PATTERNS AND TRENDS IN EUROPEAN BOOK PRODUCTION AND CONSUMPTION: SOME INITIAL OBSERVATIONS

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Abstract

Book publishing is a dark spot in social and media studies. Throughout the twentieth century, statistics on book production, distribution and consumption were inadequate and generated randomly, without properly developed methodology. Even more, in comparison with library science and media studies, book and publishing studies are latecomers to the world of academia: they gain a domestic right there as late as in the last decade of the previous century. Due to this lack of research tradition and methodology, comparisons among different European and between European and American book industries that took place in recent research projects sponsored by the European Union open more questions than they provide answers. At the same time, academic interest in books has been predominantly limited to book and publishing history. The paper will analyse what generated such a state of affairs in recent book research. Further, it will analyse those points that, throughout the 1990s, generated interest in book market research and at the same time produced gaps in the methodology used. In its final pages, the paper will propose some new indicators that might be used in measuring and comparing different book industries.

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State of Affairs in Current Book Research

Let us start with the assumption that throughout Europe there exist important differences in the ways that books are produced, distributed and marketed. Attempts to analyse and compare such differences are rare and predominantly the result of initiatives taken by the European Commission in recent years. These attempts have shown that there is a lack of data on European book production and consumption. Even worse, as this paper will show, there is no established and common methodology that would enable European countries to measure their different book markets in a way that would allow comparisons.

Publishing Educators, Librarians and Book Historians

One of the reasons for such a state of affairs could be found in the status of book research and publishing education in the European and American academic traditions. That is, education and training of library professionals[1] is almost a hundred years older than publishing education: In the USA, beginning in the late 1880s, library education was conducted in either libraries or academic institutions. In the mid-1920s that education became established exclusively in academic institutions. In Europe and the USA, these educational units began to flourish after WW2. On the other hand, a quick glance through the web pages of publishing education departments[2] reveals that the majority of them were established as late as the 1980s and 1990s. In comparison, even book history which started to evolve at the end of the nineteenth century and gained its momentum in the second half of the twentieth century (see Darnton 1990) seems an established and independent academic discipline. Consequently, after World War 2, book research that won domestic and academic rights in European and American universities predominantly took place in library, information and history departments and was limited either to traditional library issues, such as cataloguing and information and data retrieval, or dealt with different aspects of book, library and publishing history. With a few exceptions, books as part of contemporary media culture, together with all issues concerning the methodology of publishing and book market research, remained out of the scope of such academic approaches and was left to the random efforts that took place in disciplines such as sociology, economics or literal theory. As a result, academics involved in library science and book history throughout Europe and the USA became part of, or formed their own, professional domestic and international organizations such as IFLA and SHARP, and held their congresses and academic conferences where crucial methodological questions were debated. On the other hand, throughout the 1990s, efforts to organize international associations of publishing educators such as IAPE remained more or less limited to the UK and USA and never dealt with issues concerning contemporary book research. In short, there were no academic conferences, no debates on contemporary book research methodology and no organizations of professionals involved in contemporary book industry research: Those few who conducted such research were left more or less to themselves.

Common European Book Market and National Histories

The second reason for the lack of research traditions in contemporary models of book production, distribution and consumption in Europe could be found in

the fact that there exist huge differences not only in publishing developments but also in the status that the book has in different European countries. It should be noted that the origins of the common European book market started to fade away a long time ago, throughout the 16th and 17th centuries, when "publishing ceased to be international enterprise" as the all-European market for books printed in Latin was saturated and the supply and demand curve for books printed in the vernacular started to rise (Anderson 2002, 18-19 and 38; Febvre and Martin 1976, 356)[3]. Cultural reasons for this language shift in early-modern book production and its long-term consequences remain beyond the scope of this article: they were meticulously analysed by distinguished book and cultural historians such as Henry-Jean Martine, Elisabeth Eisenstein, Benedict Anderson, Asa Briggs and Peter Burke, to mention only a few. Nevertheless, for the main purpose of this article – outlining the divergent contours of contemporary European book production and consumption – at least two of the consequences of this shift should be kept in mind.

First, throughout printing, vernacular languages became standardized, and as such started to evolve into national languages. There was no standard German at the time when Luther started his heresy, write Briggs and Burke,

> *partly because there was little popular printed literature, and one reason for there being little popular printed literature was there was no standard vernacular language. Somehow or other, Luther managed to break out of this vicious circle, writing not in his own Saxon dialect, but in a kind of lowest common denominator of dialects… In this way, the potential readership of Luther's writings was multiplied, making their printing a commercial proposition, while over the longer term Luther's translation of the Bible helped standardize written German* (Briggs and Burke 2002, 78).

As pointed out by Febvre and Martin (1976, 319-332), similar processes took place in many parts of the Europe of that time.

The Coming of Imagined Community. Secondly, as B. Anderson has shown, throughout the process of mechanical reproduction and distribution of identical copies of the same text, imagined communities of readers started to appear. By reading the same books in the same language, or even more importantly, by reading about the same events in the same newspapers, printed in the same language, readers started to imagine that they belonged to the same community that spoke the same language as they did and shared the same linguistic, political, cultural, social and historical experiences. As stressed by Burke and Briggs, newspapers "helped fashion national consciousness by making people aware of their fellow readers" (Burke and Briggs 2002, 1).

We can therefore assume that the formation of markets for printed artefacts in the vernacular represented an important element not only in the process of the standardization of languages, but also in the process of building different European national identities. In other words, people have produced, consumed, and traded information and ideas in book format for more than five hundred years, and these practices became deeply embedded not only in different national histories, but also in different cultural patterns that form the different identities of modern European nations. Therefore, in Europe, models of book production and consumption differ due to historical reasons and are as such closely related to the

specific role that print and the book played in the standardization of the national languages and formation of national identities. This is perhaps one of the reasons why up till recently, the book publishing industry very rarely crossed national and language boundaries: as late as in 1983, B. Anderson wrote that there were almost no publishing multinationals (Anderson 2002, 43)[4].

Nevertheless, one of the outcomes of these divergent historical processes remained the same all over Europe: for the last five hundred years, in Western civilization, the world without printed media and printed information has become something unimaginable. Due to this fact, in the minds of contemporary Europeans, perception of printed books differs from perception of electronic media such as television, VCR and PC. In other words, memories of the historic rupture that was created in the manuscript culture by the invention of printing in the processes of storage, production and retrieval of information more than five hundred years ago faded away from the experiences and memories of contemporary Europeans, while on the other hand, almost all of us can remember life without Internet and some of us can even remember a TV-free society. We can therefore assume that, much more that surfing the net or watching TV, the reasons why people read books, together with the ways in which books are produced, marketed and consumed, are considered as self-evident facts, in the same way as we consider as self-evident the fact that, at least in most parts of contemporary Europe, men don't wear skirts and we use knives and forks when we eat.

Books as an Economic Entity

In short, throughout its half-millennial existence, and throughout processes that differ from one imagined community to another, the printed book became part of man's second nature – and throughout the media revolutions that took place in the twentieth century, the role of the book in society became additionally shadowed by the glamour and profitability of other media. The way we read and use books makes them unattractive for advertising[5]. On the other hand, contemporary Europeans spend much less time reading books than watching TV (See Competitiveness 2003, 112-114; Publishing Market Watch 2004, 74-75). Therefore, the potential of the book as a medium for advertising industry, the direct political impact of the book publishers, their economic strength and the role of book industry in national economies are relatively small, not only in comparison with other industries, but also inside contemporary content industries. As a result, political and economic interest in the book publishing industry's statistics and its technological and organizational innovations was traditionally weak. In Europe, national statistics bureaus did not keep data on book industries in the same way as they did, for example, on steel or textile industries, or other media industries. Some of them did not keep any statistics on book publishing at all, and those who did quite often collected the data randomly, by mixing publishing and printing and using other non-compatible methodological approaches. Consequently, statistical comparisons among different European book industries remain a risky adventure. Even when data are available they are rarely directly comparable because of significant national differences in how data are recorded and what is included (Competitiveness 2000, 68).

To make the long story short, statistics on books and research on contemporary book publishing industries and book markets remained out of the academic scope

due to three reasons: first, book research was predominantly interesting for historians; second, publishing educators are late-comers in the world of academia and as such up until now failed to establish book research as an intrinsic part of their vocation; and third, books as a medium were not considered important enough politically and economically.

The Book as an Amphibian Creature. Also, regardless the fact that the books were produced on the market basis from the very beginning of printing, they were not really considered as an object that entirely belongs to economic sphere. As pointed out by authors of the study Competitiveness of European publishing industries, the "lack of clearly segregated data on the publishing and printing industries may indicate that – when data categories were created – the industries were … regarded more as cultural rather than economic entities" (Competitiveness 2000, 67).This observation points us to another important element of the nature of books: it indicates that books were traditionally considered as objects that were produced and distributed on a market basis and as such were part of economic life. On the other hand, a significant proportion of a book's content was considered to be something that was consumed in a cultural, educational or scientific sphere. We can therefore assume that, at least in the European context, books were a kind of amphibian creature in the way that their very existence was dispersed between two different spheres. Their physical production and their distribution to the end user took place on a market basis; on the other hand, their content was predominantly consumed in a sector that was at least in the continental Europe traditionally considered as public and non-profit making.

Even more, in the majority of European states, wide public access to the knowledge and information in book format was considered too important for the well being of society to be entirely left to the invisible hands of market forces. In Western Europe this belief grew out of the educational philosophy that evolved throughout the 1950s and 1960s, which considered a highly educated workforce dedicated to life-long education to be one of the important competitive advantages of a nation. As a result, equal access to education and knowledge become an important element of educational policies and government strategies in many Western European countries (Education, 4-9). It is worth mentioning that such policies got additional impetus by the search for a proper response to the challenges posed by cold war and technological development of Soviet Union:

> *In fact, the growth and upgrading of education on all levels that followed the 1957 shock of Sputnik had profound effects on the entire book industry. Publishers benefited from the massive infusion of federal funds that characterized the late fifties and sixties. School classrooms, library resource centres and college and public libraries became the beneficiaries of programs that enabled them to enlarge their holdings of books and of audiovisual and related materials which had rarely before been supported by such funding and certainly never on such a scale* (Dessauer 1993, 23).

In other words, books were seen as one of the main carriers of knowledge, and, due to various economical and political reasons, easy and cheap access to knowledge in book format became considered one of the infrastructural preconditions for the economic and political success of Western societies. Therefore, some old mechanisms were reinforced and some new ones were invented that lessened the

impact of the market on book production and made books accessible to a wide public on a non-profit basis. The growth of investment in state-sponsored public and school libraries, lower VAT rates and fixed book prices are the most noticeable results of such book politics.

Towards Methodology of Book Research: Communication Circuit of the Book. This "amphibian" existence of books brings us to another methodological problem related to book research. Namely, any analytical approach that sees books only as market objects remains blind to the fact that a significant proportion of book content is being consumed through library systems, in a sphere that is in majority of contemporary European societies not operating on a profit basis and is therefore considered out of the reach of traditional market forces. On the other hand, if we concentrate only on the non-profit making side of books, we might lose sight of the market forces that drive the processes that connect a book's content with its physical carrier and distribute it to its end users. Therefore, when analysing the role of the book in contemporary societies, a holistic approach is needed in order to analyse all aspects of the existence of the book.

In the search for such a model we will turn to book history, to the model of the communication circuit of a book as developed in Robert Darnton's essay "What is the History of Books?"

In this essay, Darnton emphasizes that the communication circuit of the book "runs from the author to the publisher (if the bookseller does not assume the role), the printer, the shipper, the bookseller and the reader" (Darnton 1990, 111). All these activities take place in social, cultural and political contexts that change through time and place. The main reason he developed this model, Darnton explains, is that the history of the book "has become so crowded with ancillary disciplines" such as the history of libraries, of publishing, of paper, type and reading that "one can no longer see its general contours". As a result, "some holistic view of the book as a means of communication" was needed in order to avoid the fragmentation of book history into "esoteric specializations cut off from each other by arcane techniques and mutual misunderstandings" (Darnton 1990, 110-111).

The main advantage of Darnton's model, therefore, is that in general it could be applied to all periods of the history of the printed book in Western societies, regardless of the fact that throughout the 19th and 20th centuries technological improvements changed the nature of some of the circuit's elements (in the way that, for example, book binding ceased to exist as an independent element of the communication circuit, closely related to booksellers and readers, and became part of the printing process). In short, the communication circuit of the book as such remained more or less the same from the end of the age of incunabula until the beginning of the 21st century. The main advantage of this model therefore is that it enables us to understand different phases in a life-chain of books as they evolved throughout different times and places, and at the same time connects them into a unique communication process.

Research on EU Book Industries and Communication Circuit of the Book

What we propose is to extend the use of this model from book history to contemporary book research. In other words, our proposal is that, in order to under-

stand European book production and consumption, we should concentrate on data related to all elements of the communication circuit of the book (i.e., on relations between authors and publishers, on the economic performance of publishing industries, on book production statistics, divergence of sales channels, number of library loans and reading habits of the population, etc.). Moreover, we should keep in mind that these activities form a unique process that takes place in specific cultural, political and social circumstances. This process is, as was shown at the beginning, embedded in different national histories and is as such subject to the different cultural, social and political characteristics of European societies.

Measures and Indicators of Competitiveness

We will try to verify such a standpoint by analysing misgivings, achievements and weaknesses of two studies on the competitiveness of European publishing industries, commissioned by the European Commission and elaborated in 2000 and 2003, the former by the business school in Turku, Finland, and the latter by Pira International, London. Both studies deal with the whole set of publishing industries (books, newspapers, journals, magazines, directories)[6] and measure their competitiveness with industry-specific indicators that were identified by the authors of the first study and updated by the authors of the second.

In August 2004, these two studies were followed by the third one, prepared by Turku School of Economics and Business Administration and Rightscom Ltd from London. This study deals only with book publishing and avoids any rankings based on measurements used in first two studies – most likely silently indicating awareness of the weaknesses of the indicators used in first two studies.

Namely, the measurements used in first two studies were based on titles, circulation, advertising and sales revenues, turnover and trade balance in a way that "the information on titles per million population measures the diversity of a content produced in a country, while the remaining indicators of advertising, sales revenues relative to GDP and turnover growth measure revenue performance" (The EU Publishing Industry 2003, 11). Due to the above mentioned problems with data collection, "as the data are typically incomplete to the point that they cannot be used to view the European situation by normal and traditional industrial analysis methods", the authors of both studies decided to measure the competitiveness by a method that provides broad relative rankings to reveal three competitive groups (above-average, average, below average in the Turku study and high, medium and low in the Pira study) in each publishing industry rather than revealing a precise numerical ranking (Competitiveness 2000, 68-73; The EU Publishing Industry 2003, 11-12).

What we will try to show is that, even when expressed in such a cautious way, these rankings remain misleading, as the indicators failed to register important industry-specific characteristics of European book publishing. Even more, they completely failed the register the economic and cultural role of libraries in communication circuit of the book.

The most controversial among the results of such rankings seems to be the fact that neither printed titles nor revenue performance as an indicator of competitiveness says much about the structure and quality of publishers' earnings. Undoubtedly, in publishing industry A, for example, a correlation between high title pro-

duction and performance might exist, in a way that the more book titles produced, the higher the sales, and therefore the better the revenue performance. But in publishing industry B, as also noted but not fully acknowledged by the authors of the Pira study, growth in published titles could mean the opposite – that there exist "higher levels of unsold titles and falling revenues per title" (Competitiveness 2003, 11).

The Slovene Book Industry as a Measure of the Weaknesses of Book Industry Indicators. Weaknesses of the indicators become even more clearly apparent if we apply them to the Slovene book publishing industry. In the years 1995-97, according to the Turku indicators, the Slovene book industry performed as one of the most competitive in Europe. It ranked above average in the number of published titles per million inhabitants (1,711), and in turnover as a percentage of GDP (0,43%) its growth was average (0.01%), and its trade balance index below average (-230) (Kovač 2001). Consequently, according to the first three indicators, the Slovene publishing industry could be ranked among the top European book publishing industries. Regardless the fact that throughout nineties, Slovenia performed as one of the most successful transition countries, anyone working in Slovene book industry would have known that such a ranking would be unrealistic. At least on two levels, the Slovene publishing industry faced serious problems that were not noted by the indicators invented by the authors of the Turku study. Due to traditionally small print runs, and high per unit production costs[7] as a result of small print runs, the profits of Slovene publishers were low and the prices of the books relatively high. In other words, the Slovene book industry operated in a demographic and technological environment that made a paperback revolution impossible: as a result, in Slovenia, the book never became the mass-market consumer good that it did in larger language communities in Western Europe. Even worse, the chances that such a state of affairs will ever improve are slim: there are only two million Slovene native speakers with very little will to enlarge the market for Slovene books with a higher birth rate, as the number of births in Slovenia decreased from 29,902 in 1980 to 17,477 in 2000 (*Statistical Yearbook 2002*, 91). Additionally, the attempts of Slovene publishers to enlarge their markets by publishing books in different Yugoslav languages that started to appear in the 1970s and 1980s were drastically slowed down due to disintegration of Yugoslavia and Balkan wars. On the other hand, as we will show below, demand for books in Slovenia increased in 1990s, most likely due to significant growth of population involved in tertiary education. However, publishers failed to benefit from this increased demand for books as majority of book users were library-oriented.

Therefore, due to the fact that Slovene book publishers operate in a small market, they are doomed to small margins as a result of small print–runs, and their chances of improving the profitability of their businesses and expanding their markets are poor, as the origins of a significant part of their problems are out of their direct control. Undoubtedly, such circumstances cannot be considered as highly competitive.

Even worse, in Slovenia, less than 35% of book sales were created through retail outlets. The reasons for such a state of affairs were partially related to the mismanagement of three main bookshop chains and the late advent of shopping malls as new retail outlets for books in Slovenia. Additionally, around 60% of Slovenians

live and work in towns and villages with fewer than 5,000 inhabitants: As such, these places are considered to small to be economically feasible to open a bookshop there. On the other hand, in the European Union, the country with the lowest percentage of book sales through retail outlets is Luxembourg (45%), followed by Finland (50%), Portugal (57%) and Sweden (58%); at the top of the list are Denmark (80%), the United Kingdom (78%) and Germany (74%)(Competitiveness 2000, 54).

In other words, Slovene publishers sold significantly fewer books through retail outlets than did their colleagues in EU member states and in order to survive they had to develop a wide network of non-retail sales channels. Catalogue sales, direct mail and door-to door-sales had already started to flourish in the 1960s, and the book club, Bertelsmann's franchisee, was established in the 1970s. In the 1990s, telemarketing, TV and Internet sales became an important part of the everyday agenda of Slovene publishers (Žnideršič 2003). The most innovative among them started to connect these channels into sophisticated follow-up systems: Potential customers first got the offer to buy new books by terrestrial mail, if this didn't work a phone call followed, and in case of the failure of the phone sales, door-to-door sales rep as the final weapon in the battle for customers knocked on the customer's door. If all this failed, the books were put on sale on a discounted rate at the book club.

Throughout the 1990s, this bundle of non-retail sales channels proved effective in generating bigger sales and turnover. However, its operational costs were significant: in comparison with those publishing industries that sell books predominantly through one sales channel, additional information technology and sales staff were needed in every single publishing house in order to create, exercise and coordinate this mix of divergent sales activities and at the same time keep records on book buyers' habits. In other words, we can assume that, due to the fact that Slovene books are being distributed through the divergent mix of sales channels that are controlled and owned by each single publisher, overhead in the Slovene book publishing industry are higher than in book industries with a lower number of sales channels and with a developed web of independent book distributors that serve the entire publishing community.

Revenue Performance and Retail Sales. At this point, it is worth noting two important features of the European book industries that ranked highest in revenue performance due to Pira study. First, four of them (Germany, Netherlands, UK, and Italy) achieve the majority (around 70%) of their sales through one sales channel, i.e., through retail outlets, followed by Spain with 58% (Competitiveness 2003, 12, and Competitiveness 2000, 54). Secondly, all five operate in big markets by European standards and are, as such, not doomed to the small print runs of their Slovene colleagues. In other words, there seems to be a link between revenue performance, strength of retail sales and the size of the market.

On the other hand, it would be wrong to assume that all European publishers operating in relatively small language communities have problems with retail sales similar to that of their Slovene colleagues. Denmark and Finland (each with around 5 million inhabitants), for example, both have small markets, but differ greatly in the percentage of retail outlet sales (as noted above, Finland 50% and Denmark 80%). Not surprisingly, the labour productivity of the Finnish book industry is lower than that of the Danish (Competitiveness 2003, 56). Therefore, reasons for differ-

ences in the structure of sales channels should not be examined only in terms of the size of the market, but also in the different historical and cultural contexts in which the distinctive book industries operate: bookshop and retail sales in Finland, for example, started to decrease after 1971, when publishers abolished fixed prices introduced in 1908 (Stockman et al. 2002, 24).

We can therefore conclude that revenue performance, as measured by the Turku indicators, does not say much about the operating costs and margins of a given book publishing industry and should be treated with caution. Similarly, the number of published titles is a solid indicator of the diversity of a publishing industry. However, as indicated above, it does not say much about the per unit profitability of the published titles and might even blur the fact that the margins are low or non-existent.

Again, the Slovene book industry provides a good example of this very fact. Confronted with the problem of high overhead, Slovene publishers tried to increase their sales by enlarging their production; this process was reinforced by the fact that end of 1980s, the markets were liberalized, and due to desktop publishing and digitization of print technology, the physical production of the book became cheaper and easier than ever before. As a result, the number of published titles doubled from 2000 in 1990 to 4000 in 2000. However, the market did not expand correspondingly, as the number of printed copies (estimated to 6 million)[8] remained the same. We can therefore assume that throughout the 1990s the print runs of Slovene books decreased by 50% and that higher per unit production and sales costs as a consequence of small print-runs additionally lowered the profits of Slovene publishers. In order to survive, they had to reinvest a greater and greater amount of their earnings and profits into the development of new sales and distribution channels and into printing a growing number of titles with lowered print runs. Even worse, after 1997, the Slovene book industry faced a drop in sales and its growth rate became negative (-1,8%)(Analiza, 2002); correspondingly, there was also a serious drop in publishing turnover as percentage of GDP(Publishing Market Watch, 28). All in all, in 2000, if applied, the Turku indicators would show that the Slovene publishing industry had lost most of its above-average competitiveness.

Revenue Performance and Library Loans. As already mentioned, it would be wrong to assume that the drop in overall sales and per-title print runs was a consequence of a diminishing interest in books in Slovenia. Even more, when looking at the entire communication circuit of the book, it becomes apparent that throughout the 1990s, the demand for books in Slovenia was growing, but Slovene publishers failed to benefit from it. Library statistics show that in 1990-2000 the number of patrons in Slovene public libraries grew by more than 100%, and the number of library loans per capita grew by almost 150%: in 1991, there were 314,000 public library patrons in 1991, and 423,000 in 2000. The number of loans grew from 7,931,000 in 1991 to an amazing 19,351,000 in 2000 (Statistical *Yearbook 2002*, 169-170). This expansion of library lending makes a very clear and obvious contradiction with the drop in per-title sales. Up till now, no research has been conducted that would answer the question why this significant change in the Slovene model of book consumption took place. However, it is more or less clear why demand for books started to grow: the census data of 2002 indicate the number of tertiary-educated

people in the Slovene population grew by two-thirds. According to four research studies of reading habits in Slovenia conducted in 1976, 1981, 1986 and 1996, only persons with secondary and tertiary education were book consumers; people with only primary education were more or less lost for the book publishing industry. Similar trends concerning relation between reading and education can be observed in old EU member states too: in Sweden, UK and Denmark for example, more than 80% of population between 25-64 has completed secondary education and less than one third of population over 15 answers with no when asked have they read any books in last twelve months; on the other hand, in Portugal, only 21% of the population has secondary education and 67% of population over 15 has not read any books in last twelve months (Publishing Market Watch, 58 and 75).

In short, we can assume that in Slovenia, the demographics of education represent one of the most important changes that took place in the political and social context of the communication circuit of the book; throughout this process, the nature of reading, book buying and book lending has changed too.

The economic relation between library lending and book sales, however, becomes even more controversial if we look at it from a broader European perspective. As stated above, due to their revenue performance, the PIRA study has divided European book industries into high competitive (Germany, Italy, Netherlands, Spain and the UK), medium competitive (Belgium, Denmark, Finland, France, Portugal and Sweden) and low competitive (Ireland). (Competitiveness 2003, 12). Similarly, European countries can be divided into three groups according to the per capita library loans: in 1997, there was a strong group of states with around five library loans annually per capita (Sweden, Belgium, Iceland, France and Norway), a significant group of countries with less than one library loan annually per capita (Italy, Ireland, Germany and Spain), and a group with more than five library loans annually per capita (Finland and Denmark being the leaders of this group with a formidable 20 and 15 per capita library loans annually) (Stockmann et al 2002, 31). If we cross these data, it becomes clear that three out of five book industries with highly competitive revenue performance are located in countries with a low number of library loans. On the other hand, the majority of countries with high (Denmark, Finland) and medium (Sweden, France, Belgium) and one (Portugal) with a low number of annual per capita library loans are medium competitive in terms of revenue performance.

To our knowledge, in neither Europe nor the USA has any sociological or economic research been conducted on the relation between library loans and book sales in different countries. Therefore, this remains another dark issue in the broad field of under-developed book research. Regardless of the fact that the numbers and comparisons cited above are not exact enough to enable us to draw any clear-cut conclusions[9], a trend is apparent which disconnects high publishing revenue performance with a high number of per capita library loans, and shows that the majority of countries with a high or medium number of library loans have medium revenue performance (the Slovene book industry being an extreme among them, as it has low revenue performance and a high number of per capita library loans).

We may therefore conclude that, as seen in the case of the USA after the launch of Sputnik, libraries with a stable purchasing situation are an important source of publishers' incomes and significant generators of reading culture; this positive ef-

fect of libraries on publishing industries is even more apparent in countries that established public lending right. However, as demonstrated with the comparisons made above, excellent library service and high publishing revenues doesn't walk hand in hand, and, as shown in the Slovene case, the book market "dominated" by libraries might even become a clear sign of publishers' lost opportunities.

At this point it is worth noting one more feature of the library market, namely that the top ten European countries with the highest number of per capita library loans, Finland, Denmark, Estonia, Sweden, Iceland, Latvia, Belgium, Luxembourg and Latvia have 10 million or less inhabitants. We can therefore assume that in small European language communities, book consumption is more library-oriented than in bigger countries such as France, or Germany, undoubtedly a result of long-term state cultural policy. However, it is again striking that besides the size of the market, there are no other similarities among publishing models in these small countries. At the top of the list of countries with the highest number of per capita library loans, for example, is Finland, a country in which, as we have seen, only 50% of books are sold through retail outlets, closely followed by Denmark, which is number one in Europe in terms of retail outlet book sales.

EU Book Research: Towards New Indicators and Measurements

What can we therefore learn from such extensive comparisons? First and foremost, the Slovene situation makes a clear point that we should be very cautious when making links among the number of printed titles, revenue performance and the competitiveness of a given book publishing industry. Behind the glamorous statistics that form these two indicators might be hidden much less glamorous data on high overhead and per unit production costs that make the given publishing industry much less competitive than it appears. Therefore, additional indicators are needed that would connect the size of the market with average per title incomes.

Second, a bigger demand for books in a given society could be met through channels other than book sales. Even more, the case might be that a greater demand for books does not bring much financial benefit to the book publishing industry at all, as the link between the growth of library networks and the performance of the book publishing industry seems to be contradictory in that a too successful library network might mean less financial success for the publishing industry. Therefore, knowing the ways in which library networks operate is of enormous importance when analysing the nature of a given book industry and the role of a book in a given society.

And finally, as we have shown throughout this entire paper, it seems that in book publishing, the ways in which book industries operate in different European countries, seem to be highly influenced by their respective historical, social and cultural contexts. In other words, in order to understand the differences among communication circuits of the book in different European countries, their operating contexts are of enormous importance.

Measuring Sales and Production Costs. At least in theory, the first two conclusions pose easier problems to solve, as it seems to be easier to create indicators that would connect the size of the market with publishers' incomes[10] than an indicator that would measure the social and historical context of a given book industry. How-

ever, in real life, due to the lack of available data, the creation of any new economic indicators of the competitiveness of book industries seems impossible at the moment. But it is not a mission impossible. As it is impossible to run a publishing business without knowing the retail prices and sales and production costs, all these data are being recorded in publishing houses: what is missing is the will to make them statistically available and to harmonize the methodology of their collection throughout the European Union. Due to the fact that the indicators used in recent analyses have ranked as highly competitive a book industry that was on the brink of profitability, it is our firm belief that without such steps towards harmonization of book data collection, research on the competitiveness of European book publishing industries does not make much sense.

Measuring the Context. However, as shown above, the real meaning of these statistical differences can be understood only with a proper historical and cultural background. Divergence of book sales channels, differences in relations among library loans and book sales throughout Europe, the language-orientation of European book industries, the number of per capita library loans, the number of published titles per million inhabitants, interaction between the book and other media – all these highly divergent social and cultural phenomena grew out of differences in specific national book histories and took place predominantly in developed information societies. Therefore, in order to fully understand the communication circuits of the book in different European societies, a whole set of ancillary disciplines is needed to analyse not only the behaviour of its intertwined elements, but also their social, cultural and historical context; as we have seen, educational structure of population might have significant impact on the extent of book consumption. In other words, contemporary book research without book history and without a broader perspective, created through interaction with media, social and cultural studies, makes no sense.

It is therefore more or less self-evident that educational structure and educational apparatus, cultural traditions and role of the book in national mythologies, GDP per capita, spread of other printed and digital media, and spread of telecommunications, represent important elements that influence and interact with reading practices and models of book consumption. However, an attempt to link all these elements into new indicators that would enable us to measure the context of publishing industries, remains the task much to complex to be performed here and now and requires new research.

Let me therefore conclude with the assumption that due to the fact that printed books remain one of the main carriers of knowledge, such research might not only deepen our insight into contemporary information societies, but might also create an important contribution to understanding the economy of knowledge, i.e., the ways in which knowledge and ideas are exchanged, produced and traded throughout Europe.

Understanding why, up until now, book research did not gain rights in academia throughout Europe in the twentieth century and comprehending the basic features of the book as media, as pointed out in this paper, is therefore just the first step towards establishing book studies. Developing contemporary book research as a new and interdisciplinary academic discipline and creating its research databases remains a task undone.

Notes:

1. For more on library education see *International Encyclopaedia of Information and Library Science*, 264-266.

2. For information on British Publishing departments, see http://www.publishingstudies.routledge.com/publishingstudies/default.html. For information on German publishing education departments, see http://www.phil.uni-erlangen.de/~p1bbk/Menu/Menu.htm. On differences between British and German approach to book and publishing studies see also Rose 2003.

3. However, as pointed out by Febvre and Martin, it would be wrong "to conclude that in reality the market of books was without any internal barriers, that the work of publishers was adequately protected by the law and that the books could circulate freely. There were no international agreements relating to publishing; there was never anything but imperfect protection against pirated editions; legislation was never anything but local and incomplete; government officials were always both meddlesome and powerless to prevent infringement of the law; and censorship was always exercised by innumerable and often contradictory authorities (Febvre and Martin 1976, 239).

4. All this started to change by the end of the 20th century, when publishing industries of today started to be led by large international companies. This internationalisation of book publishing is most likely one of the most important factors that created the need for measuring competitiveness of different national publishing industries. The cultural and social aspects of this shift in book production, however, remain to be seen.

5. An illuminating account on different – predominantly unsuccessful – attempts of British publishers to use books for advertising throughout history was written by Simon Eliot (Eliot 2003).

6. Such an approach to publishing industries is quite new, as statistics usually connected printing and book publishing and not publishing industries as such. This point of view suggests that content is becoming more important than the medium in which the content is published, in a way that the generation of publishing content that can be, with the help of digital technologies, transplanted into different media became the core business of publishing industries. From this point of view, it is not surprising that the Pira study introduced important terminological innovation, as it preferred to speak about content industries rather than publishing industries.

7. In the mid-1990s, when the Turku study took place, there was no print-on-demand (PoD) technology available, and one of the characteristics of classical offset printing is that it has high fixed costs: therefore, the smaller the print-runs, the higher the manufacturing costs per unit. At least in printing illustrated four colour books, Slovene publishers quite successfully got out of this vicious circle by printing in co-editions. Due to the relative openness of the economy in the former Yugoslavia, Slovene publishers already started to experiment with this technique in the mid-1960s. This process had its ups and downs, connected with political turmoil, high inflation and lack of hard currency; nonetheless, co-edition printing became part of everyday life of Slovene publishers by the end of the 1980s and beginning of the 1990s, when Slovenia stabilized economically and politically. It is quite likely, that in near future, PoD will significantly reduce this type of problem. Up till then, however, we can draw the conclusion that due to various demographic, cultural and technological reasons not covered by the indicators of the Turku study, that the Slovene publishing industry remains doomed to relatively small incomes due to small print-runs. As a result, the 1990s, Slovene publishers self-perceived their market position as of one with almost no opportunities to change, expand and maximise their profits.

8. Research on the performance of the Slovene book market was conducted in 2002 by the Centre for International Competitiveness. See Analiza, 2002. It is worth to mention that similar processes took place in Hungary too, where average print-runs per title sharply and steadily declined from 14,300 in 1989 to 4,458 in 2002 (Publishing Market Watch, 51).

9. In order to create an indicator that would enable us to see more clearly relationships between the number of per capita library loans and the revenue performance of the publishing industry, we would need to know the percentage of library acquisitions in yearly turnovers of publishing

industry, and the relationship of per capita book sales and per capita library loans: on that basis, through comparisons among different European countries, an indicator might be created that would enable us to estimate the relationship between publishing incomes and number of library loans. Unfortunately, such data are not available in the majority of EU countries.

10. In theory, such indicator might be calculated on a similar way as good old publisher's multiplier, on a basis of overall production cost and overall turnover of book publishing market, enriched with sales costs & number of sales channels and factored with the size of the market (Traditionally, publishers calculated their retail prices in a way that they multiplied their production cost / printing & author's fee / with a multiplier. Usually, this multiplier was between 3 and 5 depending on book genre.). Regardless of the fact that the relationship between the retail prices and production & sales costs are different in different book genres, it is legitimate to assume that book industry A, for example, with high turnover and with a structure of book sales in which dominate do-it-yourself books with a high multiplier and retail price that are sold through only one sales channel, will create greater income than book industry B that operates in the same sized market, but operates through two or three different sales channels and has a book sales structure in which fiction books dominate, that have a lower multiplier and retail price than do-it-yourself books. Therefore, publishing industry A will have a higher average multiplier than publishing industry B. On the other hand, if in publishing industries C and D with respectively big and small book markets there exists the same relationship between average per unit retail price and average per unit sales & production costs, the industry with the bigger market will have greater earnings, as its overall sales will be larger; therefore, when calculating it, the multiplier must be factored by the size of the market. As a result, publishing industry C will have a higher average multiplier than industry D. In both examples, such indicator would show that book industries A and C are more competitive than industries B and D.

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