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PART I

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FOREWORD

This document, based on replies from sixteen member States of the Council of Europe to the questionnaire sent to them on 2 February 1993, should be regarded as a working paper prepared for the seminar to be held by the Council of Europe on 26-29 April 1993, where it will be discussed and supplemented. Therefore, until it is officially circulated, it should be regarded as provisional, particularly since all the countries approached did not reply.

It is also necessary to bear in mind the need for caution in the light of the heterogeneous nature of the figures recorded, because the definition of a book may differ from country to country and the data supplied were assembled on the basis of methods peculiar to each country and not necessarily on the same dates.

INTRODUCTION

"The cinema is also an industry", wrote André Malraux when concluding his artistic analysis of the cinema published in 1939 and entitled *Esquisse d'une psychologie du cinéma*. Half a century later and after the invention of the concept of culture industry, this conclusion applies perfectly to books, which are first and foremost economic products, subject to market rules. Therefore it is consistent with the general trends towards rationalisation, standardisation and concentration which characterise production processes in all European economies.

However, as the oldest and most widespread cultural medium, the book is distinguished by the wide variety of its forms, as testified by the data concerning the number of titles published in most European countries. Admittedly, like all products intended for cultural consumption, it is affected by increasing trends towards mediatisation and the acceleration of mass phenomena, but its main asset is its almost universal nature and its ability to reflect a multiplicity of opinions, attitudes and expressions.

There is an internal contradiction between these two approaches. In all countries which replied to the survey, (whatever their economic policies) it justifies the existence of official measures for the benefit of books.

Such measures exist to different degrees and in different forms. The (by no means exhaustive) grid which has used to prepare this report (see Appendix 1) listed no less than twenty-four measures, which can be arranged in three categories.

First, there are measures designed to assist firms which produce, distribute or sell books. Alongside general tools of economic policy designed to create a healthy economic environment from which all firms should benefit (such as, means of combating excessive mergers or aid programmes in favour of small or medium-sized firms- all of which are adapted, if need be, to the book sector, the most striking example being the application of reduced levels of VAT to the production and sale of books), there are aids of a more specific kind aimed at reducing the particular constraints resulting, throughout the book chain, from the diversity and, indeed, the scattered nature of the sector.

Then there are the ways in which the State intervenes as a patron. In all countries, subsidies exist for the publication of "difficult" or "quality" works designed to facilitate the publication of books which strict economic logic would condemn in the absence of commercial profitability. The important sector of translation, whether from foreign or from minority languages, falls into that category, as does, in my view, the aid provided by many countries to promote books within and, still more, beyond their frontiers.

A third type of aid, more specifically adapted to the realities of the economy of books, exists in many countries to try to remedy the antagonism resulting from the contradiction between economic developments and cultural necessities. A series of regulating measures have been implemented by authorities, or recognised by them, the best known being those concerning the price of books sold to the public and library lending rights.

The aim of this report is to review the types of action adopted, on the basis of these three approaches, by the authorities of the countries which replied to the survey. Strictly speaking, questions concerning the protection and remuneration of authors, in the first place, and public reading policy, in the second, should have been included in an inventory of official policies in favour of books. However, as they address different problems, they will not be referred to here, apart from their repercussions on demand for books.

An important explanation is necessary before this review. Frequently, book policies financed out of official funds are not implemented directly by State bodies themselves but by partners outside the central administration *stricto sensu*, which may have different statuses (public establishments, associations, foundations, agencies, councils etc.). Furthermore, in some countries, especially those with a federal system or those which have granted a considerable degree of autonomy to a number of their entities, State cultural interventions are only subsidiary - if not altogether absent - in relation to those federated or autonomous structures. The chart presented here may therefore be underestimated, particularly in respect of the publication and dissemination of works written in minority languages.

I - AIDS TO PUBLISHING HOUSES AND BOOKSELLING FIRMS

Whilst reaffirming the principle that it is for the publishers and booksellers, as private economic agents, not for public bodies, to produce and sell books, these aids are designed to offset the adverse consequences which might result from the sudden application of market laws in favour of one sector where diversity is both essential and costly.

Firms like any others?

Regulating competition

Regulations governing competition, designed to prevent the setting up of monopolies or cartels dominating a sector of economic life, exist in many countries, as well as at the level of EEC, which is very much in favour of them. In France, Sweden and Italy among others, all mergers resulting in a turnover exceeding a level that is by definition high enough to concern only rarely the book sector are thus examined by specific bodies, either legal or administrative. The trend towards concentration in the publishing world, as reflected in the important part played by the top five producers in terms of turnover (see "Key figures concerning books" in Appendix 2), makes this legislation a necessary instrument of a book policy.

Fiscal aspects

Fiscal rules seek out to keep abreast of the economic reality of those to whom they apply. Thus, taxes on consumption are often applied at reduced levels to products regarded as essentials. The book is generally one of those products, alongside such sectors as pharmaceuticals and food, as mentioned in the table appearing at Appendix 3. Thus when VAT was implemented in the 1980s in countries which had recently acceded to EEC, a reduced rate was applied to products of the publishing industry. For its part, France has recently reduced its level from 7 to 5.5%, whereas in Great Britain the book trade exerted

considerable pressure in 1987 in favour of maintaining the zero level. Similarly, Switzerland, where VAT does not yet exist, exempts books from turnover tax.

Throughout the book chain

Book marketing operations are numerous, defining a "book chain" linking the publisher-producer to the consumer through the disseminator, distributor, transporter and bookseller. As in all commercial transactions, these intermediate operations are costly but, as far as books are concerned, they are also distinguished by the fact that they often concern only small quantities, sometimes no more than a single copy in order to satisfy a customer's selective demand. This obviously results in supplementary costs which some countries sometimes cover partially, either directly or indirectly.

Postal charges, transport aid

This applies when postal authorities offer reduced charges for the mailing of books. Thanks to international postal agreements, these charges apply more frequently to international than to national mail. Nevertheless mention should be made of Spain and Italy, where such tariffs exist as well as the Netherlands where books in Braille and talking books (cassettes) are sent by post free of charge. In France, the authorities together with professional circles, have contributed to a survey of book transport problems by financing an investigation of that sector.

Modernisation of distribution

Some States have introduced means to assist in the modernisation of book distribution by promoting the computerisation of sales outlets. In Spain, there are aids for the computerisation of distributors and booksellers which can amount to up to 50% of the outlay, and Sweden makes an annual grant of 1.5 million kroner to the computerisation of small bookshops.

Financial aids to publishing houses and bookselling firms

Most central and eastern European countries state that they give priority to the development of the private publication system "in order to permit an increase in the number of titles and their diversification" (Romania). Nevertheless, apart from Hungary, where publishing houses and bookselling firms can receive both subsidies and capital grants, few countries go so far as to consider the implementation of specific financial arrangements for these enterprises.

Such measures exist only in some western European countries, although all have publishing houses which are either totally or partially linked to public institutions. These include, of course, publishers of official publications, but often also higher education or research bodies or cultural institutions. The analysis underlying all these types of support for firms producing or marketing books is based on the importance attached, in support of a culture, to the existence of publishing partners able to produce works that are not purely commercial and to bookshop networks able to disseminate them.

Subsidies

The types of official financial participation in the book sector, especially those existing in France, Spain and Sweden, have developed further in recent years. Subsidies tend to be restricted to firms recognised as being the most vulnerable, as is usually the case with bookshops. In both France and Sweden, these aids are designed to enable medium-sized bookshops to maintain a high level of diversification in the range of books they offer by stocking books which sell too slowly from a purely commercial point of view.

Loans to firms

For medium-sized firms, more traditional financial measures are often employed, as in other branches of trade and industry, particularly specially reduced rates of interest on loans as well as loan guarantees.

Reduced-rate loans are available in Sweden for bookshops in medium-sized towns, whilst Spain has made them its main form of support (118 firms in 1991 and 90 in 1992 were thus provided with interest rates reduced by 4 to 5 points). In France there is a trend towards replacing the range of subsidies to publishing houses by interest-free loans, in addition to the loan guarantee machinery managed by a financial institution in which bankers and book professionals also participate.

Training

Whether in the context of training and apprenticeship schemes - managed by education ministries or, in federal States such as Switzerland and Germany, by federate bodies (cantons or Länder) - or again through more targeted forms of aid, many countries support the training of executives and employees in publishing houses or bookshops. Spain grants 13.8 million pesetas a year to the "*Escuela del Libro*" and the Netherlands has drawn up a training programme spread over four years. In most countries, training is placed in the hands of professional associations and the related costs may be partially offset by public subsidies, as in France in favour of bookshops.

II - CULTURAL AIDS

Since books are essentially considered a means of disseminating a country's national culture or cultures as well as a cultural exchange medium, this form of assistance is widespread. It includes support for the promotion of books at national and, still more, international level as well as forms of aid, reported by all the countries which replied to the survey, designed to facilitate the publication of works. Among these, projects involving translation - between the different languages of one and the same country, or into a foreign language - are particularly important.

Publicising

Promotion aid

The promotion of reading and of books in general is part of the cultural programme implemented in all countries. It is often entrusted to non-State institutions but widely subsidised by the State, such as foundations (National Centre to Advance Reading in Finland, Literary Fund Foundation in the Netherlands, etc.) or professional associations of publishers or booksellers.

It involves measures which are limited only by the imagination of their originators, designed to foster the widespread presence of the book in all sections of the population and in all social institutions. In particular, mention should be made of the initiatives in Finland and Sweden on behalf of children (visits to schools by writers, aid for the publication of catalogues of children's books), aid for the publication of bibliographical bulletins which are in Italy, subsequently translated into four languages (German, English, Spanish, French) by the information services of the Presidency of the Council of Ministers.

Aid for promotion on foreign markets

We now come to specific forms of aid designed to promote books in foreign countries. Almost all States possess means of supporting designed to support book exporters. In France, Spain, Portugal, the Netherlands, Sweden, Finland and (the only central and eastern European country) Hungary, there are a variety of measures for supporting the promotion of the products of publishing houses beyond the national frontiers. Initiatives are often directed at countries belonging to the same linguistic community : Portuguese- or French-speaking countries in Africa for Portugal and France respectively, the promotion of the Flemish culture in the Netherlands through the *Nederlandse Taalunie*.

Subsidised initiatives range from participation in book fairs and exhibitions to part-payment of the costs of book exporting firms as in Italy, in respect of countries outside EEC. The same applies to Switzerland, where the Confederation contributed 735 000 francs in 1992 to the efforts of the Pro Helvetia Foundation for the promotion of books abroad.

Aid for publishing projects

Aims

Although designed to treat products only according to their cultural value, this form of aid - which, it should be noted, exists in all the countries questioned - is based on an economic argument. It is intended to break the vicious circle which prevents the publication of a book whose readership seems likely to be small. Since the price of a book is inversely proportionate to the number of copies printed, the absence of any aid would make it necessary to set a prohibitive price for such books. Thus they would be even less likely to be stocked by bookshops and purchased by the public. This process is further exacerbated in the case of "minority languages", (i.e. those spoken in countries covering a small linguistic area) by the small number of any book's potential readers.

Hence there may be certain conditions governing aid granted, whether in the form of subsidies, interest-free loans or purchase guarantees. In France, the grant of a publishing loan by the *Centre national des lettres* is subject to a minimum print-run. In Sweden, where the moneys devoted to this type of aid are very large (31 million kroner in 1992/93), the selling

price must be below a certain ceiling, fixed in accordance with a scale which takes into account the nature and size of the work.

Categories of works

The terms used to describe works qualifying for aid ("enhancement of the literary heritage", "protection of the fundamental written culture", "high cultural value", etc.) suggest and reflect the priority given to the publication of classical texts and important new literary works. Sales sectors which are particularly difficult such as the publication of poetry and drama, may enjoy additional support, as in France. Efforts are also made in respect of scientific works, alongside to the aid granted to high-level journals. This will not be considered in detail here, but it is a priority aspect of policies in support of research.

Some forms of aid are particularly designed to facilitate the publication of works aimed at a specific readership. These include books for school children and, more generally, young people - in respect of whom emphasis is placed, as in Sweden, on the need to offer cheap books - or those for the disabled (works in Braille or in large print). Works relating to regional cultures and lifestyles (history, ethnology, folklore, etc.) which may also be published in a minority language, are also supported, often at a decentralised level.

Arrangements

Most States have designed their book selection machinery and practice support arrangements in such a way as to ensure that their aid systems are as intellectually neutral and financially open as possible.

The selection of beneficiaries is often left, at the preliminary or implementation stage, to bodies outside the administration, which are responsible for ensuring the widest possible publicity for their action - notably by inviting tenders. It becomes effective only after consultation of outside experts. In some countries, aid is granted *ex post facto*, i.e. after publication, so as not to constitute a factor which might influence the publisher's risk-taking.

The aid granted may be either a fixed sum or calculated according to a scale based on the production costs of the work (typesetting and printing). Specific costs (illustration, translation) may also be partially defrayed.

How can Babel be managed?

Nobody will deny that the diversity of Europe's languages, reflecting that of its cultures, is one of the continent's characteristics as well as one of its assets. Nevertheless, it raises some real difficulties when it comes to disseminating the thought and literature of one European country to another, and even within some countries which are pluri linguistic. That is why translation aid policies have been introduced, constituting specific examples of the above-mentioned general principles governing aid for the publication of works.

Countries with more than one national language

In a pluri-linguistic country, the translation of works from one of the national languages into another makes for national unity whilst respecting cultural differences. Thus,

alongside the efforts of decentralised or autonomous authorities, States have introduced programmes designed to make important texts forming part of the literary heritage, as well as significant contemporary works, accessible in the different national languages.

Mention may be made of Sweden, which grants 6% of its aid to the publication of works in minority languages, and of Finland, where translations from Finnish into Swedish and publications in Swedish are subsidised up to a ceiling of 700 000 marks. In the same geographical area, Norway is making a special effort in favour of Lappish and New Norwegian (*Nynorsk*). For its part, Switzerland subsidises printing costs in respect of works in Italian and Rhaeto-Romanic and earmarks 75% of its translation aid funds for the translation of texts from one national language into another. In some countries, the concept of minority language does not only apply to linguistic minorities but also to ethnic minorities, resulting from immigration.

Aid for translation from and into foreign languages

The translation of works published in a foreign language constitutes a particular case of publication aid, which is important in countries with a small linguistic area. Complementary subsidies take into account additional expenses resulting from translation costs; their allocation is conditional on an assessment of the quality of the translation and compliance with the customary scales of charges so as to protect translators' rights. Similarly, mention may be made of the award of bursaries or prizes to outstanding translators in Italy, the Netherlands and France.

Aid for the translation into foreign languages of works published in the national language(s) is the cornerstone of a policy of cultural presence abroad as well as the mainstay of cultural exchange programmes. As a result, its allocation is often the responsibility of ministries of foreign affairs or other diplomatic bodies, such as the Nordic Council, which has set up an intergovernmental co-operation programme to promote translations between Scandinavian languages. It is left to the supervisory authorities of these bodies to select the languages into which the translation of national works should be given priority. Thus, in recent years, translations of western European works into the languages of central and eastern European countries have received preferential financial support from most countries, as stressed by Sweden and France.

The choice of titles to be translated is usually left to the discretion of the publisher, who, in the case of books not in the public domain must first negotiate the transfer of publication rights with his foreign counterpart. Publishers' applications are submitted to committees or experts responsible for advising on the quality of the work to be translated and its reception on the market of the target country.

III - MECHANISM REGULATING DEMAND

Fixed book prices

Aims

In most western European countries (and in all EC countries apart from Portugal and Ireland) - including those which do not conceal their firm attachment to an outright economic liberalism - legal machinery or inter-professional agreements provide for the existence of a uniform price, fixed by the publisher, for the retail sale of books. This exception to the rule of freedom of trade and industry is based on the greater importance attached by a State to maintaining diversified and pluralistic book production.

The uniform price system seeks, by banning discounts on books, to maintain a widespread network of book sales outlets, and above all bookshops able to offer the public a wide range of books as well as appropriate services (bibliographic information, single-copy orders, literary events, etc.). Thanks to the fixed price, these bookshops do not run the risk of seeing books with a wide circulation sold almost exclusively by other networks of a less cultural nature. They are thus able to offset, by such sales, the cost of stocking a wide range of publications with a slow turnover rate.

Inventory

In France and Spain, legislation lays down the rules for the fixed price system, whilst in Italy, Germany, the Netherlands and the United Kingdom, the system is based on the signing of agreements between associations of publishers and booksellers and the ratification thereof by an administrative or judicial authority.

All the countries mentioned above are in fact monolingual, and almost all the books bought there are published in their territory. Therefore, in relation to the rules of competition laid down by EEC within the internal market, this principle does not raise any practical difficulties. That is not so in countries which import many of the books marketed there. Under pressure from the Commission of the European Community, both Flemish-speaking Belgium and Ireland have had to renounce price agreements, which they had been observing for many years with Dutch and British publishers respectively.

In Switzerland, the initiative is left to the professionals, in the knowledge that the need to impose a uniform price has been recognised by the Federal Cartels Commission (*Commission fédérale des Cartels*). The situation thus differs between German-speaking Switzerland, where an agreement exists between the Swiss and the German publishers' associations, and French-speaking Switzerland, where only publishers belonging to the Swiss association of French-language publishers observe a fixed price.

As things stand at present, the principle of a fixed price for books is rejected by Portugal, Sweden and Finland. It does not exist in any central or eastern European country.

Libraries as partners in the book policy

Libraries are obviously major partners in any book policy. No mention will be made here of the creation or equipping of these establishments, nor of training of their staff; but reference will be made to the impact of decision-making concerning public reading on the book trade, and hence on the development of the publishing sector.

Mass purchases

Obviously, libraries and schools play a very important part in the demand for books, particularly in countries where, and at a time when, consumption is still low and purchasing power restricted. This demand is frequently supported by official subsidies. Thus in Sweden and Norway, copies of most of the books published are purchased by a foundation linked to the State and sent to every public library. This makes it possible to expand the book market in countries with a restricted linguistic area; the guaranteed minimum circulation offsets the publishing risk and contributes to a reduction in the retail price.

Efforts can also be targeted. This is the case in Finland, where a grant is awarded to public libraries in municipalities with fewer than 6 000 inhabitants for the purchase of books included in a list drawn up annually. In France, the *Centre national des lettres* grants specific aid for the setting up of thematic collections in all types of libraries. Lastly, emphasis should be placed eventual on the importance of links which may exist, at local level, between a municipal library and its natural partners, ie bookshops and publishers.

Library lending rights

In some countries, particularly in the United Kingdom and in northern Europe, arrangements have long existed for compensating authors and publishers for the loss of earnings resulting from the lending by a library of the same work to different people who might otherwise have purchased it. At the instigation of EEC, this system called in English "Public lending right", might be soon extended to a number of countries where it does not yet exist.

Large sums of money are thus shared out among authors and publishers on the basis of libraries' volume of lending. Although in the Netherlands the amount of money actually shared dropped from 15 to 10 million florins in 1992 for the benefit of collective schemes to promote literature, it still remains very large in Sweden where, on the basis of 0.83 kroner per loan, it amounted to 80 million kroner in 1992. In Finland it accounted for 10% of library purchases and represented a sum of 17.6 million marks for the same year.

The education system as a partner in the book policy

Schools also play a key role in the implementation of a book policy, not only because it is often through a school that a child first encounters books but also because, as already stated, educational institutions are among the main book purchasers. In many eastern European countries, the most urgent need is often for school textbooks reflecting ideological pluralism. For instance, in Latvia one of the first schemes in support of books was an aid

programme for the publication of school textbooks, amounting to 49 million roubles in 1992, in order to reduce their selling price.

Such State action in the school textbook sector is not exceptional. In a number of countries, school textbooks are purchased by the education authorities and such bulk purchases can be considered an indirect aid as they guarantee publishers high circulations and consequently enable them to reduce the publishing risk. It should also be pointed out that, in a country as devoted to economic liberalism as Switzerland, some cantons assume responsibility for educational publishing.

Fighting indiscriminate photocopying

The secondary education and, still more, the higher education sector have nevertheless caused serious disruptions of the book market, especially in scientific and technological publishing as well as for books concerning social sciences. The abusive - and unlawful- use of photocopying has considerably reduced sales, and hence circulation of this type of works, thus rendering their publication increasingly difficult. For that reason legislation on copyright and publishing rights - especially measures concerning reproduction rights - has had to be updated in a number of countries. In France, for example, recent agreements concluded between the Ministry of Education and the publishers' association have introduced a lump-sum royalty payable by educational institutions to compensate publishers for losses resulting from the increasing number of photocopies.

CONCLUSION

An attempt can be made to sum up the arrangements described above by distinguishing between States according to the nature of the book policies they have drawn up and implemented. On that basis some (provisional) conclusions should be drawn by studying the advantages and disadvantages of existing systems and proposing aspects which might be advantageous to countries wishing to lay the foundations of public support for diversified pluralistic publishing.

Major types of book policies

The countries which have worked out policy instruments for the book sector may be divided into three major categories according to the choices made in relation to three of the means available to the authorities: the definition of a structural framework for intervention, the use of libraries to promote a book policy, and recourse to subsidies for firms. Thus, the book policies we have encountered differ according to the priority they give to each of these means or, to be precise, to two-by-two combinations of these three means.

In order to characterise the book policies pursued in western Europe, three types of "model" (a term implying no value judgement) will be proposed: an English model, a Swedish model and a French model.

The English model

This model rejects subsidies for firms on the ground of economic liberalism, but accepts the principle of a fixed selling price for books in order to support the existence of a distribution network, deemed essential for maintaining pluralism and creativity in the publishing sector. To that end, inter-professional agreements (often very longstanding) between publishers and booksellers are endorsed by the authorities. The second pillar of this policy is the importance of the part played by public libraries, which constitute traditional networks spread throughout the country and intensively frequented. Consequently, compensation is considered payable to publishers and authors for works read free of charge, and the principle of the lending right on works on library works has long existed, attracting large sums which are then shared out between the producers.

In the archetype of this model, the United Kingdom, which applies it rigorously to the exclusion of any contents policy. This country grants virtually no public support for the publication of works, which is a unique feature in relation to other countries covered by the survey. The two other countries which practise it, Germany and the Netherlands, offer two alternatives: on a federative basis for the former, which leaves cultural policy to the *Länder* while subjecting it subject to strict rules regarding the non-distortion of competition; and on a more flexible basis for the latter, in that considerable amounts of money are earmarked to promote the publication of literary works and translations.

The Swedish model

The Swedish model, represented here by the policies in Sweden and Finland, rejects the idea of regulating demand by applying a fixed price for books. On the other hand, these countries closely follow the economic conditions governing the production, distribution and sale of books, granting large subsidies to each of these stages in a the book's career. In particular, these subsidies are channelled in two ways through libraries, which are both bulk purchasers of books, and agents for the collection of public lending rights. Particular attention is paid to the distribution channels, which are monitored very closely. Thus bookshops receive subsidies differing according to their size, emphasis being placed either on the need to modernise or on the need to enlarge the range of books offered to the public.

Such a policy is characterised by its economic clarity, as market forces can operate to the full as well as by its proportionately high cost to public funds, which have to offset, by budgetary means, any excessive concentrations in the publishing field that may result from the absence of internal regulation machinery. Mention should also be made of the absence of a reduced rate of consumer tax (VAT) in this model, even though the Finnish Parliament is to debate the desirability of such a rate in the weeks ahead.

The French model

Lastly, countries based on the French model do not make libraries - which are less developed or at least were more recently developed than in the countries already mentioned - into a major instrument of their support for books. However they do recognise the full importance of the fixed price for books which, generally speaking, were recently introduced into their legal panoply and have consequently been unable the subject of in-depth economic analysis. They also use the principle of subsidies, not only for publishing projects but also for publishing distribution and bookselling firms, notably in connection with modernisation schemes. In addition to France, which is characterised by the very high level of its financial support for books, the policies implemented in Spain and Italy can be assimilated.

Like any modelisation, the one suggested above has an exception which confuses the issue: the case of Norway shows the range of means authorities can use for the purpose of assisting the book sector. Here is a country that borrows features from each of the three examples described above. Like Sweden, it makes its libraries privileged purchasers which help to orient the book market by systematically purchasing almost all works before they are published. Unlike that country, however, it nevertheless maintains the principle of a fixed price for books, which brings it closer to the other two models, but it differs from the United Kingdom in that it does not have library lending rights.

In order to be complete, the specific cases of Switzerland and Portugal should be added to these models. Switzerland borrows from each of the preceding countries whilst reaffirming its desire to avoid all undue direct intervention by the Federal State in the operation of the market. Portugal has adopted a relatively low profile by proposing few specific measures for supporting the book trade.

Conclusions in the form of questions

Even when differentiated according to the three models defined above, book policies pursued in the countries of western Europe nevertheless have some features in common and raise common questions. In almost all the countries to which they apply, these policies also include aid for publishing projects which were usually in place beforehand. These policies which also exist in central and eastern European countries, imply that bodies that are as independent of the subsidising authorities as possible can decide what a quality book is.

The second question, which will forcefully confront the central and eastern European countries concerns a network for the distribution and sale of books. As has been seen, one of the major characteristics of books is their diversity, which is a guarantee of pluralism but also a cause of excessive costs because of the lack of economies of scale. It is thus difficult but, at the same time, essential to maintain a distribution network closely geared to the public, and subject it to market forces alone: network entirely or mainly supported by public funds is in no way capable of having the necessary commercial dynamism. As already seen, varying solutions have been provided by the countries of western Europe. It seems desirable for the question to be raised when private sectors of book production and marketing are being set up in central and eastern European countries.

The third point is the importance of training in the publishing and bookselling trades. Paradoxically, whilst most countries stress the need for well-trained professionals, they say very little about their own training schemes. The paradox is merely apparent because

vocational training arrangements do exist, often with considerable financial backing, but are rarely the responsibility of by public bodies in charge of book policies. They may be entrusted, as in Switzerland or Germany, to federated authorities or as in France, managed by associations connected with the professions and financed by special taxes based on wages.

Lastly, mention should be made of the importance of a clearly defined policy for school publications. Textbooks used in primary and secondary education are both the first books encountered by pupils and the works with the largest circulations intended for young people. Both the financial and intellectual investment necessary for producing a collection of school textbooks is high and often necessitates action on the part of public authorities. The question then arising is how to apportion roles and responsibilities between public and private partners.

It is obvious that, envisaged merely from the economic angle, the publishing sector is minor and scarcely seems worthy of attention or to deserve specific policies. Nevertheless, many countries have taken measures to promote the production and sale of books, sometimes long ago and often by devising machinery departing considerably from the traditional market systems. This was no doubt because they regarded the maintenance of publishing pluralism as the most reliable bulwark against the threat of cultural - and even ideological - uniformisation that would result from excessive concentrations (whatever their causes) in the publishing sector. As a pre-eminent means of access to culture, a vehicle of cultural exchanges and a support of cultural identities, books must be able to keep their rightful place in European countries. Their production and distribution methods can and must be developed further, but this should not happen at the expense of the formidable capacity of books to reflect freedom of expression. Therein lies the responsibility of democratic States.

LIST OF APPENDICES

Appendix 1: grid sent to member States

Appendix 2: key figures

Appendix 3: regulating: mechanisms (VAT, fixed price for books, library lending rights)

APPENDIX 1 - GRID SENT TO MEMBER STATES

TYPE OF MEASURE	yes	no	form No.
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I - FINANCIAL AIDS TO PUBLISHING

Subsidies for the publishing of works			
Loans for the publishing of works			
Subsidies to publishing houses			
Capital share in publishing houses			
Other financial mechanisms (loan guarantees, reduced interest rates, etc.) for publishing houses			
Aid for the training of publishers			

II - LEGAL AND FISCAL MECHANISMS

Regulation of the retail prices of books			
Legislation against concentrations			
Special rate of VAT (or of other taxes) consumer			
Library lending rights			
Other fiscal mechanisms concerning the publishing and sale of books			

III - AID FOR THE DISTRIBUTION AND SALE OF BOOKS

Preferential postal charges (internal and international)			
Subsidies to bookselling firms			
Capital share in bookselling firms			
Other financial mechanisms (loan guarantees, reduced rates of for bookselling firms)			
Aid for the modernisation of book distribution			
Aid for the training of booksellers			
Mass purchases for public institutions (libraries, schools, senonsignments abroad, etc.)			

TYPE OF MEASURE	yes	no	forms Nr.
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IV - TRANSLATION POLICY

Aid for the translation of works from the national language(s) into foreign languages			
Aid for the translation of works from foreign languages into the national language(s)			

V - AID FOR THE PROMOTION OF BOOKS

On the national market			
Abroad			

VI - EDUCATIONAL, SCIENTIFIC AND TECHNICAL PUBLISHING

Existence of publishing houses linked to the public sector			
Aids linked to scientific research policy			
Aids linked to education policy			

APPENDIX 2 - KEY FIGURES FOR BOOKS IN EUROPE

Country (1991 figures)*	Currency	Production turnover (gross; in millions)	Sales turnover (net in millions)	Number of titles produced	Number of copies produced (in millions)	% of the market held by the top 5 producers	Number of sales points	% of readers in the population
Belgium French Commun. (1990)	franc	5 200	7 000	3 700	-	-	-	84%
Spain	peseta	390 246	-	43 896	220	8.04%	15 000	58%
Estonia (1992)	krona	60	49.2	1 557	15.939	44%	380	93%
Finland	mark	1 230 (net)	2 160 (gross)	5 669	25.621	72%	450	-
France	franc	13 500	22 000	39 492	376.12	78.2%	26 243	77%
Hungary	forint	7 500	-	7 629	80.988	-	3 300	-
Italy	lira	-	3 531 billion	40 142	215.647	-	5 266	37.5%
Latvia	rouble	0.6	0.287	1 473	20	28.5	-	98%
Norway (1987)	krona	-	-	5 481	-	-	-	-
Netherlands (1990)	florin	1 600	-	13 691	54.8	75%	1 564	64.8%
Portugal	escudo	21 607	-	-	24.927	-	-	-
Slovak Republic	krona	-	-	4 012	-	7.8%	390	70%
Romania	leu	-	-	2 178	52.474	-	2 249	-
United Kingdom	pound	-	2 520	68 348	-	-	3 226	-
Sweden	krona	3 500	5 200	9 500	-	65%	630	-
Switzerland	franc	-	730	10 438	-	-	1 030	-

* unless otherwise described

APPENDIX 3 - REGULATING MECHANISMS
(VAT, FIXED PRICE FOR BOOKS, LIBRARY LENDING RIGHTS)

Country	Rate of VAT book/normal	Fixed price for books	Library loan rights
Bulgaria	1 (children books and text books) / 22	-	-
Spain	3 / 12	legislation	-
Estonia	18 / 18	-	-
Finland	22 / 22	-	yes
France	5.5/18.6	legislation	-
Hungary	6 / 15 and 25	-	-
Italy	4 / 18	agreement	-
Latvia	12 / 12	-	-
Lithuania	0 (children books and text books) / 18	-	-
Moldavia	28 / 28	-	-
Norway	0 / 20	agreement	-
Netherlands	4 / 18	agreement	yes
Poland	0 (limited print-run books) / 7	-	-
Portugal	5 / 16	-	-
Slovak Republic	5 / 23	-	-
Czech Republic	3 / 5	-	-
Romania	from 1/7 : 0 / 20	-	-
Slovenia	5 / 20	-	-
Sweden	25 / 25	-	yes
Switzerland	0 (ICHA)	agreement	-

PART II

**CONCLUSIONS BY THE SECRETARIAT
AND APPENDICES**

THE BOOK SECTOR AND THE STATE: RELATIONSHIPS IN CHANGE

Conclusions

The seminar highlighted a number of points which seemed relevant to all participants, even though they were not characteristic of all the countries represented (13 from Central and Eastern Europe, 5 from Western Europe, plus the United States).

1. In the book sector, Central and Eastern European countries are making a deliberate break with the past. In contrast to the situation they knew before, their aim now is to give priority in their action to freedom, freedom of expression and freedom of initiative.
2. In view of their desire to achieve this crucial objective, these countries are now in a transitional phase, involving the co-existence of national traditions worthy of respect and necessary innovations that may sometimes produce unwanted effects. Accordingly, it is likely that the inevitable difficulties of this period will increase before finally disappearing.
3. In this field of cultural activity, one of the fundamental challenges for Central and Eastern European countries - and probably also for Western Europe and indeed the United States - lies in determining what responsibilities the State has in finding solutions to the problems encountered and what areas are primarily the responsibility of the private individuals and companies in the book chain.
4. In any event, the State - which should be taken to mean governments, local authorities and publicly-funded foundations - has one duty that only it can perform, namely to create a climate favourable to the development of the book sector, first and foremost by abstaining from any attempt to place it under control.
5. Although books are clearly "goods" subject to the rules of economics and, as such, are constituent parts of a market, an industry and a sector of commerce, there is more to them than that. As a specific product "standing out on their own", they require specific measures in terms of taxation (VAT rates), postal charges, bank rates; in short, they need legislative or regulatory mechanisms that differ from the situation in other sectors of the market economy.
6. The implementation of such policies requires individual countries to strike a balance when setting priorities. The ministers responsible for relations between the State and the book sector will have to convince their colleagues of arguments that may seem to contradict overall concerns of national economic recovery. In this connection, it might be useful to point out just what an important part books and literary creation play in shaping national identities.

7. The change in attitudes required during this period of transition cannot take place unless changes are first made to the legislative framework that used to restrict the freedoms of both the creative and business sectors. From this point of view, the intervention of the authorities in publishing, even when intended to help safeguard high-quality literature, is acceptable only if all the necessary guarantees of ideological neutrality are offered.

8. Professionals in the book sector bear a tremendous responsibility today, and the medium- and long-term success of any book-sector policy largely depends on their actions. It is they who are called on to act in complete freedom - without the need for prior authorisation or approval from the authorities - to revive a cultural industry whose role is to provide the entire population of a country with the whole, diverse range of books required to satisfy the great variety of tastes of individual readers.

9. They will succeed only by joining together to form dynamic groupings at national or international level, which are capable of demonstrating their effectiveness both in modernising their profession and in resisting any attempts by the State to move back to a policy of control.

10. They have a crucial role to play in improving the professional skills of all those in the book chain, this being an area where they may possibly liaise with the authorities.

11. The changes in the book industry will be all the smoother if all those involved, from authors to librarians and booksellers, succeed through their combined efforts in forming a pressure group capable of appealing not only to national governments and their representatives, but also to public opinion and, indeed, to the international community.

12. All of these tasks and responsibilities - which do not differ greatly between the various countries - could probably be tackled much more easily if the difficulties encountered, the methods chosen to overcome them, the plans developed and the solutions achieved were widely publicised and regularly discussed.

In keeping with other organisations, the Council of Europe is willing to promote such transparency and consultation while respecting the independence and specific identity of all the countries concerned.

Strasbourg, 29 April 1993

**THE BOOK SECTOR AND THE STATE :
RELATIONSHIPS IN CHANGE
Strasbourg, 26 - 29 April 1993**

Revised Schedule

Monday 26 April

- 1.30 p.m. Arrival of participants
- 2.00 p.m. Opening of the meeting and introduction of participants
Welcoming remarks, by Raymond Weber, Peter B. Kaufman and Jean Gattégno

The Book Sector and the State

- 3.00 p.m. 1. Introductory Address :
Why should the State support the book industry
by François Rouet, Council of Europe
2. Overview Report :
State Policies towards the Book Sector
by Marc-Olivier Baruch, Council of Europe
3. Discussion
- 4.30 p.m. Break
- 4.45 p.m. **Theme 1. Western support for the Book sector**
- the German case, Herr Vorpahl, Börsenverein des Buchhandels
 - the British case, Vivienne Menkès
 - the Swedish case, Göran Blomberg, ministry of Culture
- 6.30 p.m. End of session

Tuesday 27 April

- 9.00 a.m. Theme 1 (Continued)
- the American case, Randy McAusland, National Endowment for the Arts
 - the French case, Michel Ricard, ministry of Culture
 - General discussion

- 10.30 a.m. Break
- 10.45 a.m. **Theme 2. Government activity towards Books**
- 11 a.m./1 p.m. In Central and Eastern Europe
- 2.30 p.m./3.30 p.m. In the Baltic states
- 4 p.m./5 p.m. In the C.I.S.
- 5 p.m./6 p.m. General discussion

Wednesday 28 April

- 9 am - 10.30am **Government activity in Central and Eastern Europe (ctnd)**
Czech Republic, Bulgaria, Slovenia, Moldova, Russia
- 10.30 - 10.45 Break
- 10.45 - 12.30 General discussion
- 12.30 - 2 pm Lunch
- 2 pm - 3 pm **Specific issues**
1. Textbooks : Chandran NAIR, UNESCO
 - 3 pm - 4 pm 2. Publishing in the Social Sciences : Louis BODIN, France
 - 4 pm - 4.30 Break
 - 4.30 - 5.30 3. The role of publishers' and booksellers' associations : Istvan BART (Hungary), Mircea MARTIN (Romania), Martin CHOVANEC (Slovakia)

Thursday 29 April

- 9 a.m. General discussion
- The View ahead**
- 12 noon. End of workshop

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