

PASA Chairperson's Newsletter- April 2022

We have done as much as we could to halt the implementation of the defective Copyright Amendment Bill (CAB). We have also done a lot as affected individual companies and as an association to enable the competition commission to investigate allegations of collusion by PASA and some of its members. And similarly, a lot has been done to push back on piracy and illegal copying. We have also been focusing on NSFAS' decision to disburse funds directly to students and its implications for the higher education sector, especially the massive increase in unauthorised copying by students. While we wait for the competition commission to conclude its investigation, which we are told is imminent; for the law to take its course on some of the cases that we have reported to the commercial crimes unit, and for the provincial hearings on the CAB to commence, I thought this month we would talk transformation- transformation of the publishing and book sector.

The following among other developments require us to reflect on this more:

- Our own preparatory work on the transformation survey and other internal processes
- the First Rand Empowerment Foundation (FREF) commissioning the Mapungubwe Institute for Strategic Reflection (MISTRA) to map the publishing sector landscape because they believe that it "...has not sufficiently transformed and continues to function as it did pre-1994...;"
- the Department of Sports, Arts and Culture (DSAC)'s White Paper calling for the development of a national book policy "...in an effort towards regulating the Books and publishing sector,"
- DSAC commissioning research on the viability of a state publishing outfit to promote "marginalized authors and African languages."
- The Industry Master Plan citing transformation as one major objective and
- The several articles written and television programmes about the sector and suggesting that state publishing should be considered seriously because the industry is not transformed

This has become a major issue within and outside PASA and warrants our attention and discussion.

The view of the industry as an untransformed sector is an unfortunate mix of fact and uninformed opinion. It is quite concerning that while some of the initiatives are presented as research, they are sometimes prompted by the established view that the industry "...still continues to function as it did pre-1994." We are the first as an industry to confirm our shortcomings about transformation and have consistently published the survey information on this crucial matter. The sector has successfully invested effort and resources into transformation. I also do not think that exaggerating this lack of transformation, including ownership; local publishing; publishing in African languages; the work that many companies are doing through enterprise development; training, and the levels that they have

achieved along the BBBEE codes, is helpful. If one considers the few surveys¹ that have been carried out, including on publishing in African languages and local authors, the gap between the facts and opinion about the sector is a dangerous chasm, that can solicit wrong or inappropriate intervention, for example emphasizing the need for a national book policy more as a regulatory tool than a developmental one, and the call for a state publishing house. Additional regulation of the industry and state publishing have the potential to wipe out the industry, including the entities and aspects of it that we seek to improve on.

Similarly, I also do not think that we can as an industry afford to be satisfied with what we have achieved collectively and as individual members of PASA. We are going beyond compliance and achieving desirable BBBEE scores, to embracing the value of inclusivity, diversity, and the growth that an inclusive sector can generate. The publishing industry has a critical role to play in education, culture and democracy, not only in South Africa but the world over. It is a concern that our industry is poorly understood, including by the government role players whose support and understanding is so crucial, and this lack of understanding means we punch below our weight- we contribute less than we could to the transformation and development of South Africa. So, in addition to the work that we do and the transformation that we engage in, we need to make sure that society and stakeholders are aware of this, and they fully appreciate the extent to which they can utilize us as a force for social and economic transformation. This will speak directly to some of our key objectives, ie *“Contribute to creating an environment which is conducive to a thriving and diverse industry”* and *“Articulate the contributions of the publishing industry to education, democracy, and culture in South Africa.”*

The wrong perception that our stakeholders have of this sector is more our cause than it is theirs. If many in society believe that there is no space for them among us, that perception will inform their relationship with us and that will mostly be in the form of disengagement or negative engagement. It is therefore important that we continue to transform as individual members and as an association, and we work on ensuring that the perception out there accurately reflects where we are and where we want to be. The great work that individual members of PASA have done to achieve level one on the BBBEE codes adds to the transformation of the sector and needs to be applauded and encouraged. The transformation of the industry from a sector which was dominated by imported materials prior to 1994 to one where most of the content and authors are local, is a positive development. Partners like the Department of Basic Education (DBE) and the Sector Education Authority (FP&M) seta have acknowledged the role that we play in aiding the effort to enhance access to textbooks and improving education outcomes. Our members have taken on a significant number of interns every year and retained most of them in gainful employment in the industry. Many companies have engaged many smaller printers, distributors and booksellers with their outsourced work and others have helped build

¹ The latest industry survey confirms some of the transformation achievements and concerns that the industry has, including healthy and improving BBBEE compliance levels across the industry and a domination of the market by local content that is produced by local authors on the positive side. On the concerning side is the low levels of output in African languages in many subsectors, including education and trade, and a domination of English and Afrikaans and a market domination by a few large and mostly international companies. While language output is more a factor of supply and demand and the dominance by a few large and mostly international companies is a factor of the investment and marketing requirements of the sector, we need to work with all stakeholders to ensure that the market and output in African languages grows and there is better market showing by local and smaller players. (See le Roux E & Cassells L, The South African Book Publishing Industry Survey, 2019 to 2021, Publishers Association of South Africa/University of Pretoria, 2022)

these as part of their enterprise development, thereby contributing significantly to the transformation of the broader book sector.

A compilation of publications in African languages for children a few years ago revealed a different picture on African language publishing to the outcry around the paucity of such works in the sector. Such findings suggest different solutions, ie distribution, access, funding and affordability as opposed to output. Similarly, the understanding of the state of ownership and the publishing activities of the large international companies, are quite inaccurate and very negative. Most of them have significant local ownership and have fully localized operations. They have done a lot along the BBBEE codes, with a lot of them scoring level 1 in their empowerment rating.

Recently I read a newspaper article that lamented the lack of transformation in the industry and called for the state to embark on state publishing as a way of dealing with lack of transformation. Similarly, some of you may have been interviewed by researchers who were commissioned to investigate the viability of state publishing as a way of creating space for marginalized black and African languages authors. These sentiments suggest that despite all these efforts by our members, the sector remains untransformed in the eyes of society and policy makers. Despite what we may have achieved and think about these changes, the perception of policy makers and society, unfortunately remains their reality and the basis of their engagement with us. In addition to the transformation effort, we need to work on correcting the perception.

State publishing, as suggested by some of the commentators, is a very retrogressive intervention, which contradicts the whole notion of broader participation. It will achieve the opposite and will destroy the sector, with far reaching consequences for education and cultural development. We should continue to work closely with stakeholders in the sector to enhance access to textbooks, information, appropriate reading materials and broaden participation, while building a viable book sector that can meet these ideals sustainably.

Compared to where we were in the 90s, a lot of progress has been made along many considerations. These include ownership, the proliferation of SMMEs, recruitment of interns and other participants in the industry and along the BBBEE codes. Nonetheless the SMMEs remain on the precarious fringes when it comes to procurement and participation in the general market. The employment of black participants at senior level is improving but remains low outside sales and marketing. The public perception of the sector in this regard is lower that we would like to see.

In the last few years, we managed to create an active transformation and SMME committee. We recently adopted a values statement about our transformation aspirations. To aid this, we are working on finalizing the terms of reference that would inform a baseline study of where we are on our transformation journey. In terms of our priorities and along the national approach, we have identified SMME development as our key transformation focus. It is important that we hasten to get to a point where we can begin to show tangible progress in this regard.

All the initiatives, including the national Masterplan, the national book policy and the MISTRA research, are welcome and if done properly, can make a huge contribution to the transformation and

development of the industry. The concern that many of us have is that they start from a perception that the industry is not transformed. The MISTRA assertion that the industry operates the same way it did prior to 1994 is particularly inaccurate and harsh. It is important that a true position of the industry, including its achievement and failures is correctly reflected. It is only then, that we can identify the areas that we need to improve on as an industry. To this end, the EXCO of PASA has requested a broadening of the terms of reference for the survey. The broadening of the terms of reference do not detract from the observation that SMMEs continue to operate on the fringes and find it hard to grow and that the biggest gear we can shift towards transformation is SMME development. It is also our hope that such research and enquiries do not look at the publishing subsector in isolation as a reflection of the state of transformation, but the whole value chain of the book sector. A look at the downstream industries, including distribution, especially for textbooks, will show a different participation picture from the common perception. It will also reflect a lot of work that the industry is doing in enterprise development.

While we focus on the area that we have chosen as an association, we need to acknowledge the work that has been done by individual companies in their own transformation. Such companies need to benefit from their transformation accordingly, whether it be what they have achieved through ownership, enterprise development or recognized training. The danger that we face as an association is to downplay certain aspects of transformation where individual companies may have strategically focused on. Such transformation efforts need to be reflected in our survey as well as what we chose to focus on as an association. Our hope is that the results of the MISTRA survey, our own survey, and the work of other committees on the matter, can be combined to give us a better understanding of the state of the sector. This picture needs to go beyond publishing as a subsector of the book sector. We also hope that the information will help us roll out our transformation efforts and inform the focus of the national book policy and masterplan.

The biggest and most contentious part of transformation is procurement of education materials by the state and access to markets by SMMEs in general. We need to work with the state and other role players to ensure that SMMEs have scope for growth. The role of the state in this regard cannot be overemphasized. It is encouraging that the DBE has acknowledged this role. It is important that the whole value chain, including publishing, printing, distribution, and bookselling are looked at to determine the state of play and what needs to be done. The Creative Industries Masterplan also focusses on transformation and SMME development. The draft national book policy that has been on the DSAC's shelves for more than a decade also emphasizes the need for transformation and articulates the work that needs to be done.

Although government initiatives take long due to all the necessary consultative processes, we hope that our own processes, including the survey, will be quick and we can use our findings to inform our practical efforts and influence those of other partners, including the state.

I would like to thank many people that have committed time and effort to this work, including the executive director, the chair of the transformation and the SMME committees and individual members from small and large companies who have helped us get where we are. I would like to urge every member of our association to continue with their individual efforts and contribute even more to the

collective outcome. With all the initiatives that we see, transformation has the potential to “make the circle bigger” and ensure that we all get our slices from a bigger pie. For everyone to contribute to growing the pie, including the state and the public, they need to realise and believe that they have a meaningful stake in our industry.

The aim of these newsletters is to stimulate debate on important issues. Together with EXCO and GENCO, I look forward to engaging with you on this and other topics at an individual, subcommittee and indeed at the association level. As you will see in the next few months, this issue will receive more attention in our work and reporting.

Thank you.

Brian Wafawarowa

PASA Chairperson

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