THE IMPACT OF TRADE AND TECHNOLOGY ON THE CARIBBEAN PUBLISHING INDUSTRY

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THE GLOBAL CONTEXT

In the last fifteen years, four major trends have emerged that directly impact the publishing industry and they are:

1. TECHNOLOGY
2. GLOBALIZATION
3. CONSOLIDATION
4. READING vs MULTIMEDIA

Technology

We are suddenly in the digital age and it has been a global development. It took about 3,000 years to move from papyrus to parchment, then another 1,500 years to make the transition of the written word to print on paper. But it has only been thirty years during which we developed the next technology of the computer and the PC, laptop wired and wireless. With the PC technology came the gathering, coding, editing, and storage of digital information to be delivered online to a screen, storage and printer via the internet.

In short, we are in the midst of the fluid stage of development and maturing of this new digital technology.

Globalization & Consolidation

The international publishing and information business is a cross cultural business that has been driven not only by the internet but also by the dramatic consolidation of the industry through acquisitions and mergers. As recently as 15 years ago only six major conglomerate corporations reached out beyond their national borders; today in the US, 26 conglomerates represent over 54% of total annual book publishing revenues. Also, the book distributors, bookstores and printing companies have consolidated and merged within their business sectors into even smaller numbers of conglomerates with increasing revenues and resources.

Reading vs Multimedia

Globally there is a dramatic shift taking place in that we are all publishing more titles by few large conglomerates but for a smaller number of book readers. In the US the industry has a track record over the past three years of only 1.1% growth in units in 2002, 0.21 % in 2003 and 1.3% growth for the first half of 2004. In other words, the industry is not growing in mature and media saturated markets. There is only the 24-hour day and a multitude of other media including cable/satellite TV, radio, internet and e-mail are taking time away from reading books.
This is the somewhat sobering context in which we need to examine the prospects for Caribbean books in both the regional and global markets. If the large transnational corporations are having so much difficulty in their large mature markets, what are the prospects for Caribbean publishing which is only one generation old competing with the large corporations in those markets?

While the North American and European markets are obviously the largest target markets for books generally and Caribbean books in particular, this should not distract the attention of regional publishers from looking at other markets globally because there is growth in other areas of the globe. The continuing globalization of the book market and the unstoppable progress of English as a world language means that addressing the international market is becoming more important than ever. Currently, the English-language book market outside the US and Britain is estimated around $6.5 billion dollars and growing along with the advance of English as a world language. There are currently an estimated 400 million ‘native’ speakers of English worldwide and the number of people learning English is increasing steadily. At the same time, cheaper air fares and telephone calls and the benefits of the internet and e-mail combine to make reaching markets at the farthest ends of the globe easier than ever before. But even within those mature traditional markets, we have new generations of Caribbean born, educated, nationalistic people who in their search for identity are eager to learn more about the culture of their parents and grandparents and are creating the demand not only for books in mainstream bookstores and online outlets like Amazon but placing pressure on Colleges and Universities to develop Caribbean courses in those institutions. But it is not just the so-called ethnic markets that are important for Caribbean published books; there is superficial evidence to suggest that the demand for Caribbean cultural products, whether it be music or books is as great among non-Caribbean people in North America as it is among our own people.

EXPLOITING THE GLOBAL MARKET

So what do Caribbean publishers need to be able to do to exploit these mature as well as new markets? A major limitation for the Caribbean publishing industry is that it is small, underdeveloped, undercapitalized and shallow in terms of the availability of skilled and experienced human resources. Most Caribbean publishers are relatively recent start-up operations, many operate without trained staff or management below the level of the owner and whose financial resources do not extend beyond the ability to meet the printer’s bills for the next book that is on press. Essential elements like long-term strategic planning, market research, sales trips or even the production of a catalogue do not realistically fall within their business operations. Few have been able to access long-term bank financing because of the lack of tangible assets in plant and machinery and because like other sectors in the creative industry, they are regarded as dilettante operations.

1. We need to know where these potential markets are, what are the kinds of books that appeal to them, and what are the best ways of reaching them. Without access to this kind of market information few Caribbean publishers can even begin to think about international sales. This is an area in which national trade commissions and export promotion agencies and regional organizations like Caribbean Export, can provide support once they recognize or are made to recognize and acknowledge the importance of
a publishing sector. In looking at the potential in the global market we often forget that elements of that market can be found right at our domestic doorstep; the economists describe the tourism product as an invisible export which makes every tourist visitor to our shores a global client. Publishers working in partnership with tourist boards can do much more to see and use books as important tourist products.

2. Much as readers in the international market might find our products exotic and exciting, those qualities alone will not make them saleable or more to the point will not be enough reason for distributors or retailers to offer them for sale. In a competitive market, publishers must create products of the highest quality editorially and physically and they must do so efficiently and cost-effectively. To do all of this we need to acquire the skills and if we can’t afford to employ them or locate them within our countries or region then we should be prepared to acquire them wherever they are available. This is true for all elements of the publishing process whether it be in the editing of a specialized text, its design and most important of all its manufacturing or printing. Globalization is at work not only in the exploitation of the international market but also in the use of international suppliers if they can deliver the best quality at the lowest price and within the time frame that we need to reach the market.

3. Caribbean Publishers must be more aggressive in the marketing of their products. There is a well-known adage that says you have to spend money to make money. The specialized trade fairs of the book business are numerous and require skill, knowledge and experience in negotiating them. Few Caribbean publishers see the benefit of attending much less exhibiting at international trade fairs and therefore their products have little or no impact on the international market. It is true that attending the Frankfurt or Bologna or the Guadalajara Book Fair is an expensive undertaking, often with no immediate returns in actual orders written and it is in this area that our regional trade support agencies have let the publishing industry down very badly. International Book Fairs are vital in the promotion and selling of foreign books to the local population in which the Fair is held but more important, it is the marketplace for meeting professionals from other countries to exchange information and make deals whether for distribution, co-publishing or licensing.

There is an urgent and compelling need for the Caribbean to establish its own International Book Fair of the Caribbean. This region(the English speaking Caribbean) remains the only discrete area anywhere in the world that does not host an International Book Fair. Not only does such a Fair have the potential of attracting publishing professionals and buyers from all over the globe(especially if it is held during the winter) but it provides a unique opportunity for showcasing and promoting the entire culture of the host country or region in a way that few if any other sector within the creative industries can. This is a real, a challenging and an exciting opportunity which calls for urgent implementation.

4. If Caribbean publishers are serious about being part of the international market for books, they must be prepared to embrace the new technology in all aspects of their operations. Globalization is a double-edged sword capable of providing the innovative entrepreneur with as many benefits as challenges or competition. This is especially true in the area of
technology in which the most advanced developments and processes are available for our exploitation without us having to acquire them. Publishing is essentially a service industry and the ability to identify, acquire and make use of the various services that make up the publishing process is, in my view, the key to success in a globalized environment. So, in our daily business, it is not untypical for us to have an author in Australia, whom we have never met and with whom we communicate entirely by e-mail, whose manuscript including illustrations are sent via the internet; it then goes to a freelance editor who is operating from the Cayman Islands who copy-edits the manuscript electronically on screen and on completion sends the edited text to our in-house editor electronically; a designer in Jamaica designs the text and cover, formats the type and creates an electronic file that is then sent to a printer in China for final manufacturing, who on our instructions prepares separate editions of the same book and drop-ships copies to four different co-publishers in Cape Town, Lagos, London, Toronto and to our warehouses in Kingston and Miami.

5. Finally, in the same way that as a region we are absolutely convinced of the imperative of forming a trading bloc to make the CARICOM region more competitive within the global economy, so it is important for publishers to form themselves into a strong and effective industry association, which through collective action can bring benefits to them individually and make the industry competitive. A strong industry association is important for advocating at the national and international level and is obviously more effective than if it is done by individuals or individual companies. An industry association is also an important vehicle for training and the exchange of information about trading developments within countries of the region and internationally. Just over four and a half years ago, less than six Caribbean publishers met in Trinidad and established the Caribbean Publishers Network (CAPNET), with the aim of promoting indigenous publishing in the Caribbean; uniting publishers from all the language areas of the region and increasing the profile of the industry regionally and internationally. CAPNET has had virtually no support from any regional institution or government, and although regrettable, it has not achieved its goal in uniting publishers from the non-English speaking Caribbean, its achievements have been noteworthy in its international dimensions and it can be confidently claimed that the regional industry has significantly enhanced its profile internationally as may be seen from the following:

a. Fully sponsored participation in International Book Fairs in Frankfurt (4 years in a row), Guadalajara, Bogota, Harare, Caracas and Guadeloupe
b. Sponsored participation in the Congress of the International Publishers Association, where for the first time the Caribbean publishing industry has a voice
c. Successful staging of two International Conferences on Publishing
d. Successful staging of the first known workshop on Publishing for HIV/AIDS
e. Production of two catalogues of members products with international distribution
f. The creation of a web site with a new additional feature of an online members catalogue
g. Establishment of a distribution facility for its members products with Canada’s largest distributor and the only one with coast to coast distribution
h. Provision of internship training within its secretariat for entry level publishing professionals and UWI graduate students

CAPNET has the capability of doing much more to heighten the profile of the regional publishing industry and to provide a vehicle for improving the performance of its individual members through training, contacts with the international publishing community, joint representation at international trade fairs and in providing a clearing house and a contact point for authors seeking to place manuscripts with appropriate publishers.

OBSTACLES

CAPNET’s and by extension the industry’s most debilitating handicap is the general absence of recognition and support from regional governments (except with one or two exceptions) and institutions who are the beneficiaries of grant funding from international donors but who choose, often in their own wisdom and with their own agenda, to allocate such grant funds in those areas that they deem to be important. This writer cannot point to a single area where any regional organization has done anything positive to promote or encourage the development of a regional publishing industry- not CXC; not the CDB; not CARICOM; not CARIBBEAN EXPORT; not CARIFORUM to name the obvious ones.

In trying to identify some of the major issue areas to be addressed if a regional publishing industry is to begin to fulfil its potential, it might be useful to place these issues into two separate groups: those that are systemic; and (b) weaknesses within the industry itself.

Among the systemic weaknesses, **local tax and regulatory impediments** must rank the highest. Using the Jamaican experience as an example, we have a situation where successive Jamaican governments have resisted the temptation to place any kind of tax or duties on books. As a Jamaican publisher, I can produce any number of books anywhere in the world and import them free of taxes or duties. The same goes for any individual, bookshop or institution wishing to import any book into the country. However, the same is not true for components that go to make up the same book that in its finished form is imported into the country. For example, we have had the experience of manuscripts being sent to us on a CD which are not only held by local customs but have had duty and General Consumption Tax levied simply because they are stored on a CD. The same is true for artwork or even photographs. Our governments who all tell us that we need to become technologically aware and that we need to be competitive if we are to remain competitive in a global environment are themselves still applying archaic systems to regulate regional economies. By contrast, when we send electronic files to printers whether in the US, Britain or China, three of the centres in which we manufacture books, they have absolutely no problem in receiving those components and face no charges of any kind in receiving them. The same is true for finished books; apart from standard port and brokerage charges, we are not aware of any charges, taxes or duties in the receipt of our products by importers in our major trading countries outside the Caribbean.

**Shipping** remains the single most intractable problem facing Caribbean book exporters. Books are somewhat peculiar products to be moved across borders. On the one hand, next to water (a major component of paper) books are among the heaviest cargo to be transported which makes air freight excessively costly both in absolute terms and as a percentage of the unit price. On the other hand, typical orders to retailers in export markets are never large enough to benefit
from container loads or even large bulk when shipping by sea-freight. Cost is therefore a major obstacle. This is compounded by the fact that because typical shipments are significantly less than container loads, there are often delays if a scheduled vessel does not have sufficient cargo to warrant a particular sailing.

A third systemic obstacle relates to the enactment and enforcement of modern copyright legislation by some governments within the region. Our colleagues in the music industry are all too familiar with the problem of piracy, something which Caribbean publishers thought would never affect their particular sector, in spite of experiences to the contrary in other parts of the world. Like the dreaded pandemic of HIV/AIDS, there is a veil of silence over increasing incidences of book piracy in the Caribbean, whether in copy shops or in printing establishments set up for the sole purpose of illegally duplicating copyrighted works. Copyright infringement, book piracy, illegal duplication has to be addressed as a priority at home, otherwise we will have no moral basis on which to challenge others who perform the same crime with our books and other products in export markets.

Industry Obstacles

These are numerous and not untypical of developing economies or new industries. The most obvious is finance capital and the difficulty of creative industries generally in attracting any form of capital whether it be venture capital, equity or simple working capital financing. This is such a major issue that it needs to be addressed separately in its own forum.

But how do we begin to address a far more intangible and amorphous problem, that is the shortage of entrepreneurial skills and a seeming unwillingness on the part of those who are attracted to the industry to take risks? Can one teach someone to be an entrepreneur? The international experience has shown that it is very difficult for small publishers to penetrate global markets and grow internationally without being innovative, bold and being self-confident even to the point of brashness. Linked to this entrepreneurial spirit is the willingness to explore the potential of foreign markets even when there are no immediate prospects for returns on such an investment. It also involves a recognition that the best way of getting products in a particular market is through partnerships, joint ventures and co-publishing arrangements which do not happen overnight and which require the building of relationships and risk-taking.

On the more practical level, while Caribbean publishers have generally increased their skills and capacities over the past ten or so years, their development and growth have been severely hampered by the absence of growth in essential link industries. Regional publishers have been able to survive and even grow by acquiring key services whether editorial, design and especially manufacturing from external sources although their capabilities would be greatly enhanced if such services could be employed in-house or even acquired locally and regionally. The one link area that has remained completely undeveloped and totally devoid of any entrepreneurial activity is that of distribution. In developed publishing sectors worldwide, few if any publishers handle their own distribution. Not so in the Caribbean where the opposite obtains, because there are no organizations existing for the purpose of providing a distribution service, virtually all publishers handle their own distribution, a task for which few are qualified and for which most are unsuited.
ALTERNATIVE APPROACHES

In light of these systemic as well as industry-specific obstacles, it might be useful to consider alternative approaches to more effective participation in international trade.

(a) Distribution
This is the key element in the effective servicing of an export market. There is no point in having the right product, creating the demand and making the sale if you cannot deliver to the client when he wants the product and doing so cost-effectively. Online shopping has made on-time delivery even more crucial and few Caribbean publishers can participate in the growing and lucrative online business because of the delivery obstacle, not to mention the absence of secure online credit card facilities within our banking sector which is another example of the failure of link industries to develop and provide support. The obvious answer is a distribution arrangement within the marketplace with an established operator or setting up your own distribution facility. This is not an option for ANY Caribbean publisher, but working co-operatively through an organization like CAPNET, Caribbean publishers could create a co-operative distribution facility in say Miami that could service the entire North American and even the Caribbean market.

(b) International Co-Publishing and licensing
This is potentially the most viable option for reaching international markets. The formula is a simple one; find an interested publisher in the target market and enter an arrangement whereby the book is published under the partner’s imprint. The partner assumes rights for that market and the originating publisher is free from all considerations about marketing, distribution and selling. Compared to the traditional book export, such contractual arrangements with a foreign partner have immense advantages:

- The partner knows his country and his market much better than you ever could
- The partner invests his own money, giving him a stronger interest in the book and reduces the originating publisher’s risk
- No books have to be shipped across boundaries
- The originating publisher has no need to invest in additional printing or marketing and earns a royalty or a fixed return which is essentially his net profit
- The originating publisher, depending on the terms of the arrangement, earns some or all of his money upfront

Of course, there are trade offs:

- Your name and logo might not be on the copies sold abroad, so you sacrifice name recognition in the market
- The negotiation process with the foreign partner might be complicated and time-consuming, delaying the publication of the book
- You lose control and have to invest great trust in your partner
- Only a limited range of the books you produce would be attractive to co-publishers, so what do you do about the ones that don’t fit this arrangement?
(c) Print on Demand

Compared to offset printing, digital printing has made very small print-runs commercially viable. The idea of producing only the copies you can sell, thereby avoiding returns and minimizing up-front investment and abolishing the warehouse is fascinating. But you could go a step further if you have an internet connection: you could transmit the files in PDF format to any place in the world where there is a print on demand machine, and there without shipping costs and trans-border problems, without time delay, as many copies of your book as needed could be printed and sold.

(d) Electronic Publishing

The final option is to simply offer your content electronically. The user can then decide whether (s)he reads your material on the screen or prints it first. Like online commerce in finished books, this has the advantage of cutting out all the middle men and dealing directly with the end-user and of course getting your money up front.

To many Caribbean publishers these last two options might seem a dream for the distant future but it is not. The concept of a fully automated print on demand machine where the customer selects a book on a computer screen and a few minutes later the printed and bound book comes out of the machine is more than a mere concept; the prototype machine exists, and the Caribbean could be the beneficiary of one of the first experimental machines to be deployed.
Advancements in technology and skills have today placed the Caribbean in catch-up mode, as most reforms have been cosmetic, and do not address the real need to overhaul the entire infrastructure and take a holistic approach to positioning the Caribbean within the global logistics and supply chain. This paper takes a holistic look at the maritime transport sector in the Caribbean. Consequently, the concept of containerization has had a great impact on Caribbean small ports, which were designed to support colonial bulk importation of basic items and exportation of bananas and sugar. Following the terrorist attacks on the World Trade Center on September 11, 2001 and The impact of e-commerce and Analysis of Research Systems, OECD on international trade and employment, Science, Technology and Industry Working Procedia Social and Behavioral Sciences, Papers, 1997/01, OECD Publishing. 24 (2011) 745â€“753 Pitchard, A., 1969. Statistical Bibliography Or Bibliometrics, Journal of Documentation, 24, 348-349.