. Literacy: 94% (2008)
12. Publishing industry: The Chinese publishing sector is going through a phase of opening up to the market, which the State itself has encouraged. Although it continues to be one of the industries most tightly controlled by the government, since 2003 there has been a marked trend towards decentralization. From 2006 on, new publishing houses that were previously registered under other categories have been incorporated into the sector. China has almost 600 state-owned publishing houses associated into groups – the largest of which is the China Publishing Group – and around 10,000 private publishers, about 300 of them sizeable. It must be remembered that for decades only public publishing companies have been given authorization to obtain ISBNs, and therefore to publish, which has condemned private firms to remain in a precarious limbo. In the field of electronic publishing, only a few state-run companies and a small number of private ones possess the necessary permits. During the 11th 5-Year Plan (2006-2010), China produced 20 million physical books and in 2010 alone generated earnings of US\$ 19.6 billion.

Sources consulted: [International Telecommunication Union](#); [Internet World Stats](#); [World Bank](#); [Frankfurt Book Fair](#); Qiang, Wang, "[China's publishing to go global](#)", *China Daily USA*, 12th January, 2011.

The world's factory. China's leading role in e-reader production

As is well known, China has for decades been a world centre for manufacturing all kinds of goods including footwear, textiles, toys, chemical products and electronic items. Over 30 years after the first economic reforms of Deng Xiaoping, its low labour costs and its growing domestic market have made China one of the most dynamic industrial regions on the planet. In early 2010, the Asian giant managed to knock Germany out of first place in the ranking of global exporters,²³³ and it is getting ready to dethrone the US as the world's industrial leader.²³⁴

China's supremacy can be clearly seen in the field of e-readers. According to various different sources, around half of the world's electronic ink devices are manufactured in China.²³⁵ It is estimated that between 60% and 70% of the local market is currently in the hands of [Hanvon](#),²³⁶ which has sold over one million e-readers.²³⁷ This technological colossus, founded in 1998, has implemented significant developments in text recognition software, biometric solutions and other advances that have earned it various international awards.²³⁸ Its main goals for the medium term are to grow in the US market,²³⁹ create a mass market for its recent colour electronic ink device²⁴⁰ and expand as a content distributor.²⁴¹ Nevertheless, the list of the main manufacturers of e-readers should also

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²³³ Cf. ["China 'overtakes Germany as world's largest exporter'"](#), *BBC News*, 10th January, 2010.

²³⁴ Cf. Marsh, Peter: ["US manufacturing crown slips"](#), *The Financial Times*, 20th June, 2010.

²³⁵ Cf. Zhuang Guangping: ["China's digital publishing coming of age"](#), *China Economic Net*, 5th July, 2010.

²³⁶ Hanvon executives even claim that the firm dominates over 70% of the sector (Cf. ["China's biggest e-reader maker Hanvon launches new online store in Taiwan"](#), *The China Post*, 28th December, 2010).

²³⁷ Cf. ["Hanvon Unveils E-Book Store in Taiwan"](#), *Want China Times*, 28th December, 2010.

²³⁸ Cf. ["Our Achievements"](#), *Hanvon*.

²³⁹ Cf. For example Galante, Joseph: ["Chinese E-Reader Maker Plans to Enter U.S. This Year"](#), *Bloomberg*, 6th January 2011.

²⁴⁰ Cf. Taub, Eric A.: ["Color Comes to E Ink Screens"](#), *The New York Times*, 7th November, 2010.

²⁴¹ Cf. ["Hanwang millions of electronic paper book sales broke Yingjian: content platform for future development"](#), *people.com.cn*, 6th December, 2010. We will return to this point when we look at private digital ecosystems.

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include companies like [Jinke](#) – with its popular device, Hanlin –, ²⁴² [News-my](#) and [Netronix](#).

According to Zhang Yanan, an expert in electronic devices from the consulting firm [Analysys International](#), foreign e-readers have little penetration as yet in China, since companies like Amazon or Sony are proceeding with caution, whether it is because of copyright issues, because of the lack of sales channels or because of difficulties related to Chinese fonts.²⁴³ This state of affairs, added to the fact that the very gadgets distributed by Apple or Amazon in industrialized countries are assembled in China, may lead us to believe that the Asian giant has a comfortable advantage in this area. However, Chinese e-reader manufacturers face a similar challenge to [the one plaguing IT service companies in India](#): namely, the difficulty of creating a brand and competing over variables that go beyond price alone. Indeed, competition between e-reader manufacturers is so ferocious that profits keep falling, forcing many of them to withdraw from the market – as was the case with [Foxit](#) and its eSlick device –²⁴⁴ or to migrate to other activities, such as tablet production²⁴⁵. Perhaps over time we will witness the phenomenon of commoditization in the new sector of tablets, as more players join the field. At the end of the day, value and profits go to wherever the devices are designed, not to where they are manufactured. The [New York Times](#) recently described how the assembly of an iPhone 4 earns Chinese companies just 6.54 dollars – about 1% of the sales price of the appliance –, while Apple's profits amount to 360 dollars.²⁴⁶ Apple and Amazon – just like countless multinational companies –²⁴⁷ employ integrated business models that reach far beyond the sale of hardware, which enables them to withstand the price war far better. As the vice president of Hanvon, Wang Bangjiang, explains:

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²⁴² Cf. “COMUNICADO: Jinke lanzará los dispositivos de panel táctil de ePaper e infrarrojos de 9,7 pulgadas”, *Europa Press*, 3rd January, 2011.7

²⁴³ Cf. “E-readers writing a new chapter”, *Global Times*, 1st March, 2010.

²⁴⁴ Cf. “eSlick Reader”, *Foxit*. The same thing happened with the company [Edo](#), which – as we will analyze later – had to team up with the Xinhua bookstore chain to maintain its line of e-readers; cf. Wuping Zhao: “[In Fierce Competition, Leading Chinese E-reader Manufacturer Halts Production](#)”, *Publishing Perspectives*, 16th August, 2010.

²⁴⁵ This migration is encouraged by the fact that the patent for the electronic ink used in most e-readers is in the hands of a single company, [Prime View International](#), based in Taiwan. Cf. Tuo Yannan: “[Is this the end of the chapter for e-book manufacturers?](#)”, *China Daily*, 14th January, 2011.

²⁴⁶ The study is based on a report by the consulting firm [iSuppli](#). Cf. “[Inside your iPhone](#)”, *The New York Times*, 5th July, 2010.

²⁴⁷ Cf. “[Chinese manufacturers increase trade figures, but multinationals enjoy most margins](#)”, *People's Daily*, 2nd January, 2011.

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“Amazon basks in the glow of a much more mature market, where customers are willing to pay \$10 to download a book. With juicy income from content sales, Amazon is well positioned to lower device prices, which in turn attracts more customers. This is not the case in China, where most customers are used to the free downloading of books. So Chinese e-reader makers like Hanvon still rely on device sales for most of their revenues, and find it difficult to lower device prices.”²⁴⁸

Nonetheless, according to Sun Peilin, a colleague of Zhang Yanan at Analysys International, there is a way out of this jam:

“The profit margin from selling hardware has become increasingly narrow due to intense competition (...). What Chinese e-book [e-reader] producers can do is cooperate with publishers for software development. Otherwise they won't survive by only selling hardware.”²⁴⁹

Such an awareness has led to the appearance in China of digital ecosystems that combine hardware, software and content, making them much better equipped to compete with their US and European rivals. We will present some of these interesting cases shortly, but first we will briefly describe some of the main local e-commerce platforms.

The new giants of online transactions

The extraordinary flow of goods towards foreign and domestic markets has enabled the emergence of major players in electronic commerce in China. Around 1999, the Chinese entrepreneur Ma Yun – Jack Ma –, a native of Hangzhou, created the site [Alibaba](#), in partnership with 17 co-founders, as a trading platform for importers and exporters of all kinds of products.²⁵⁰ The company gradually became a formidable network of Internet firms, including [Taobao](#) – a C2C retail sales site –, [Alipay](#) – an online payment system –, Alibaba Cloud Computing and [Yahoo! China](#) – acquired by Alibaba in 2005. To give some idea of the magnitude of these platforms, as of November 2010, Alipay had already overtaken the US giant [Paypal](#), with regard to both the number of users and

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²⁴⁸ Cf. “[Growing Pains](#)”, *Beijing Review*, 30th August, 2010.

²⁴⁹ Cf. “[Is this the end of the chapter for e-book manufacturers?](#)”, *China.org.cn*, 14th January, 2011.

²⁵⁰ Cf. “[History and Milestones](#)”, *AliBaba.com*.

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the volume of transactions.²⁵¹ In addition, Taobao has been outperforming [EachNet](#), the local brand of its competitor [eBay](#), for almost 5 years in the Chinese market. According to Bo Shao – EachNet’s founder and a consultant for the firm after it was acquired by eBay in 2003 –, Taobao’s success can be explained by the disastrous decision taken by eBay to migrate its platform to the US, given that the resulting drop in the quality of the service due to the Chinese firewall filters²⁵² caused local users to migrate en masse to Taobao.²⁵³ But the truth is that even before this unfortunate measure, Taobao showed greater dynamism, owing to the fact that it had a better understanding of local buyers and sellers; for example, it advertised the site on the main television channels and offered instant messaging services via mobile phone, knowing full well that Chinese users preferred using mobile phones to computers.²⁵⁴ EachNet thus went from controlling 85% of the Chinese market to possessing just 7%. Jack Ma’s comments on the subject of his confrontation with EachNet/eBay say a lot about the opportunities for autochthonous digital projects in developing countries:

“*eBay may be a shark in the ocean, but I am a crocodile in the Yangtze River. If we fight in the ocean, we lose; but if we fight in the river, we win.*²⁵⁵

In addition to Taobao and its C2C business model, there are a significant number of players with a B2C strategy. One of the prime examples in this field is [DangDang](#), founded in Beijing in 1999, which – like Amazon – began by selling books through the Web. The company later diversified its range of products exponentially to offer a catalogue of 100 million different items.²⁵⁶ In November 2010, Dangdang announced its intention to sell e-books that can be read on computers, e-readers and mobile phones. The company has chosen not to distribute its own de-

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²⁵¹ Cf. Shen Jingting: [“Alipay snatches online payment crown from PayPal”](#), *China Daily*, 24th November, 2010.

²⁵² Colloquially referred to as the ‘Great Firewall of China’, this is a government-imposed control over the content circulating on the Internet. Cf. for example [“What is internet censorship?”](#), *Amnesty International*, 28th March, 2008.

²⁵³ Cf. [“Shark in a River: How Taobao Beat eBay in China”](#), *China decoded*, 27th October, 2010.

²⁵⁴ Cf. Wang, Helen, *The Chinese Dream: The Rise of the World’s Largest Middle Class and What It Means to You*, Bestseller Press, 2010, p. 165.

²⁵⁵ Originally quoted in Doebele, Justin: [“Standing Up to Ebay”](#), *Forbes*, 18th April, 2005.

²⁵⁶ Cf. [“Introducción”](#), *Dangdang*.

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vice for the time being, owing to the large number of models already in existence.²⁵⁷

The other giants in e-commerce in China are [Paipai](#) – owned by the technology consortium [Tencent](#) – and [360buy](#) – which has recently been given a considerable injection of capital by Wal-Mart.²⁵⁸

It is interesting to observe that these portals are going through the same price war that is affecting hardware manufacturers. The relentless competition even forced the local Amazon subsidiary – which in China operates under the brand Joyo – to offer a 20% discount on all its books in December 2010.²⁵⁹

Peggy Yu, the founder of DangDang, justifies this price war phenomenon on the basis of a local idiosyncrasy:

“Chinese consumers are extremely price sensitive. People like my mom would spend 40 minutes riding a bus to get a bottle of Coca-Cola for 40 cents less. It’s a national sport, and we respect that sport.”²⁶⁰

Ecosystems and private digital aggregators

As we have pointed out in other sections, one of the ways to elude the process of price cannibalization affecting hardware industries and online sales is by developing ecosystems that integrate different units of the business. In the case of digital publishing, one alternative would be to combine the sale of content with the distribution of an own-brand device.

There are a fair number of projects built on this principle in China, the most famous example being [Shanda Interactive Entertainment](#). Founded in 1999, this company based in Shanghai specializes in videogames and other multimedia applications and achieved international renown when it presented its online literature division, during the 2009 Frankfurt Book Fair. [Shanda Literature](#) is a universe made up of hundreds of

257 Cf. Hille, Kathrin: [“Chinese outlet to launch e-book service”](#), *The Financial Times*, 10th November, 2010.

258 Cf. Chao, Loretta: [“360buy Attracts Investment”](#), *The Wall Street Journal*, 29th December, 2010.

259 Cf. [“3 online book stores battle on low-prices, regular shops suffer”](#), *Global Times*, 16th December, 2010.

260 Cf. [“Dangdang’s Yu On Piracy, E-Books And Taobao”](#), *The Wall Street Journal*, 27th December, 2010.

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thousands of writers and over 10 million active readers who leaf through a total of over 500 million pages a day. Visitors can look at a few sections free of charge and must pay just a small amount to read the entire text. Thanks to Shanda, 1,000 or so writers already receive about 10,000 dollars per year, while the most frequently read authors earn figures in excess of 100,000 dollars. Shanda has acquired other online reading and writing portals including [Qidian](#), [Hongxiu](#) and [ReadNovel](#), and, according to its own website, controls 90% of China's Web literature. It has thus managed to build up a backlist of hundreds of thousands of works, now brought together in what Shanda calls the [Cloud Bookstore](#), where in real time readers can see which is the most popular text, read reviews and even interact with the authors themselves.²⁶¹ These options are inspired by the functionalities of online social networks like [QQ](#), [Renren](#), [Kaixin001](#) or [TX](#), which are all the rage in China, particularly among younger users.²⁶²

The Cloud Bookstore can be consulted from a variety of terminals – computers, mobile phones and tablets –, but especially from Bambook, an e-reader the company brought out in August 2010. This device comes with a 6-inch electronic ink screen and a complete interface in Chinese. The cheapest model costs around 150 dollars, that is to say, about the same price the Kindle 3 sells for in the US.²⁶³ Given that the device costs nearly 250 dollars to produce, the company is clearly subsidizing the product in the hope of recovering its losses through the sale of content.²⁶⁴

The success of its literature division has led Shanda to experiment with printed editions of its most widely read titles, and for this reason it has bought shares in various traditional publishing houses like [Tianjin Chinese-World Books](#). At the same time, thanks to its grasp of the multimedia field, Shanda has turned some of its texts into videogames and movies – as happened in the case of the film *Lian'ai Qian Guize* (*Rules before love*), based on the online novel *Yukongjie Tongju De Rizhi* (*The air hostess I live with*). In addition, the company owns audio book sites – like [Tingbooks](#) –²⁶⁵ and digital magazine sites – like [Zubunet](#), which has 300 million registered users.²⁶⁶

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²⁶¹ Cf. "[Tech innovations boost digital publishing](#)", *CNBroadcasting*, 8th October, 2010.

²⁶² But always under the watchful eye of the State. A report on this subject carried out in January 2011 by the consulting firm [Synthesio](#) can be found here: *Social media and censorship in China*.

²⁶³ Cf. <http://bambook.sdo.com/>.

²⁶⁴ Cf. Miao Yang: "[盛大电子书定价999元亏本销售 未来收入来自内容](#)", *ifeng.com*, 24th August, 2010.

²⁶⁵ Cf. Kefeng Xiao: "[盛大文学收购天方听书网布局有声业务](#)", *Do News*, 25th August, 2010.

²⁶⁶ Cf. "[盛大文学并购悦读网](#)", 解放牛网首页.

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Shanda has seen the need to take legal action against other portals that have hosted or disseminated unauthorized versions of its works. One of Shanda's targets was [Baidu](#) – China's leading search engine –, particularly because of its service [Wenku](#), which enables documents to be shared online.²⁶⁷ In addition to these legal proceedings, Shanda's response consisted of announcing the launch of its own search engine in October 2010.²⁶⁸ Baidu, in turn, counterattacked a few weeks later by introducing a sales platform for e-books, which unfortunately has not been a hit with publishers and authors; consequently, in February 2011, it has just 100 titles for sale.²⁶⁹ Besides Baidu, Shanda has taken out lawsuits against [Mop](#),²⁷⁰ [QQ Games](#)²⁷¹ – owned by Tencent – and other sites, which shows that the company takes the matter of copyright very seriously indeed. As Shanda's CEO, Hou Xiaoqiang, explains:

“*Shanda Literature is actually a copyrighted industrial company, which is focused on two things: one is copyright production and the other is copyright distribution. Copyright production is much like planting an orchard. We should give it the best soil and the highest quality fertilizer, and then we will get a very good harvest. In the meantime, we should guard our fruits and find various channels to sell them. We endeavour to develop copyright via wireless, online, offline and many other channels.*”²⁷²

Lastly, Shanda has signed an agreement with the Chinese news agency [Xinhua News](#) with the aim of distributing content through its platform,²⁷³ which shows that the company's remarkable dynamism in the private sphere – including acquisitions of smaller firms and quotation on NASDAQ since 2004 –²⁷⁴ is complemented by a strategy of public sector cooperation.

It is not easy to anticipate the outcome of the contest between Shanda and other companies, both local and foreign. In any case, the compa-

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²⁶⁷ Cf. “[Shanda Literature Sues Baidu Again](#)”, *Marbridge Consulting*, 4th November, 2010.

²⁶⁸ Cf. “[侯小强谈盛大涉足搜索](#)”, *China Publishing Today*, 27th October, 2010.

²⁶⁹ Cf. Xiaoshan Liao: “[百度书店悄然推出 出版社反应冷淡](#)”, *Chinaxwcb*, 27th January, 2011.

²⁷⁰ Cf. “[Shanda Sues Mop.com Over Qidian Content](#)”, *Pacific Epoch*, 22nd October, 2007.

²⁷¹ Cf. “[Shanda's Mochi Media vs. Tencent: Has Piracy Gone Corporate?](#)”, *Digital East Asia*, 22nd January, 2011.

²⁷² Cf. Anne Zhang: “[Shanda Literature: Making Money from Copyright](#)”, *China IP*.

²⁷³ Cf. “[新华社盛大网络签署战略合作协议](#)”, *GAPP*, 6th December 2010.

²⁷⁴ Cf. “[Investor FAQs](#)”, *SNDA*. Its symbol on NASDAQ is SNDA.

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ny has built an ecosystem of enormous significance in global electronic publishing, as Hou Xiaoqiang observes:

“*Certainly the US is ahead of us when it comes to Internet technology. But our idea and our success with the Internet and mobile literature are unique.*²⁷⁵

Another heavyweight player is [Apabi](#), the digital branch of the technology group [Founder](#), which since 2001 has been offering IT solutions to the publishing world. Its main innovations include: the CEB – Chinese e-book – format; the Apabi Reader – a reading application for computers and iPads –;²⁷⁶ an online newspaper and magazine viewer; and an own-brand DRM that has won various awards.²⁷⁷ These developments are currently used by thousands of educational establishments, hundreds of newspapers and – according to data provided by the company – 90% of local publishing houses. [Penguin China](#), for example, announced in April 2009 that it would choose Apabi as a strategic partner to distribute e-books in CEB.²⁷⁸ In August 2010, the technology company also brought out its U-reader Mini Study, a pendrive that serves as a portable book-case for electronic books and enables students to borrow a book from the university library and take it home; the system then automatically “returns” the work on the due date.²⁷⁹ Thanks to various agreements with publishers and authors, Apabi has put together a digital backlist of over 600,000 titles under copyright protection that can be leafed through, commented on and purchased through the portal [Fanshu](#) – a joint project between Founder and the search engine [Zhongsou](#) – at prices that rarely exceed 3 dollars. These publications are designed to work on any device but particularly on the WeFound,²⁸⁰ an e-reader developed by Founder and [Aspire](#),²⁸¹ which looks very similar to the Kindle 2, although at over 500 dollars its price is very different.²⁸²

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²⁷⁵ Cf. [“Shanda Literature: fiction from creative amateurs”](#), *Frankfurt Book Fair*.

²⁷⁶ Cf. [“Apabi Reader”](#), *iTunes Preview*.

²⁷⁷ Cf. [“DRM \(Digital Rights Management\)”](#), *apabi.cn*.

²⁷⁸ Cf. [“Penguin Group Makes Three Major International Announcements at The London Book Fair”](#), *Penguin Blog (USA)*, 21st April, 2009.

²⁷⁹ Cf. *Chen Jing*: [“Tech innovations boost digital publishing”](#), *China Economic Net*, 27th September, 2010.

²⁸⁰ Cf. <http://www.wefound.com.cn/>.

²⁸¹ Cf. [“Founder’s Solution Package for Digital Publishing Made a Great Appearance at IC-CIE”](#).

²⁸² Cf. [“Shop”](#), *WeFound*. The price includes Internet access and a permanent connection to the Apabi site for three years.

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As we mentioned at the beginning of the chapter, the manufacturer Hanvon is aiming to position itself as a distributor of digital publications in order to avoid a devastating price war, and in this sense can be regarded as a third ecosystem that brings together hardware and content. According to declarations made by its CEO, during its first 3 years Hanvon has focused on the device, but the next 3 years will be oriented towards the publications platform, which already offers 130,000 e-books, 100 newspapers and over 200 digital magazines.²⁸³ It is worth clarifying that Hanvon is one of the few private companies to have government authorization to reproduce and distribute electronic books.²⁸⁴ The company has also branched out beyond mainland China and has in fact already announced the launch of sales portals in Hong Kong²⁸⁵ and Taiwan.²⁸⁶

In addition to these three large ecosystems, there are numerous aggregators struggling to survive. One such company is [ChineseAll](#), inaugurated in 2000, which was one of the first ventures to sell electronic books in China. Thanks to sustained investment,²⁸⁷ it has built up a backlist of more than 100,000 books in PDF from around 300 publishers and 1000 authors,²⁸⁸ which are sold in China and abroad.²⁸⁹ So far it has not developed its own e-reader but has instead preferred to form alliances with Hanvon and mobile operators to distribute its texts. Tong Zhilei, the creator of ChineseAll, quickly understood that piracy constituted a serious obstacle to his business model and so in 2005 he founded the [Chinese Online Anti-Piracy Union](#) (COAPU) and obtained dozens of legal victories against other sites that reproduced some of his company's e-books without authorization.²⁹⁰ The struggle, according to Tong Zhilei, must be ongoing:

“*In fact, each digital publication is a dissemination of digital contents, and all disseminations require authorizations. The essence of digital*

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²⁸³ Cf. “[汉王电纸书销量破百万 刘迎建:未来发展内容平台](#)”, *people.com.cn*, 6th December, 2010.

²⁸⁴ Cf. “[首批获准电子书从业资质单位名单](#)”, *GAPP*, 5th November, 2010.

²⁸⁵ Cf. “[汉王科技10月在台湾開設分公司](#)”, *publishing.com.hk*, 8th September, 2010.

²⁸⁶ Cf. “[China's biggest e-reader maker Hanvon launches new online store in Taiwan](#)”, *The China Post*, 28th December, 2010.

²⁸⁷ Cf. Si Lin: “[Chineseall.com Spends 10 Million Yuan on Copyright Deals](#)”, *China Publishing Today*, 14th December, 2009.

²⁸⁸ Cf. “[公司简介](#)”, 中文在线.

²⁸⁹ In 2009, OverDrive and Chineseall signed an agreement to distribute works in Chinese in public libraries in the US. Cf. Andriani, Lynn: “[OverDrive in Deal with ChineseAll](#)”, *Publishers Weekly*, 18th May, 2009.

²⁹⁰ Cf. “[Copyright wrongs](#)”, *China Cultural Industries*.

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*publishing is digital copyright. As a result, copyright becomes paramount to digital publishing. Every publication is a process of copyright licensing and a copyright transaction. So the biggest challenge is piracy.*²⁹¹

We also find other smaller but extremely dynamic actors emerging outside of mainland China. One example is the Taiwanese company [Book11](#), founded in June 2009, whose major shareholder is [Chi-Lin Technology](#). This project is looking to become the main international sales platform for e-books in Chinese. The publications distributed by Book11 are generally novels and comics, designed for any kind of device.

As we have seen, Chinese platforms tend to act on several fronts in order to defend their business models. The various options are: 1) building ecosystems that combine content and hardware; 2) distributing publications in as many formats as possible; 3) taking legal action against other sites in breach of copyright; 4) exporting content; 5) forming alliances with different State sectors, be it public publishing houses or educational establishments.

Of course, working with the public sector is a compulsory alternative in a country like China where the State retains a considerable capacity for action in supervising, regulating, financing and permanently transforming almost every sphere of economic and cultural life. In the book industry, the public sector's support for conversion to digital is evident and merits a detailed analysis.

Migration to digital, a State policy

As we recalled at the beginning of the chapter, China has been undertaking economic reforms for over 30 years. Since 2001 in particular – when the country joined the [World Trade Organization](#) –, the Chinese public sector has been going through a process of significant restructuring, and both publishing houses and bookstores have accompanied this shift. In the 2006-2010 period – corresponding to China's 11th 5-year plan –, the [General Administration of Press and Publication](#) (GAPP) did everything in its power to ensure that these public compa-

291 Cf. Li Wei: [“When COAPU is no longer needed, then we will be successful” —Interview with Tong Zhilei, Secretary General of COAPU](#), *China IP*.

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nies became profitable, incorporated private capital, adopted an international profile²⁹² and quickly began their transition to the digital age.

The migration to digital has taken different forms, according to the profile of each company. [China Publishing Group](#), for example, has created an independent business unit, Digital Media, which is completely focused on new technologies. Liu Chengyong, the director of this division, believes that foreign companies wishing to take advantage of China's extraordinary potential in the field of electronic publishing should form alliances with local partners, otherwise they will face serious difficulties in a market whose logic is very different from that of the US or Europe:

Western companies cannot let go of their pride and are constantly trying to impose themselves and their products on China. In a cooperation or a merger, foreign companies would have a much greater chance of success in China, while purely foreign or purely local businesses lack the necessary flexibility.²⁹³

This policy of cooperation with international firms, according to Liu Chengyong, must be accompanied by a strategy that guarantees the self-sufficiency of each publishing house in relation to local providers. This largely amounts to recognizing the need for state-owned publishers to also become ecosystems, as occurred with the digital consortiums analysed in the previous section:

*“It is very important to us not to be tied to technology providers, telecommunications operators or hardware providers. But we don't want to be permanently reduced to the position of simple content providers. We should be able to integrate different resources. That means acquisition of the necessary technology and hardware, putting them together and printing our own label on it. We will resolutely move forward and create our own brand.”*²⁹⁴

Thus in April 2010, China Publishing Group brought out its own reading device, the Dajia, which includes 108 pre-installed books. Also in its plans is the launch of a Chinese version of the Espresso Book Machine.²⁹⁵ Liu Chengyong reckons the consortium will need about 40 million dol-

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²⁹² The aim of this expansion would be to consolidate sales of Chinese cultural products to the West and particularly to other Asian countries. Cf. Wang Qian: [“China's publishing to go global”](#), *China Daily*, 12th January, 2011.

²⁹³ Cf. [“Shanghai exclusive – journey to the media world of China”](#), *Frankfurt Book Fair*.

²⁹⁴ Cf. Lei Ren: [“China Publishing Group Launches Digital Subsidiary, Preps for the Future”](#), *Publishing Perspectives*, 22nd July, 2010.

²⁹⁵ Cf. *Chen Jing*, op. cit., 27th September, 2010.

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lars – between government contributions and its own funds – to carry out its ambitious technological restructuring plans.²⁹⁶

In 2010, [Shanghai Century Publishing Group](#) also introduced its own e-reader – called Cihai –, as well as an electronic publications platform by the name of [Ewen](#). The company has held talks with another consortium, the [Hebei Publishing Group](#), about the joint distribution of digital content.²⁹⁷ We could also add to this list countless examples of other state companies – such as the [Chongqing Publishing Group](#) or the [Guangdong Publishing Group](#) – that are investing millions in adapting to the electronic age by working with interactive platforms, reading devices, applications for mobile phones, etc.

In addition to accelerating the migration of public publishing houses, China has also begun to work on bookstores and libraries. The most outstanding example is that of Xinhua, the chain of 20,000 stores that controls 70% of retail sales in physical books. In May 2010, Xinhua Shanghai launched its e-book portal – [Xinhuaestore](#) –, as well as an e-reader called YeahMore,²⁹⁸ in partnership with the technology firm Edo and the media consortium [Jiefang Daily](#).²⁹⁹ Technological restructuring as a State policy can also be seen in the case of libraries; for example in the construction of the National Digital Library of China, a project which was explicitly emphasized in the 11th 5-year plan.³⁰⁰

Lastly, the public sector's determination to accelerate the migration of the book sector is demonstrated by the setting up of industrial parks – or “bases” – devoted exclusively to digital publishing. The first of these was Shanghai-Zhangjiang Park, inaugurated in 2008, which was soon succeeded by other parks founded in Chongqing, Hangzhou, Beijing and Hunan. These bases are designed to house companies and R&D centres whose operations revolve around the production and distribution of digital content, from e-books and electronic magazines to news and – interestingly – videogames. Thanks to the contributions made by public and private actors, since 2009 Shanghai has become the leading city in digital publishing in the whole of China, with earnings close to 3 billion dollars, out of a national total of 12 billion dollars, according

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²⁹⁶ Cf. Lei Ren, op. cit., 22nd July, 2010.

²⁹⁷ Cf. [“Publishing Groups Are Under Price Pressure When Testing On Electronic Readers”](#), *China Book International*.

²⁹⁸ Cf. <http://www.yeahmore.com>.

²⁹⁹ Cf. Hippisley-Cox, Alex: [“PA's Emma House reports from Shanghai on digital publishing in China”](#), *Future Book*, 31st August, 2010.

³⁰⁰ 9. Cf. [“The Outline of the Eleventh Five-Year Plan of the National Library of China”](#), National Library of China.

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to data provided by GAPP in August 2010.³⁰¹ Incidentally, this body announced in a statement that in 2009 the number of digital publications exceeded that of traditional publications.³⁰² However, this piece of information could give rise to confusion, since – and it is worth emphasizing – GAPP interprets the “digital publishing” sector in such a loose manner that the figure is rather exaggerated; in fact, the participation of e-books in the total was just 1.83%.³⁰³ In any case, it is undeniable that digital publishing is making rapid progress in China and this is largely due to investments undertaken by the public sector. The director of GAPP – Liu Binjie – is clearly satisfied with the achievements made in the 5-year period from 2006-2010:

“Two keywords characterized the press and publishing industry during the past 5 years: reform and innovation. Reform set the industry free to promote its growth; innovation generated diverse cultural products and means of transmission.”³⁰⁴

Mobile phones

If the earnings brought in by e-books scarcely amounted to 1.83% of the electronic publishing sector in 2009, there was another field that performed far better. Indeed, according to GAPP itself, content for mobile phones represented 40% of that same total, meaning that the platform on which the greatest flow of digital content is circulating in China is not e-readers – which are too expensive for users and at the same time, paradoxically, not very profitable for hardware companies –, but rather mobile phones.

There are 3 main cell phone operators in China: [China Mobile](#), [China Unicom](#) and [China Telecom](#), and in all 3 cases the majority shareholder is the Chinese State. With its almost 600 million subscribers – 25 million of whom use 3G devices –, China Mobile controls over 70% of the sector, a success that can be largely explained by its strategy of expansion into

301 Cf. Wuping Zhao: [“Shanghai is China’s Leading City for Digital Publishing”](#), *Publishing Perspectives*, 2nd August, 2010.

302 Cf. Zhuang Guangping y Tu Lingbo: [“Rosy outlook for China’s digital publishing sector”](#), *China Economic Net*, 23rd August, 2010.

303 Cf. Moody, Andrew: [“Demise of the printed word?”](#), *China Daily*, 6th September, 2010.

304 Cf. [“The rise and power of China’s culture industry”](#), *Global Times*, 31st December, 2010.

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the rural market. China Unicom, for its part, has around 150 million users – with 15 million subscribing to 3G. Lastly, China Telecom provides its services to 70 million subscribers – 13 million with 3G. Just as we have observed in other developing regions, in China cell phones have become the real Net, to the extent that China Telecom recently announced that it will no longer invest in fixed Internet connections in rural areas, since the mobile phone option is a far more efficient alternative.³⁰⁵

If we bear in mind that the number of users of the company China Mobile is about the same as the entire populations of the US and Western Europe combined, we might get some idea of the extraordinary margin for manoeuvre these giants of communication possess. In 2009, China Mobile launched its own operating system, the oPhone, developed by the local company [Borqs](#) and based on Android.³⁰⁶ China Unicom chose a different path and in March 2011 introduced the WoPhone system – based on Linux –, which simultaneously competes with Android, iOS and Windows Mobile Phone 7.³⁰⁷

In addition, the 3 operators all have their respective applications portals. China Mobile's [Mobile Market](#) is said to have around 80,000 developers and 11 million registered users,³⁰⁸ and according to data from [iResearch](#) has become the second biggest apps store in China, after [Nokia's OviStore](#).³⁰⁹ China Unicom's [Wo Store](#) portal has 1 million registered clients.³¹⁰ Finally, by October 2010, China Telecom had invested 15 million dollars in its [eStore](#),³¹¹ which in its first 7 months had already attracted over 500,000 subscribers.³¹² With regard to their position in the Chinese market, Wo Store and eStore are just below Apple's AppStore.³¹³

The considerable dynamism of the mobile network in China has a direct impact on the field of electronic publications. A study by the con-

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³⁰⁵ Cf. Raymond Yu: "[Chinese Telecom: China Mobile Leads the Way](#)", *Bloomberg.com*, 5th August, 2009.

³⁰⁶ Cf. Fletcher, Owen: "[China Unicom Plans Mobile Operating System](#)", *The Wall Street Journal*, 28th February, 2011.

³⁰⁷ Cf. "[Unicom unveils its Wophone](#)", *People's Daily Online*, 1st March, 2011.

³⁰⁸ Cf. "[CCID Consulting: Open Sesame?? China's Mobile Internet Market 2010 in Review and Outlook](#)", *Business Wire*, 28th February, 2011.

³⁰⁹ Cf. "[艾瑞咨询：2010年诺基亚和中国移动手机应用商店用户访问集中度最高](#)", *iResearch*, 20th January, 2011.

³¹⁰ Cf. "[China Unicom App Store Reaches 1 Mln Registered Users](#)", *Marbridge consulting*, 12th February, 2011.

³¹¹ Cf. "[China Telecom invests \\$15 mln in its mobile app store](#)", *Telefax China*, 21st October, 2010.

³¹² Cf. "[China Telecom mobile app store boasts 500,000 users](#)", *TMT China*.

³¹³ Cf. *iResearch*, op. cit., 20th January, 2011.

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sulting firm [Canalys](#) disseminated in 2010 reveals that 51% of Chinese mobile phone users are in the habit of downloading applications – far above the figure of 29% obtained among Western Europeans.³¹⁴ Now, the remarkable thing is that of that 51%, 68% name e-books as the category of applications they most consume, and the figure rises to 76% among young users. It was perhaps for this reason that in May 2010 China Mobile announced its intention to build a store dedicated exclusively to selling digital publications.³¹⁵

The extraordinary boom in social networks especially designed for mobiles is contributing to the same phenomenon, since many of these portals revolve around literature and offer their own content. The sites [Byread](#) and [EMZ](#), for example, supply a whole virtual reading community and offer their visitors the possibility of downloading publications to their phones.

These changes have accelerated the emergence of a new kind of literature: powerful, agile texts that, according to Zhang Yiwu – a prestigious professor from the University of Beijing – may reverse the demise of both the short novel and poetry. We should bear in mind that in the case of Chinese, a small screen can give very good results, since a Chinese character communicates much more information than a simple letter in English or French. One pioneering text in this sense was the novel *Outside the Fortress Besieged*, written by Qian Fucheng in 2004. The 60 chapters composed of a maximum of 70 characters were downloaded over a period of two months by about 800,000 people. After achieving fame and fortune, Qian Fucheng stated:

“When I started to write this novel I was excited, I was thinking the text message on a mobile phone should be more than simple jokes, it should work on a higher level of literature (...). The way of writing is totally different because 70 characters is not enough for one sentence in the traditional novel, so I tried to discover a whole new area of literature, and to go carefully. I always remind myself – less conversation and less description. As it’s a novel, I need to tell the story in a good way, but I also need to save space, I cannot waste a single word, or even punctuation marks.”³¹⁶

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³¹⁴ Cf. [“China outpaces Western Europe with mobile application and game downloads”](#), *Canalys*, 21st September, 2010.

³¹⁵ Cf. Wuping Zhao: [“China Mobile to Build China’s Biggest E-bookstore, Reveals Digital Strategy”](#), *Publishing Perspectives*, 16th May, 2010.

³¹⁶ Cf. [“China’s mobile phones lead a reading revolution”](#), *The Irish Times*, 10th January, 2011.

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Lastly, there are numerous traditional publishing houses that have begun to experiment with these possibilities. Tianjin Publishing Media Group, for example, has signed agreements with China Mobile and other companies to make inroads into digital publishing and implement industrial micro-novel projects.³¹⁷

The many challenges of the digital age

As we have attempted to highlight, new technologies are profoundly transforming the Chinese publishing world. However, there are many challenges to be faced by publishers in this digital age – particularly by small and medium players with private capital.³¹⁸

To begin with, digital piracy is a spectre that, for obvious reasons, looms large over all publishing houses. Indeed, if a giant like Shanda has to continually battle against other portals alleged to have committed breaches of copyright, then what remains for other smaller sized actors to do? According to various sources, there are over 530,000 sites with pirated books in China³¹⁹ and in fact 95% of book downloads in the country are believed to be of unauthorized materials.³²⁰ However, the growing presence of local corporations that – like Shanda, ChineseAll or Founder Apabi – base their business on copyright is likely to help mitigate the problem in the medium term. The technological and economic changes that have taken place in China in recent years have led legal experts to

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³¹⁷ Cf. [“天津出版传媒集团签订11项重大合作项目”](#), *Chinaxwcb*, 10th December, 2010.

³¹⁸ To examine this point we have exclusively made use of the available bibliographic material, since China was the only country from which we were unable to obtain direct responses to our online interview. The language factor no doubt had a part to play in this, but other variables have also exerted an influence. The first surprise was to discover that, unlike their colleagues in the rest of the world, Chinese publishers could not open the Web form. It took us a few days to understand that this was a direct result of the conflict between Google and Beijing, which in early 2010 led the company from Silicon Valley to cancel its operations in the Asian giant: our questionnaire, built using Google Forms, was thus impossible to access in China. Some publishers with a good command of English kindly requested the questionnaire in a Word file, but in the end they never answered it. This lack of response is in stark contrast to the fluid exchange we were able to conduct with a number of professionals from Taiwan and even with Western publishers based in mainland China.

³¹⁹ Cf. [“监管滞后导致‘羊群’效应 数字版权怎一个‘乱’字了得”](#), *jfdaily.eastday.com*, 18th August, 2010.

³²⁰ Cf. Jing Xiaolei: [“Readers Going Digital”](#), *Beijing Review*, 26th November, 2009.

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thoroughly rethink copyright law, so sooner or later modifications in legislation are also bound to occur.³²¹

In addition, publishers usually lack the funds to initiate a process of restructuring, and even when they do have the resources, they don't know where they should migrate, because the new business model is not particularly clear.

A further obstacle that also affects smaller publishing houses is the lack of standardization in file formats and metadata, which is partly due to the emergence of local giants that have imposed their own norms within their respective ecosystems. A greater degree of regulation should be expected in this area too.

Another typical problem – which happens to affect Chinese industry in general – is the difficulty of building brands that are attractive outside of China. In this sense, we could say that the Asian giant has not always found a way to transform quantity into quality, something that its US, European and Japanese competitors have managed to do. There is a risk, therefore, that Chinese publishing houses will make do with their domestic market and their digital developments will not become known in the rest of the world. Given that such advances could provide extremely valuable knowledge for other publishers in developing countries, it would be interesting to set up a sort of observatory providing up-to-date information on the topic.

Lastly, the State intervention that has always characterized mainland China makes any attempt to work directly with small and medium-sized publishing houses laborious, and even counterproductive. It may be necessary to go through local institutions – universities, R&D centres, and digital publishing technology parks – in order to make contact with entrepreneurs. In Hong Kong and Taiwan, however, it may be worth trying to establish more direct links with publishers.

Possible trends

There are a number of forces within Chinese digital publishing that are likely to be sustained in the medium term. Below we will enumerate the most significant trends that we have identified:

321 Cf. “中国入世前后变化巨大 相关产业专家学者建议尽快启动全面修订《著作权法》”, *Chinaxwcb*, 25th February, 2011.

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1. First of all, like in Brazil and India, a new middle class is being rapidly incorporated into the market, particularly in the consumption of digital content.
2. Insofar as these new sectors enter the market for cultural consumption without any mediation on the part of the analogue book, we may witness an even more rapid expansion of online literature. We have looked at Web or mobile platforms for reading and writing, but we could also mention the electronic literature festivals that have begun to be held in different parts of China.³²²
3. There will certainly be more copyright-related lawsuits, as well as innovations in Chinese copyright legislation.
4. Massive growth in demand and increasing competition will bring down the price of all the electronic devices involved: e-readers, computers, mobile phones and tablets.
5. The public sector will continue investing heavily to restructure its publishing industry. Many publishing houses will incorporate digital technology and new electronic publishing parks will be set up.
6. As a consequence of the restructuring plans and the crisis taking place within traditional publishing, Chinese physical bookstores may face a bleak future.³²³
7. The main players in Chinese digital publishing – e-commerce stores, hardware and content ecosystems, public publishing houses, mobile phone operators and social networks – will seek to impose the game rules on their own territory; it will thus be extremely interesting to observe the way these actors react to developments in US and European platforms.
8. Finally, The Asia-Pacific region, with China at its centre, will become more aware of its potential in the field of electronic publishing. There is likely to be an increase in the number of events – fairs, fellowships and training – aimed at professionals from the region.³²⁴



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³²² Cf. [“China Online Literature Festival”](#), CICE.

³²³ Cf. Zhang Yuchen: [“Bookstores face an unhappy ending”](#), *China Daily*, 8th September, 2010.

³²⁴ Cf. for example: [“Asian Publishers Gather in Seoul to Talk Shop, Bestsellers, Digital”](#), *Publishing Perspectives*, 15th September, 2010.

CONCLUSIONS

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Thematic axes

As we have attempted to demonstrate thus far, digital publishing displays considerable dynamism and diversity within the developing world. Below we will rearrange these geographical results along the following recurrent thematic axes – technologies, the human factor and the R&D variable. This will allow us to broaden the proposals already outlined in each region and draw up an action plan that might benefit the greatest possible number of publishers from the South.

Technological infrastructure

From the point of view of technology, there are four prime movers that continually crop up: POD, online platforms, e-readers – and tablets – and mobile phones.

POD, which is relatively strong in Latin America, is less widespread in sub-Saharan Africa and the Arab world, in spite of the important advance this tool might represent in countries with few bookstores and a fragile distribution system. It would be wise to act in various directions here, all of them exploratory:

- 1) In some cities, it will be necessary to evaluate the prospect of installing POD terminals in bookstores, libraries and educational centres. The only way to finance such an initiative will be through the public sector or contributions from foundations, since, in commercial terms, the investment is unlikely to be recovered. Given that operating these machines requires specific know-how, print workers already active locally should be factored into the equation. It is extremely complex *a priori* to draw up a plan that might prove useful in all cases, so it would be a good idea to first map the cities and institutions that could house a system with these characteristics and measure the feasibility of such an initiative according to the quality of the actors present. However, there are considerable challenges to be resolved, namely: What price will the books be sold at? Who will be paid for these sales? How will royalties be paid? How will files be protected?
- 2) Another possibility is to work with less conventional POD models, such as the one proposed by Paperight in South Africa. In this case, it will be necessary to wait a few months to measure the impact of the original project. The experience will even serve to provide answers to

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the questions raised in the previous option. At any rate, these open issues can be dealt with in the training and networking projects we will describe in the following section.

- 3) To supply content for the different POD alternatives it will be vital for local publishers to have electronic versions of the material contained in their books, as well as the respective metadata. Since publishers in sub-Saharan Africa and the Arab world do not always possess these files, it will be necessary to carry out digitization campaigns that make use of various allies already in the field – such as university IT departments, which in some cities are the only institutions equipped with scanners. Obviously, the files will be of use not only for POD but for many other variants too.
- 4) POD also means the possibility of marketing books on a global scale, but without the shipping costs usually associated with exports. In this way, Indian, Guatemalan or Gabonese publishers will be able to sell their titles in the US or Europe by employing the services of companies that print copies on demand in those countries. Of course, this attractive alternative is not without its own technical and commercial challenges: for instance, in addition to the problem of having the right files, how will these publishers from the South receive payment for sales? Indeed the big aggregators do not usually deal with bank drafts to the developing world, but rather with transfers to the US or Europe, or at the very most with cheques – which publishers from the South will have difficulty cashing. Here it would be advisable to work on a pilot plan with the members of the International Alliance of Independent Publishers whereby the Alliance could open a bank account in Europe and another in the US in which any royalties can be deposited. Final payment to publishers can then be made in batches, every 6 months, through [Western Union](#), local transfers or other systems yet to be explored. If the plan works, then it will be possible to include other publishers and set up a more standardized system.

As far as online platforms are concerned, other than exceptions such as DC Books in India, the most dynamic examples are provided by local software or video games companies rather than traditional actors from the book sector. Except for in the case of China, these sites from the developing world tend to be supplied by foreign aggregators (in particular from the US, the UK and Spain), since obtaining autochthonous content is an arduous task.

It will be necessary to work in two directions here:

- 1) To encourage networking between virtual stores and aggregators in the developing world.

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- 2) To accelerate the distribution of local content on the part of existing aggregators, both national and global.

The first point could be included in the training activities we will detail shortly. The second aspect can be effectively addressed by the digitization of content for publication, also necessary for POD. Of course other challenges arise here too, such as defining which format documents should be kept in – ePub, PDF, mobi, etc. As a general rule, publishers should retain the original layout file – in InDesign, Quark or Scribus, for example –; if they don't have one, they should at least try to keep a PDF or high definition images of each page. These basic rules can also be studied during the training sessions.

In countries where online stores or digital aggregators do not exist as yet, proposals are often made for various publishers to come together to create joint platforms. Given the technical and commercial complexities that would be involved in such a system, we believe that for the time being the most reasonable option would be to work with existing platforms, from both the South and North, and negotiate conditions that are fair and sustainable: in fact, these aggregators are so thirsty for content that it would not be impossible to obtain extremely advantageous terms for publishers. In addition, the proposal to collect royalties in a centralized manner can also be implemented here. Rather than creating joint platforms, it would be imperative to help publishers from the South who want to sell or disseminate their publications abroad to at least set up a web page. For this purpose it may be possible to provide free templates – for [WordPress](#) or [Joomla](#), among many other options – and tutorials to facilitate their installation. In any case, we will return to these topics further on.

In the field of e-readers and tablets, China and Russia lead global production. There as well as in India and Brazil – countries that have also ventured into this terrain – autochthonous devices usually offer numerous advantages over imported models such as the Kindle or the iPad:

- 1) First of all, they are sometimes more economical thanks to savings on shipping and customs charges.
- 2) Also, they are generally designed with the local population in mind; thus, for example, some devices come with an interface in regional languages, something that devices from the North do not cater for.
- 3) In addition, they usually offer a permanent connection to platforms also from the country, which demonstrate better judgement when it comes to setting prices and choosing texts that are attractive to local readers.

It would be interesting here to explore zones of collaboration between countries of the South that have made great progress in the hardware

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industry and others that lack this knowledge but whose abundant production of content means that sooner or later they will inevitably manufacture devices adapted to the local reality. As some interviewees have pointed out, it would not be realistic to expect all developing countries to produce their own e-readers one day, but it would help to at least show them that the US and Japan are not the only – or even the main – manufacturers. As a result, hardware companies in Mexico, Colombia and Argentina may well be inspired by the experience of countries like Brazil, Russia, India and China, which face similar challenges.

As we have seen, one area with great potential in all regions is the mobile phone network. India, China and South Africa are leading the vanguard and local entrepreneurs sometimes demonstrate know-how comparable to that of other actors from Europe or the US. Given that in most developing countries there have so far been relatively few experiences involving the distribution of literature via mobile phones, the actors from these regions have a lot to learn from the explorations carried out in India, China and South Africa.

There is still a great deal left to explore, with regard to both formats and business models, but the opportunities in this area are extraordinary, for various reasons:

- 1) Mobile phones are an existing platform with high penetration throughout the social pyramid.
- 2) In many countries of Africa, mobile phones already incorporate electronic payment systems, giving publishers a privileged commercial platform.
- 3) The mobile phone network is particularly beneficial for local publishers, since international companies that wish to use it to distribute content must first go through regional languages, and the option of translating foreign texts will prove too bothersome for them and not always lucrative. Local publishers, on the other hand, have the formidable advantage of being on the ground and in contact with authors that publish in that same language, in addition to being much more familiar with the public's needs.

The human factor

Technologies are, of course, a key component of the topic that concerns us. But at the same time, it is essential to pay attention to the people who will use them, and this is where the importance of working on the human factor becomes apparent.

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We must point out in this regard that numerous publishers are wary of digital tools and this reaction – which is perfectly understandable given the profound paradigm shift that is necessary – may set off a vicious circle. Fear of piracy, the difficulty of finding a business model that can rapidly replace the previous one and the lack of contact with players from the electronic world lead many representatives of the book sector to distrust new technologies, thereby delaying the advent of a solid digital industry.

The countries most susceptible to this problem are perhaps those with a more longstanding tradition of publishing – the medium-sized and large countries of Latin America for example. In contrast, publishers from regions where the book industry has suffered more – such as Haiti or countries in Africa – are much quicker to spot the opportunities implicit in new technologies. Nevertheless, it has been interesting to observe that of all those surveyed from across the globe, only 3 publishers – all 3 of them Latin American – replied that digital technology represented a direct threat to bibliodiversity, which suggests that there is a fairly generalized perception that, in spite of everything, electronic tools may play a significant role in preserving culture.

It would be advisable, then, to find a way to replace concern and fear with curiosity and the desire to experiment. From our perspective, this can be achieved through training and networking activities, on the condition, yet again, that such initiatives are implemented with a focus on the local reality and not “from above” or “from outside”. Indeed, in developing countries there are countless courses and events on the digital age already taking place, but these tend to be based on tools designed for regions whose reality is so different from their own that the disparity ends up discouraging the audience even more. A typical example would be the lectures given by US or European gurus who insist on the importance of distributing books for the iPad. Obviously, in itself, it may be very interesting to learn how some publishers from the US or Europe convert their titles to ePub and sign contracts with digital distributors that in turn have agreements with Apple and will periodically deposit payment for a certain percentage of sales in a bank account in the North. But for a publisher from sub-Saharan Africa or the interior of India, this is no more than a curious anecdote, an abstract piece of information inapplicable to their personal context, given that other than among the wealthiest sectors in the region, in sub-Saharan Africa or the interior of India there are no iPads – meaning there is no domestic market for this type of platform – and publishers do not have bank accounts in the North where they can receive any royalties from sales made abroad. So in order for the guru’s lesson to mean anything, somebody should at least explain how to bring those earnings to the African or Indian region. Once again, this

» Conclusions «

is not about impugning US or European devices; instead it is a matter of rethinking the kind of training and networking that can most benefit publishers from developing countries. In other words, should we limit ourselves to exhibiting exotic tools and business models that may never spread to the region in question, or else take the needs and requirements of entrepreneurs as a starting point, in order to expand their possibilities through precise and effective action?

In our view, the second option is the one most likely to mitigate anxiety and at the same time encourage exploration. For this purpose we recommend emphasizing several different directions:

- 1) As we pointed out in the regional study, it will be necessary to hold update seminars in conjunction with the various institutions that are already working on the topic, including publishers' associations, universities and training centres. To recall just a few examples, we might mention CAFED in Tunisia, KITAB in the Arab Emirates, the professional conferences of the main book fairs in the developing world (Abu Dhabi, Buenos Aires, Delhi, Beijing, Sao Paulo, Moscow, Cairo, Cape Town, Guadalajara, Bogotá, etc.), the publishing degree offered by the University of Buenos Aires, the Universidade do Livro in Sao Paulo, among others. It will be important to focus on IT, legal and economic problems, with the help of experts who know the limitations and potentialities of the field and can contribute far-reaching responses.
- 2) The seminars may also take the form of virtual courses, in different languages, to be carried out in conjunction with institutions that already have a local presence, but also with the additional support of actors from other countries. South-South knowledge transfer with regard to the different technologies involved can be promoted using videos on the Web or written classes. It would be particularly beneficial to introduce within this format the solutions that some publishers from developing countries have constructed *ad hoc*.
- 3) In addition, it will be essential to encourage personal encounters between traditional publishers, digital publishers, hardware manufacturers and software developers in order to strengthen the domestic industrial ecosystem as much as possible, with the support of unifying actors – publishers associations, software chambers, start-up incubators, book fairs and the public sector.
- 4) Along similar lines, it is imperative to promote activities (workshops, lectures, exhibitions) that link up publishers in general with artists from the electronic world – cyber writers, web designers, digital illustrators and even video game creators –, so as to encourage the inclusion of new forms of expression within the “radar” of the publishing

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industry. It will also be interesting to promote ties between publishers and creators in the various developing regions, as another way of strengthening South-South relations. These initiatives can be undertaken with the public sector and NGOs from each region.

- 5) It will also be important to broaden publisher networks to include the electronic field. Groups like the Young Publishing Entrepreneur³²⁵ – sponsored by the [British Council](#) and the [London Book Fair](#) – have already incorporated digital entrepreneurs. The International Alliance of Independent Publishers could also invite new players to participate in the organization, in particular because – as we have suggested – in many developing countries bibliodiversity will depend sooner or later on publishers' complete command of digital technologies.

Research and development.

A laboratory for publishers from the South

If the countries of the South face difficulties when it comes to producing infrastructures and knowledge that are in tune with local possibilities, what is missing to a large extent is the research and development (R&D) variable. States and companies from the North have been investing in this area for decades, which explains their enormous industrial superiority.³²⁶ China is perhaps the developing country that has been quickest to understand this aspect and allocates significant amounts to producing technologies designed for its own projects. It is true that other countries of the South do not always possess the necessary funds to imitate the Chinese strategy, but there are alternative ways to bolster this factor using resources already available. In fact, in all the regions studied there are laboratories and experimentation centres – both public and private – that can play a key role in the restructuring of the publishing industry. Our proposals on this aspect are the following:

First of all, given the standing of bodies like ictQatar or Qatar Foundation – among so many others that so far do not appear to have had close dealings with publishers –, it would be useful to exhaustively map those centres throughout the 6 regions studied.

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³²⁵ Cf. <http://creativeeconomy.wordpress.com/category/yce-awards/publishing/>.

³²⁶ Cf. <http://unesdoc.unesco.org/images/0018/001899/189958E.pdf>, p. 4 onwards.

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Since there are also R&D units and other institutions in developed countries that may be open to collaborating on the initiative, it will be necessary to include in the mapping work the localization of possible allies from the North.

Thirdly, it would not be in vain to launch an appeal for programmers to offer their services free of charge in order to help implement technological solutions. Examples of communities that generate open source solutions for WordPress or Joomla are a valuable precedent.

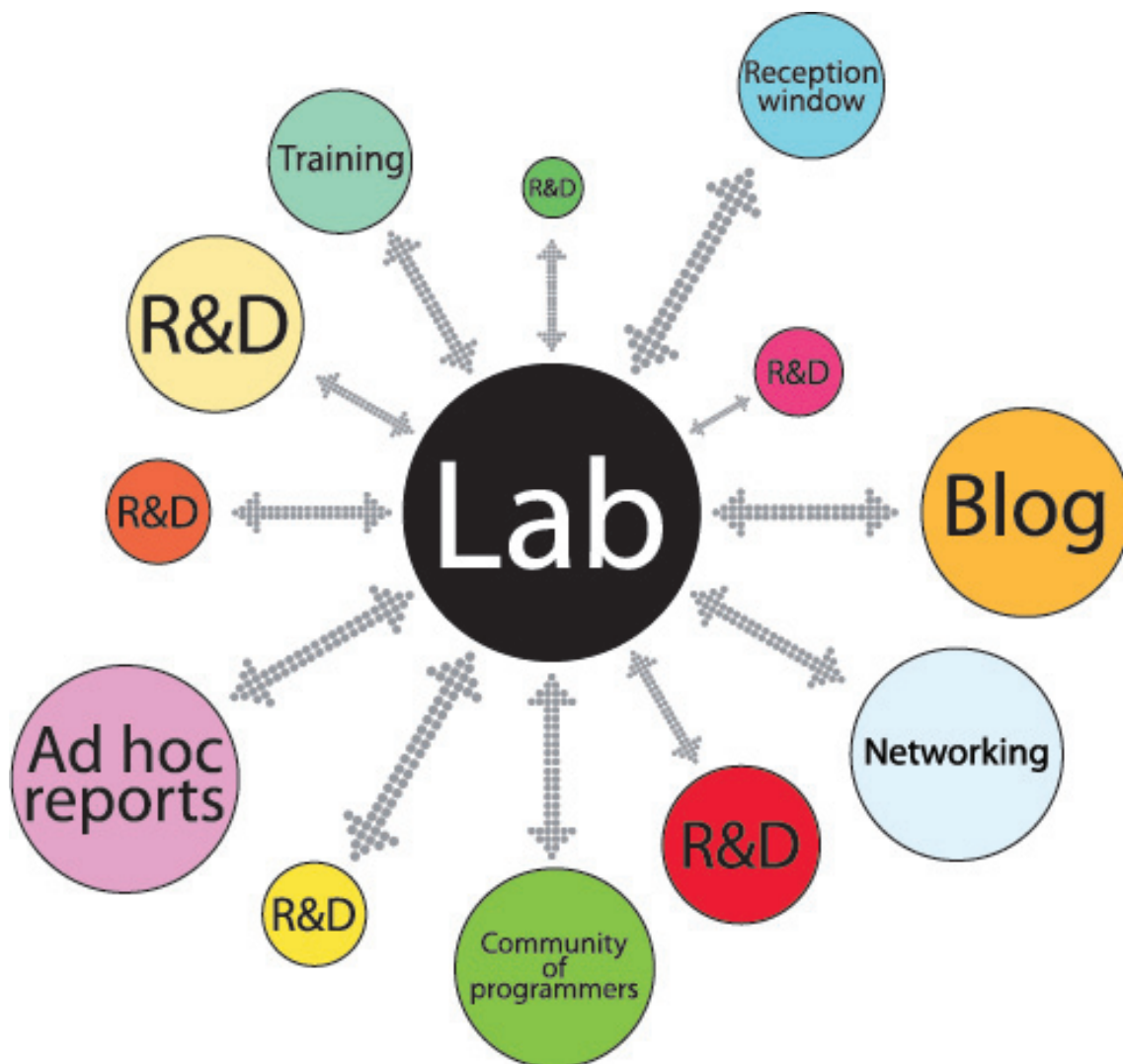
Our final, and perhaps most important, suggestion in this study is that the International Alliance of Independent Publishers also set up its own compact and dynamic laboratory that can collaborate with as many publishers as possible from the South, through the following activities:

1. keeping a blog with up-to-date information on new technologies, in particular with news from developing regions. The articles should be in French, English and Spanish at the very least;
2. setting aside a space within the same website to serve as a reception window for technical problems raised by publishers;
3. carrying out the mapping work detailed above;
4. supervising the networking between R&D centres from the North and South, as well as maintaining the community of *ad honorem* programmers, in order to resolve the technical challenges presented by the publishers. The solutions implemented – scripts, plugins, etc – can be distributed with a free and open source software license.
5. organizing the different training and networking initiatives described above;
6. periodically broadening the research on digital publishing to include actors, perspectives and other elements that can also be incorporated into the blog – for example, up-to-date statistics, interviews with publishers that have carried out trials with digital technologies, etc.
7. for those actions it is unable to implement itself, the laboratory will have the possibility of compiling *ad hoc* reports that will be sent to governments, companies and NGOs in order to bring about positive and effective change. These initiatives – some of which have already been mentioned – simultaneously involve technical, legal, economic and political dimensions and can be extended as the work of the laboratory progresses. We are referring in particular to the following needs:
 - a. to promote the installation of POD terminals;
 - b. to accelerate the digitization of backlists;
 - c. to encourage the standardization of metadata;
 - d. to increase the means of payment and collection;
 - e. to set a differential VAT rate for electronic books;

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- f. to obtain reduced rates for publishers from the South who use proprietary software;
- g. to procure fair commercial conditions for digital distribution;
- h. to help professionals that can't obtain ISBN for censorship reasons to find another type of register for distributing their digital works.

To meet this ambitious programme – whose complexity lies not only in technical matters but also in intense networking and lobbying efforts –, the laboratory will have to include at least one digital publisher from the North and another from the South, as well as a programmer and web designer. Given the costs arising from the structure and activities here described, it will be essential to seek out allied institutions that can contribute financially to a medium and long-term action plan.



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Action plan

As we have repeatedly pointed out, it isn't necessary to wait for the South to catch up with the North in terms of technology; on the contrary, it can advance with the materials already available. Of course, it would be extraordinary to obtain 80% Internet penetration in Africa or huge investments in infrastructure throughout the developing regions, but – [as Steve Vosloo observed](#) –, that may never happen. And in the event that it does occur some day, by then the industrialized countries will no doubt have made another technological leap, meaning that the disparity in infrastructure would still persist. So the most effective option is to start working right now, with what is available.

For all actions concerning infrastructure improvement, training and R&D, we recommend adopting the same trial and error strategy that we suggested for publishers. From our perspective, a pragmatic and heterodox approach will make it possible to find solutions and at the same time avoid the frustration experienced by book professionals with regard to new technologies. In this light, we propose that the laboratory begin its activities as soon as possible, focusing on a particular group of countries, with the inauguration of a 3 month pilot plan. For geographical reasons and because of events previously carried out within the International Alliance of Independent Publishers, the laboratory could begin by working with professionals from sub-Saharan Africa and the Arab world. If possible, we suggest including an African entrepreneur with experience in distributing texts for mobile phones, from South Africa for example.

With this group of publishers we recommend acting along different lines:

- 1) Conducting a training event lasting at least 3 days, during which topics such as the following will be addressed:
 - a. which technologies the publishers are familiar with, how widely they are used at the local level, how they build their web pages, how they work on the layout of their books, what opportunities and dangers they foresee, etc.
 - b. description of some systems implemented in both industrialized nations and developing countries;
 - c. business models, means of payment and collection;
 - d. copyright contracts and digital distribution agreements;
 - e. layout software – both proprietary and free and open source –, fonts, DRM.

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- 2) Depending on what is discussed at the event, the following initiatives should be undertaken:
 - a. accompanying publishers from the group in the search for international platforms that allow them to distribute their publications in electronic and POD format;
 - b. implementing simple mechanisms for collecting the royalties earned;
 - c. exploring ways to optimize local infrastructure, whatever they may be;
 - d. putting together a “digital survival pack”, specially prepared for publishers from the regions concerned, which should include: templates for creating web sites; instructions on how to activate them; free and open source fonts; tutorials on how to export to PDF and ePub from Quark, InDesign, Scribus, PageMaker and any other program that publishers may be using; recommendations on how to distribute publications on mobile phones – according to the devices existing in the country –; basic concepts on how to use social networks to promote books and events. This pack could be complemented with further online tutorials.
 - e. encouraging networking between publishers and representatives of the local digital sector – programmers, web designers, video game developers, etc.

This initial pilot experience could be continued with another 9 months of activities designed for publishers from the rest of the regions studied and with the compiling of preliminary reports aimed at influencing both the public and private sector. At this point, the blog and other laboratory resources must be fully online.

The end, a beginning

We did warn in the introduction that analysing digital publishing in developing countries would be a complex undertaking, although a fascinating and inevitable one. The object of study has shown to be so unpredictable that the research itself leads us to demolish clichés and build conceptual bridges between seemingly unconnected areas. This may give some idea of the task that lies ahead: with highly malleable technologies that never quite crystallize and an immensely varied world that is literally *developing*, digital publishing in the South is an area where everything remains to be done.

» Conclusions «

But if technologies evolve and local contexts are unstable, won't this nascent industry suffer the same fate of extreme fragility? Won't electronic publishing in developing countries be left too exposed to the vicissitudes of history and the discretion of the American, European and Japanese colossuses, regardless of whatever its protagonists might do? No, not really, insofar as the actors from the South can see that understanding the local context is a decisive factor, even in the electronic age. We are not referring here to geography or climate, but rather to the different ways of interacting with technology that exist in each region; ways formed by history, language, culture, religion and politics, among other aspects which mean that [if Taobao fights in the river – that is to say, on its own territory – it can defeat the giant eBay](#). To come back to the reference to Genesis which – as we pointed out at the beginning – is condensed in the Apple logo, here we could allude to another biblical image and suggest that the more the big players from the North try to set themselves up as the only universal law and raise their digital towers to the sky, the more obvious it will become that global electronic publishing is in actual fact made up of a Babelian plurality of grammars and completely heterogeneous industries.

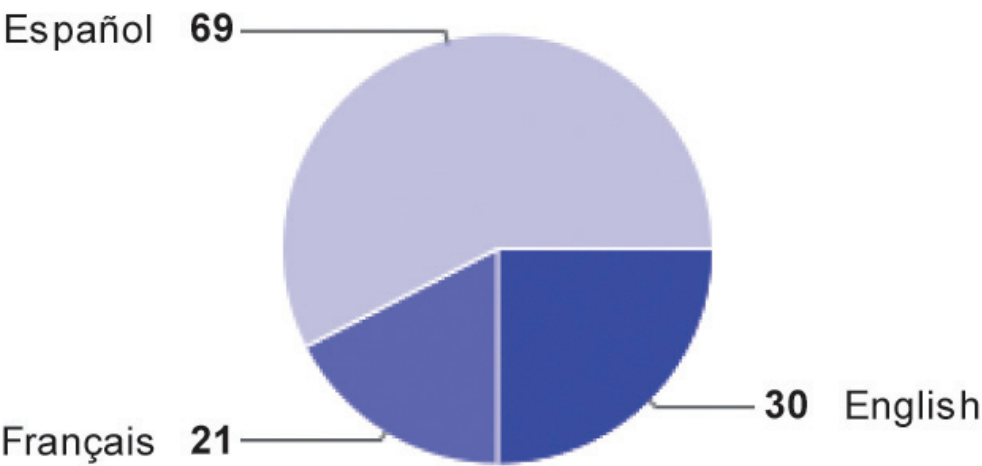
We conclude this report, therefore, by emphasizing the need to never lose sight of local particularities. At this point in time, such a warning might sound like a redundant platitude, if it weren't for the fact that this and other research on digital technologies in developing countries might give rise to highly dissimilar programmes. Respecting the specificity of each region means paying attention to technical issues, but without being overawed by the power of the tool. It is a matter, then, of putting the focus on the true fixed point that lies behind all the transformation and the multiplicity: with the passage of time, technologies become obsolete, but people remain, and that is where the greatest effort should be concentrated.



APPENDIX

» Appendix «

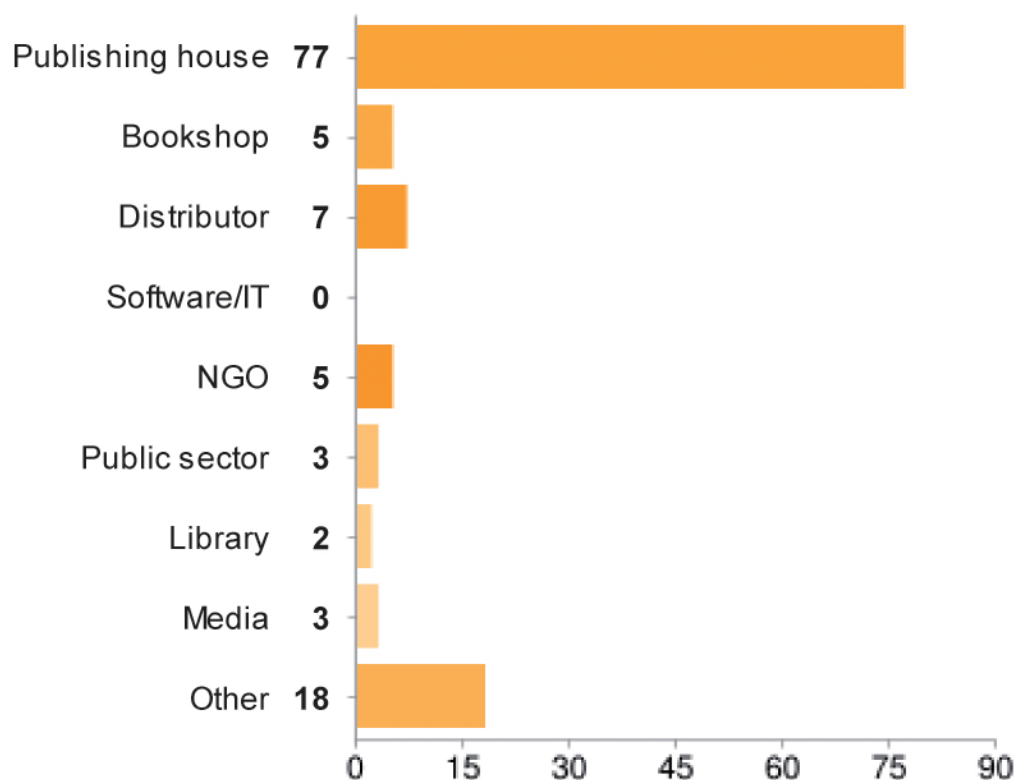
Survey



English	30	25%
Français	21	18%
Español	69	57%

Language

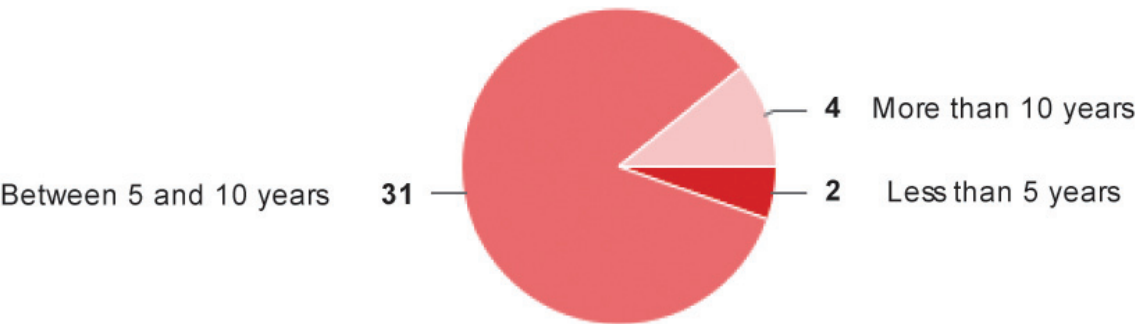
» Appendix «



Publishing house	77	64%
Bookshop	5	4%
Distributor	7	6%
Software/IT	0	0%
NGO	5	4%
Public sector	3	3%
Library	2	2%
Media	3	3%
Other	18	15%

Main activity of your company / institution

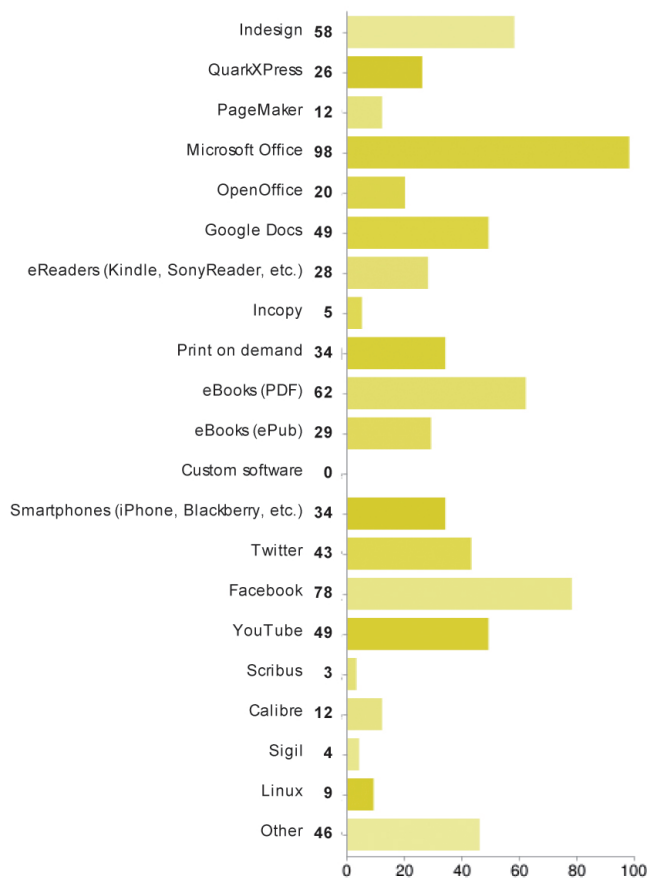
» Appendix «



Less than 5 years	2	2%
Between 5 and 10 years	31	26%
More than 10 years	4	3%

How long have you been working in the book industry?

» Appendix «

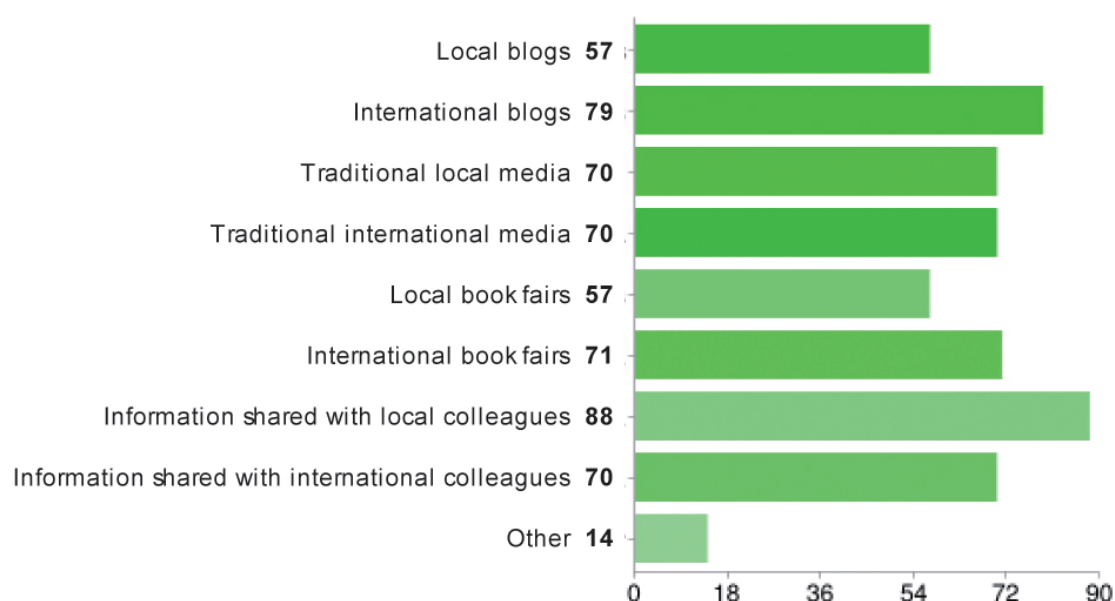


Indesign	58	48%
QuarkXPress	26	22%
PageMaker	12	10%
Microsoft Office	98	82%
OpenOffice	20	17%
Google Docs	49	41%
eReaders (Kindle, SonyReader, etc.)	28	23%
Incopy	5	4%
Print on demand	34	28%
eBooks (PDF)	62	52%
eBooks (ePub)	29	24%
Custom software	0	0%
Smartphones (iPhone, Blackberry, etc.)	34	28%
Twitter	43	36%
Facebook	78	65%
YouTube	49	41%
Scribus	3	3%
Calibre	12	10%
Sigil	4	3%
Linux	9	8%
Other	46	38%

People may select more than one checkbox, so percentages may add up to more than 100%.

Which digital tools do you use in your daily work?

» Appendix «

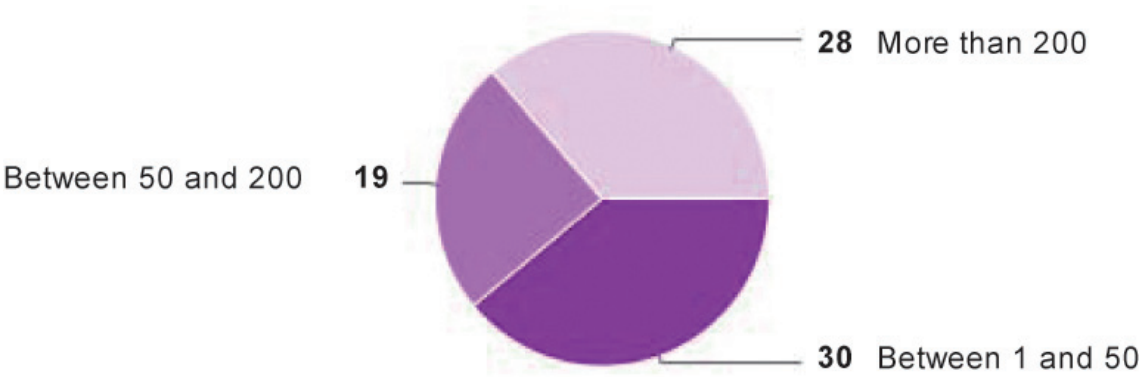


Local blogs	57	48%
International blogs	79	66%
Traditional local media	70	58%
Traditional international media	70	58%
Local book fairs	57	48%
International book fairs	71	59%
Information shared with local colleagues	88	73%
Information shared with international colleagues	70	58%
Other	14	12%

People may select more than one checkbox, so percentages may add up to more than 100%.

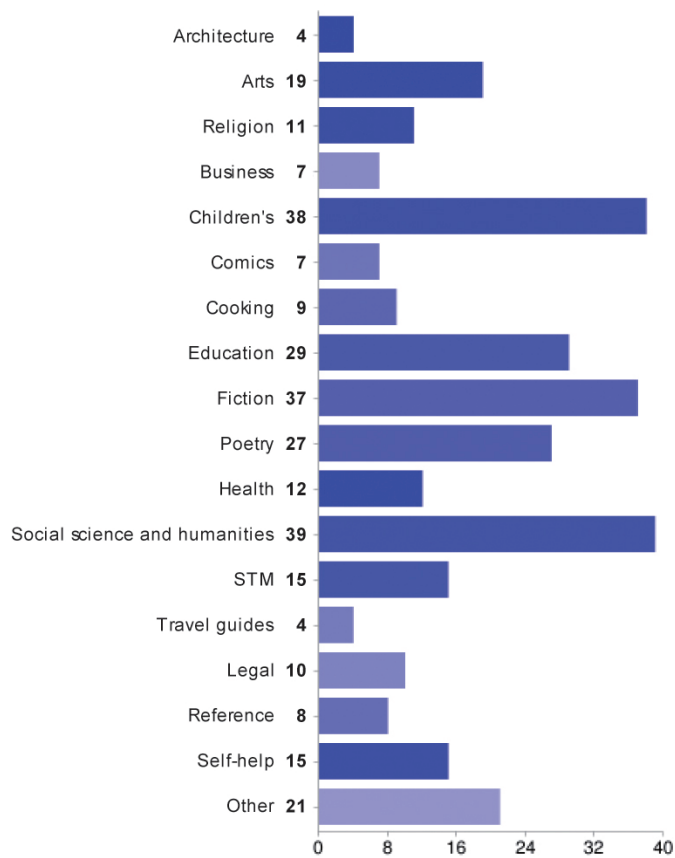
How do you keep updated on new technologies?

» Appendix «



Number of titles you have published

» Appendix «

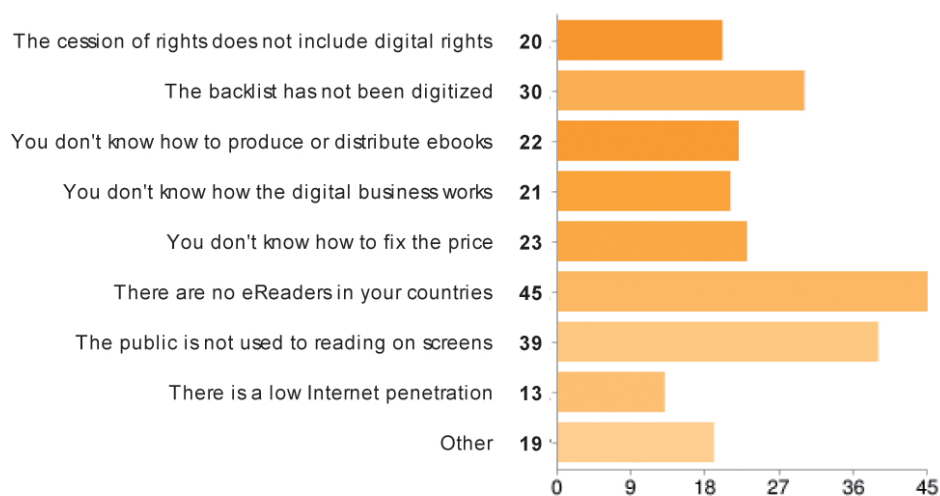


Architecture	4	5%
Arts	19	25%
Religion	11	14%
Business	7	9%
Children's	38	49%
Comics	7	9%
Cooking	9	12%
Education	29	38%
Fiction	37	48%
Poetry	27	35%
Health	12	16%
Social science and humanities	39	51%
STM	15	19%
Travel guides	4	5%
Legal	10	13%
Reference	8	10%
Self-help	15	19%
Other	21	27%

People may select more than one checkbox, so percentages may add up to more than 100%.

Genre of books you publish

» Appendix «



The cession of rights does not include digital rights	20	26%
The backlist has not been digitized	30	39%
You don't know how to produce or distribute ebooks	22	29%
You don't know how the digital business works	21	27%
You don't know how to fix the price	23	30%
There are no eReaders in your countries	45	58%
The public is not used to reading on screens	39	51%
There is a low Internet penetration	13	17%
Other	19	25%

People may select more than one checkbox, so percentages may add up to more than 100%.

Which obstacles do you face when you deal with the ebook business?

» Appendix «

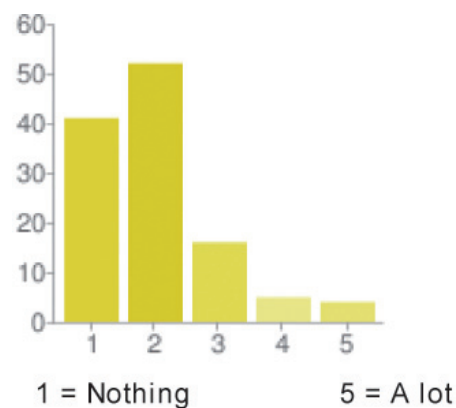


Renegotiating digital rights with authors	3	4%
Production of books in CD-DVD format	18	23%
Ebooks sales through third parties platforms (Amazon, Barnes&Noble, etc.)	36	47%
Ebooks sales through your own platform	21	27%
Book sales using with print on demand platforms	22	29%
Backlist digitization	36	47%
Other	57	74%

People may select more than one checkbox, so percentages may add up to more than 100%.

Which of these initiatives have you already implemented or are you undertaking at the moment?

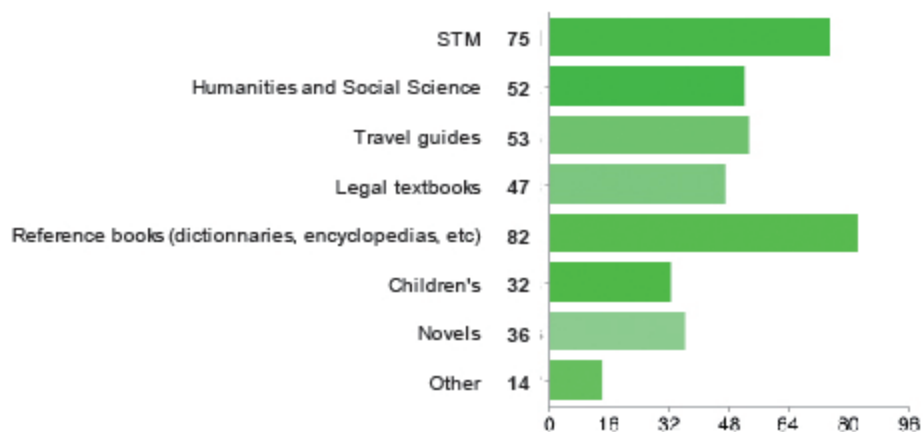
» Appendix «



1 - 1 = Nothing	41	34%
2	52	43%
3	16	13%
4	5	4%
5 - 5 = A lot	4	3%

To what extent is digital technology integrated in book fairs in your country?

» Appendix «

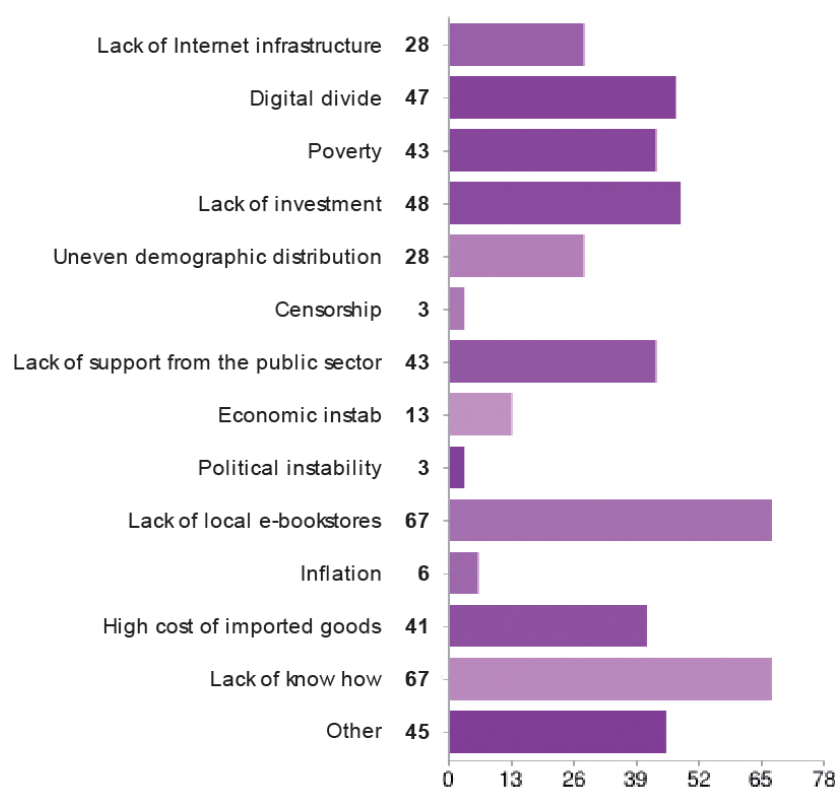


STM	75	63%
Humanities and Social Science	52	44%
Travel guides	53	45%
Legal textbooks	47	39%
Reference books (dictionnaires, encyclopedias, etc)	82	69%
Children's	32	27%
Novels	36	30%
Other	14	12%

People may select more than one checkbox, so percentages may add up to more than 100%.

In your opinion, in which publishing fields will the digital age have a bigger impact in your country?

» Appendix «



Lack of Internet infrastructure	28	24%
Digital divide	47	40%
Poverty	43	36%
Lack of investment	48	41%
Uneven demographic distribution	28	24%
Censorship	3	3%
Lack of support from the public sector	43	36%
Economic instability	13	11%
Political instability	3	3%
Lack of local e-bookstores	67	57%
Inflation	6	5%
High cost of imported goods	41	35%
Lack of know how	67	57%
Other	45	38%

People may select more than one checkbox, so percentages may add up to more than 100%.

In your opinion, which are the main obstacles that keep your country from taking advantage of the the digital age?

» Appendix «

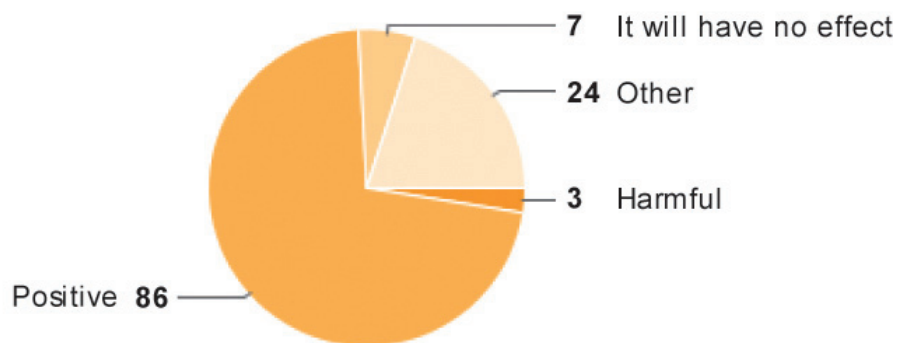


Training in new technologies	92	77%
Free software production	50	42%
Negotiation with software companies to get lower prices	46	39%
Networking	55	46%
Digital fairs	58	49%
Subsidies for the digital conversion	70	59%
Purchases of digital rights	38	32%
Implementation of anti-piracy policies	61	51%
Other	23	19%

People may select more than one checkbox, so percentages may add up to more than 100%.

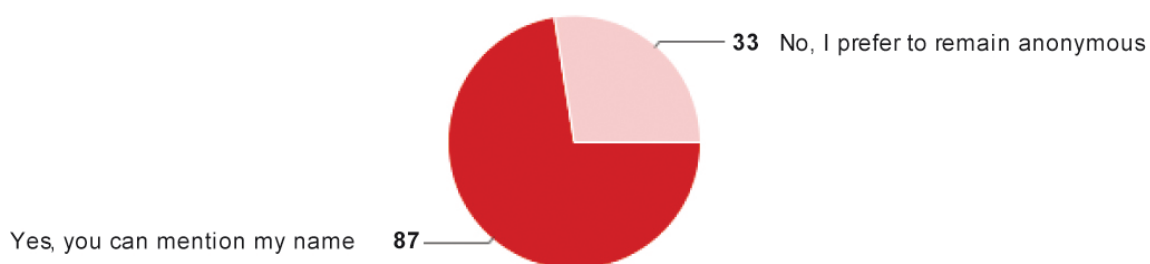
Regardless of the facts mentioned in the previous question, which lines of support do you consider that the book industry needs today from the public sector?

» Appendix «



Harmful	3	3%
Positive	86	72%
It will have no effect	7	6%
Other	24	20%

In your view, what will be the impact of the digital technology on the bibliodiversity?



Could we mention your name in the research or you prefer to remain anonymous?

E-books, print on demand, online sales sites, the boom in mobile phones... new technologies are profoundly transforming the way texts circulate. Developing countries, however, which face serious limitations in infrastructure, have a considerable challenge ahead of them.

What new actors are emerging in the countries of the South, outside of the powerful platforms already existing in the US, Europe and Japan? Is it conceivable that there may be an autonomous evolution of digital publications in developing countries, entirely independent of the richest nations? What support policies could be implemented to promote the growth of this new industry and accompany traditional actors in the process of adapting to the changes involved?

The digital experiences undertaken in the South suggest that new technologies represent a great opportunity for developing countries – particularly in terms of diffusion –, but on the condition that local entrepreneurs seek out original models adapted to the concrete needs of their communities.

This study was carried out by [Octavio Kulesz](#) ([Editorial Teseo](#) and [Digital Minds Network](#)) in October 2010, and commissioned by the [International Alliance of Independent Publishers](#), with the support of the [Prince Claus Foundation](#). It is available online and can be read free of charge in Spanish, French and English.

Octavio Kulesz holds a degree in philosophy from the University of Buenos Aires, where he taught Ancient Philosophy until 2006.

He has worked in the publishing world since the year 2000, when he created the publishing house [Libros del Zorzal](#), together with his brother Leopoldo. In 2007, after participating in the Young International Publisher of the Year programme ([British Council](#)), he founded the publishing company [Teseo](#), geared to the publication of academic texts in print on demand and e-book format.

Lastly, in 2010 he inaugurated the [Digital Minds Network](#), in conjunction with Ramy Habeeb (Egypt) and Arthur Attwell (South Africa), with the aim of promoting the emergence of digital publishing projects in the developing world.