

International Publishing Today

Problems and Prospects

Edited by

O P Ghai

Narendra Kumar

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A festschrift in honour of Manuel Salvat

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O P Gopal Narendran Kumar

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PREFACE

This volume is a festschrift in honour of Manuel Salvat, President of the International Publishers Association, who has made a pioneering contribution to the cause of international publishing.

The contributors to this volume, experts in their own fields, have discussed important issues which confront the publishing industry today.

General aspects of publishing, like the freedom to publish, the role of the book in human development and the role of the publisher, as well as specific problems relating to copyright, book piracy, consequences of severe economic recession on the book industry, credit squeeze and financial management, developments of new technologies, and the development of publishing manpower, among others, have been analysed. In spite of these numerous problems, publishers have continued to be innovative and have adapted successfully to changing situations.

This volume also discusses publishing in the developing countries, and emphasizes the necessity of cooperation between the publishers of the developed and the developing countries.

Finally, the role of the publisher in relation to the author, bookseller and librarian has been analysed.

We would like to take this opportunity to thank all the contributors to this volume for their cooperation.

New Delhi
March, 1984

O.P. GHAI
NARENDRA KUMAR

MANUEL SALVAT: AN INTRODUCTION

President of the International Publishers Association, Manuel Salvat comes from a family of publishers. His grandfather founded one of the first publishing houses in Spain — Espasa Hermanos Y Salvat — which became prominent in the last thirty years of the nineteenth century. Subsequently, the partners divided the company, and in 1923 the holding of the family was renamed Salvat Editores. Since then, the company has grown considerably and diversified its activities. Although it publishes a variety of books, it is particularly known for its medical books and encyclopaedias.

Salvat Editores has always cooperated with publishers associations, national and international. Manuel Salvat's father, Santiago Salvat was among those who, after World War II, helped in the reconstruction of the International Publishers Association, under Sir Stanley Unwin. In 1962, when the IPA held its congress at Barcelona, Santiago Salvat was elected president of the congress and appointed president of the IPA for the 1962-65 term.

After graduating from the Law School, Manuel Salvat underwent a period of training before joining the family concern on a permanent basis in 1948. He has worked in different fields of the business and has found them all equally rewarding and exciting, though he concedes that working on an encyclopaedical project was most satisfying.

Manuel Salvat's first contacts with the IPA were in association with his father. But then his involvement deepened and in 1965 the Spanish publishers chose him to represent them at the International Committee and later in 1974, he joined the Executive Committee. In 1979, he was elected President of the IPA for the 1980-84 term.

As president, he realizes the importance of maintaining a

policy of continuity in the traditions of this office. The policies of the predecessors are kept in view and their projects continued. A special task entrusted to him related to the Latin World, particularly Latin America, where the importance of publishing has greatly increased. He has been chosen to bring this area closer to the IPA. From his long experience in publishing and his involvement with the IPA, he has many insights to offer to the publishing community.

Copyright is a vexing issue in international publishing today, its problems taking on such alarming proportions that copyright safeguards become imperative. Book piracy has become a major hazard says Salvat, "...many authors and publishers have suffered severe damages within every nation affected the local creativity, the publishing industry, and the book selling organization have been destroyed".

Another factor that has confounded the copyright issue is the development of new technologies and new media like reprography. It is Salvat's conviction that the IPA can and must enable the groups affected in comprehending the new challenges.

Salvat believes that publishing has steadily been acquiring an international character, as has the IPA. Despite difficulties, there have been worthwhile and significant exchanges between nations. He puts the international activities of the IPA into two categories. First, the internal one, with the national associations members. The IPA has tried to develop this collaboration through diverse actions and by multiplying personal contacts. The external dimension is provided by IPA's permanent contact with the UN organizations which deal with problems that concern the publishing industry. IPA participates in these meetings with the purpose of defending the interest of the book publishers but also to try and create the climate, the attitudes and the professional and trade structures that lead to international cooperation.

Manuel Salvat is no stranger to the publishing industry in India. He was with us for the Fifth World Book Fair held in New Delhi in 1982. He had then inaugurated the Federation of Indian Publishers Building, and during his short stay in India had endeared himself to one and all with his humility, grace and charm.

Manuel Salvat stands like a colossus in the volatile world of international publishing. A living legend he has made pioneering contribution to the cause of publishing in the developing as well as the developed world.

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ROBERT E. BAENSCH

NEW CHALLENGES AND THUS NEW OPPORTUNITIES

The 21st International Publishers Association Congress was held in the sophisticated and harmonious environment of Stockholm, Sweden in 1980. In that same year, Peter Drucker's *Managing in Turbulent Times* was published as the most appropriate guide to survival in a rapidly changing world. The business community in general was alerted to adapt to the sudden and numerous changes. Peter Drucker also provided basic principles for realizing new opportunities if the individual business ventures could develop strength during chaos. Over the past four years, we have certainly experienced a broad range of turbulence in the form of double or even three digit inflation; double digit and higher currency revaluations; related high interest rates for capital; negative trade balances; and/or national currency exchange controls — all compounded by political conflict with anticipated peace keeping military occupation forces. These five factors in a variety of combinations have plagued industry in general and thus the publishing community specifically in most parts of the world. Peter Drucker's observations and recommendations continue to be valid as we look ahead. We cannot manage these negative megatrends within the world economy, but we can manage our publishing programme, export sales, translation rights and co-publishing activities more effectively.

In my comments on the international publishing community, I will cover three points. The first will be the conditions for survival during a slow economic recovery fraught with multinational turbulence; the second, a view which emphasizes

the role of book fairs to hold concurrent seminars which educate, train and provide a basis for a more professional publishing industry; and third, an assessment of the multinational and global publishers' role in the developing nations.

Economic Considerations

Since the International Publishers Association met for the 21st Congress in Stockholm in 1980, the impact of the four year recession on the individual member countries has been varied and destructive. Each country has experienced deterioration in per capita income growth, declining government revenues and grave balance-of-payments problems. Efforts to cope with these difficulties has, in most cases, led to major cutbacks in investment plans and in the slowdown of ongoing programmes. The cumulative effect has been the deterioration of future productivity and growth. We are not amidst a short term economic crisis even though there is discussion about a world recovery from the global recession in the second half of 1984 or early in 1985. However, few share this optimism as global economic and political issues continue to be sources for troublesome conflict.

For example, there is a credit squeeze that is choking the Third World. A collapse in short term export financing has dramatically slowed down international trade and thus threatens to undermine the developing nations economies. It is depriving these nations of vital materials and equipment from the United States and other industrial countries. Even as the International Monetary Fund and commercial banks arrange creative financial bailouts to head off major defaults on foreign loans, the shortage of trade credits is and will continue to cripple the productive capacity of the developing nations. The U.S. Commerce Secretary Malcolm Baldrige warned the international business community that "ultimately, these trade finance problems could undo the financial packages designed to deal with the debt problems and may dampen the global economic recovery." The overall problems of the Third World is compounded by a dramatic toughening of terms for trade credit insurance provided to U.S. exporters by the Foreign Credit Insurance Association (FCIA) a syndicate of 41 major insurance companies backed by the U.S.

Export Bank. Japan's Ministry of International Trade & Industry (MITI) requires irrevocable letters of credit that few customers on a critical list and yet growing list of countries can supply. Mr Hidemi Ohka, deputy chief of MITI international section, stated that "the credit crisis will spread from Latin America to other parts of the world such as Nigeria, Egypt and the Philippines." These issues are raised here not only because they effect the regular export and import of books or journals, but also the much larger monetary volume involved in the trade of paper as well as printing and binding equipment.

Another example of the problem is the role of interest rates in shaping our immediate and medium term economic survival which is crucial for any publisher in all parts of the world. The decline of interest rates would slow down the growth of existing vast debts and of course would facilitate a stronger economic recovery. American interest rates play an important role in the overall international interest rate structure. Therefore, the United States must manage more effectively the dollar currency as an international currency in close cooperation with Europe and Japan as part of the supporting world economy.

Developing nations have had to struggle with a hostile economic environment, an environment of severe recession, of stagnant markets, increased protectionism, of currency revaluations and high interest rates. Economic recovery has been slow, selective and least responsive in the developing nations.

It has been and continues to be a hostile economic environment for the publishing industry. We have to be very careful as we look ahead as publishers within the business communities of top, middle or low income countries. We must be cautious in our assumptions about the levels and durability of the slow recovery. Future sustained growth and controlled inflation cannot be taken for granted. The wide differences in production costs between industrial and developing countries offer major challenges to the global publishing community. A recovery in international trade in general and therein the book trade is slowly emerging. However, trade alone will not generate sufficient resources. The

developing nations have always needed and will again with recovery require a source of external capital. Therefore, if the momentum of recovery is to be maintained, there needs to be a meaningful flow of foreign capital, professional skills and co-publishing links to the developing nations. International private capital is essential to the development process in the form of direct investment, commercial lending and joint ventures. Otherwise the publishing process will perish as a free enterprise because government agencies will enter the void and supply the demand for textbooks and printed information. Foreign investments in publishing even as minority holding should be encouraged to complement and supplement local entrepreneurial resources.

Albert Bressand, Deputy Director of the Institut Francais des Relations Internationales – IFRI, observed that we confuse stagnant growth with “no change” scenarios, when in fact the level of interdependence between countries may never have increased faster and the underlying structure of power changed more deeply than in any recent period of history. Therefore, we are still attempting to overcome an international crisis through national economic policies. Albert Bressand stated that “the time has come to realize that the international economy can no longer be defined as, and limited to, the intersection of national economies.” It is now the national economies which must be looked upon as the extension of a global and integrated system or a world economy. The time has come to learn how to make productive use of the assets, experiences and skills within this new turbulent world economy. We can no longer afford to be the victims but manage with new financial skills the entire publishing process to stay in business for tomorrow, for the future.

Per A. Sjogren stated during the 21st Congress that the International Publishers Association is an association of experience and knowledge. It is a resource that “will grow and become respected, influential and useful because of its tremendous potential resources – in people.” The long working relationships with all member countries, both developed and developing, make the association a unique source to knowledge to be shared during this period of constrained

resources and turbulent economic times. The 22nd IPA Congress programme included papers on Latin America's economic problems and a more effective financial management by publishers within such an environment. By making such publishing information and management experiences available, it is possible to help stabilize and strengthen the global publishing and bookselling industry.

International Book Fairs

During the 20th International Publishers Association Congress held in Kyoto, Japan, a recommendation was made that education, training and professional seminars be held concurrently with the major international book fairs. Advantage could be taken of the fact that publishers' staff and related professionals of the book and library communities were already gathered from distant countries. One of the major efforts in implementing such a recommendation was the four day seminar on "Educational Publishing in Developing Countries" organized by the National Book Trust of India as part of the Third World Book Fair held in New Delhi from February 12 to 15, 1978. 83 eminent publishing professionals from 24 countries presented papers as well as chair practical workshops. The programme has turned out to be so responsive to a need in that part of the world that the Seminar is repeated each year as part of the New Delhi Book Fair.

Another example of a cooperative effort was the Nigerian International Book Fair in Ife hosting the Association of American Publishers, American Booksellers Association and the American Library Association for a "Bookweek Workshop" in March 1978. It was constructive beginning of a new period of consultation and cooperation despite numerous logistical problems during that early phase of the book fair in Nigeria.

The Frankfurt Book Fair has taken one of the best initiatives by developing themes such as "Focus on Black Africa" with special seminars and catalogues in fall of 1980. Then in 1982, the focal theme was "Religion" which drew 88 national exhibition groups including about half that number from Third World countries. The Frankfurt Book Fair's *Ausstellungen und Messe GmbH* also takes their "know-how"

out on the road around the globe to reach developing countries with special seminars. These workshops are primarily intended to present a number of possibilities of accomplishing efficient publishing by using medium level technology for small or medium sized publishing companies in such countries as Nicaragua, Nigeria, Kenya, Philippines and Zambia.

The importance of the Frankfurt Book Fair as a central annual event is reflected in the participation statistics. In 1960 there were more than 1800 publishers registered from 29 countries while another 18 countries were represented by collective exhibits. Ten years later, in 1970 there were more than 3,300 publishers registered from 653 countries and a further 42 collective exhibits. Then, in 1980, the Frankfurt Book Fair had grown to 5,302 publishers representing 93 countries with 285,000 books exhibited. The number of publishers participating in the 1983 Fair again grew to reach a new total of 5,890 houses which exhibited more than 298,000 titles. The important issue to recognize is the growing number of individual houses from an ever expanding number of countries are gathering each year to exhibit their books and participate in free world trade. Simultaneously, there is an increasing number of participants in the special Book Fair theme seminars as well as the concurrent meetings of the International Publishers Association and the STM or International Group of Scientific, Technical and Medical Publishers as well as other associations. The STM Group takes advantage of the global gathering to implement one of their numerous effective workshop seminars.

It is also important to note how the Frankfurt Book Fair continues to be the central international event while regional book fairs serve their own very important constituencies. The Liber-83 in Madrid served an important role by attempting to coordinate a meaningful first effort to address the complex Spanish language markets. May it be the Salon du Livre in Paris, Childrens Book Fair in Bologna or the Moscow Book Fair, the important factor is that the international publishers gather to not only show their new lists but also participate in concurrent seminars which address such key issues as copyright, co-production, distribution, training, financial

management, editorial development, and new electronic publishing. The dynamic exchange of information should also reconfirm each time and in each place the very essence of publishing; namely, the freedom to express ideas and do so in print by practicing the freedom to publish. Mr Manuel Salvat upon accepting the IPA Presidency in May 1980, outlined the Association's charter and thus the potential resources to be realized by the national member associations. Mr Salvat succinctly identified the role that IPA and individual publishers could play in helping us to understand each other and work towards establishing a more peaceful world in the future.

Multinational and Global Publishing

We need to recognize the differences in our international publishing community between multinational and global corporations because they are not the same thing. The multinational publisher operates with subsidiaries in a number of countries and publishes books in the local languages to respond to the different national and cultural differences. While the global corporation relates to readers with the same publication in the same language in and for major regions of the world. Only the scientific, technical and medical publishers really can effectively pursue an editorial and marketing strategy as if the world were one large global market. Professor Levitt stated in a Harvard Business Review article that "a powerful force drives the world towards a converging commonality, and that force is technology." Furthermore, the additional force in publishing is that the English language has been accepted as the common language especially for the scientific community. Therefore, it is primarily the STM group of publishers which can pursue the "global" strategy and thus realize the economies of scale in book or journal editorial development, in one language for production, marketing and distribution at low relative costs. We are not in the global transistor radio, camera or automobile industry. Most publishers need to relate to the fragile fabric of national education systems, unique cultural patterns and multitude of local languages. The largest number of publishers are still national or multinational houses which function at comparatively higher costs.

Often seen as a threat or unfair competition, the multinational or global companies actually can and do provide a number of services to their smaller national publishing houses. It is part of the dynamic unstructured North-South communications and indirect training that has evolved over the past five to ten years. For example, Germany's Bertelsmann Verlag established an entirely new distribution and thus trade book market in Brazil. The positive response was so dramatic that the new Book Club required vertical development in the graphic industry. There was an immediate expansion of book production facilities with associated training programmes which had never been seen before in Brazil. Oxford University Press has trained a multitude of staff members in each of its large global network of subsidiaries. It was a matter of preparing local staff in the process of publishing and marketing of English as a second language programme materials. It was MIR of Moscow that has been able to translate, edit, print and distribute unusually large quantities of English language metric science textbooks throughout Africa, Asia and Latin America. It was an interesting confrontation to the American publishers' international student edition paperback programmes which had not yet converted to metric SI units and local list prices were pressured upward by the strong dollar in 1982 through 1983. Another response to limited purchasing power is Penguin's revitalized paperback publishing, marketing and distribution efforts which have provided employment, training and thus working models for publishers in many regions around the globe.

The dual forces of multinational and global publishing houses have provided employment with related training; created new marketing procedures; forced upgrading if not development of book production facilities; and established new distribution channels with a framework of more effective financial management.

Conclusion

The business community has been pushing the world economy towards greater internationalization. It has been and continues to be a complex process that has accelerated