STUDY ON THE BOOK PUBLISHING MARKET IN ROMANIA
2016
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1. Preamble

“The Book Publishing Market in Romania” is the first research study conducted on this subject by the National Institute for and Research Cultural Training and it was initiated in collaboration with the National Library of Romania. This study was called for by the need for a clearer and deeper insight into the publishing activity in Romania and took the form of a pilot project that aimed at examining the specific work of the publishers in Romania, as an addition to the regular statistical surveys performed by the National Library of Romania and the National Institute of Statistics.

A distinctive feature of the study is the survey-type of research conducted among representatives of several publishing houses, based on availability sampling. The survey methodology was designed starting from the list of registered active publishers, which resulted into a sample of 1,360 publishers included in the survey.

One of the limitations of the research is low rate of participation, with only 156 publishers answering the survey questionnaire. However, it is important to note that the response rate in the case of this survey is similar to that recorded in similar studies carried out by NICRT. Besides, the inclusion in the sample of university publishers and of providers of print-on-demand services has altered the sociological structure of the sample. For this reason, the research results should be interpreted in the light of the availability sampling method and should not be extrapolated to the entire publishing industry in Romania, which totals approximately 6,600 registered publishers (active and idle).

Nevertheless, we see this research endeavor as the stating point for further measurements to be conducted on a regular basis across the Romanian publishing industry, in an attempt to meet the need for in-depth information on this industry, as one of the most important of the cultural and creative industries, judging in terms of its contribution to the economic growth of Romania.

In this respect, for the year 2017 NICRT plans to resume its survey on the book publishing market in Romania, yet bringing a few changes to the initial questionnaire and to the way the questionnaire is distributed to and the answers are collected from respondents, with the help of AER or of some representative publishers, interested in collecting relevant data.

For the upcoming period, we intend to conduct a new similar research, which we will expand by including data collected through the qualitative research methods, in order to get a clear picture of the book market in Romania. To this end, we need to involve in our study as many respondents as possible, representatives of active publishers in the Romanian book market, which are, as a matter of fact, the actual beneficiaries of our research results.

We believe that the data and information provided by this study may help Romanian publishers identify the potential of the domestic book market and its future trends.
2. Glossary

- **SAMPLE (Echantillon)** = Except for censuses, sociological surveys are conducted on samples, defined as small population models.¹ Sampling is the selection of a group of the population universe.²

- **DEVELOPMENT REGIONS** = The statistical units without legal personality created in Romania in 1998 through the association of county councils across the country. The eight development regions are: the North-East Development Region, the South-East Development Region, the South – Muntenia Development Regions, the South-West Oltenia Development Region, the West Development Region, the North-West Development Region, the Central Development Region and the Bucharest – Ilfov Development Region.

- **AFCN** = the National Cultural Fund Administration is an independent public institution established by the Government Decision no. 802/14 July 2005 on the organization and functioning of the National Cultural Fund Administration, whose roles include the management of the National Cultural Fund, the financing of cultural programs, projects and initiatives organized in the country and/or abroad, and supporting the international cultural affairs of Romania.³

- **PRINT** = Number of printed copies of a book or a newspaper.

- **PRINTING HOUSE** = the space or the workshop where books, newspapers etc. are printed

- **ONLINE** = created via an Internet network (directly connected to a network)

- **OFFLINE** = made completely outside the internet or a network (no connection to a network/Internet)

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² Morândâu, Dorel – Social Research Methodology. Sibiu

³ www.afcn.ro

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**ISBN (international standard book number)** = the ISBN code is the International Standard Book Number. It consists of 13 digits grouped into 5 segments and serves as a barcode that identifies documents in any bibliographic databases, thus avoiding confusion between identical titles or editions of the same title published in various formats (printed, CD-ROM, online).
3. Abstract

This study was conducted by the National Institute for Cultural Research and Training, in partnership with the National Library of Romania, the National ISBN-ISSN-CIP Center and the Romanian Publishers’ Association. The study is a description of the current situation of the national book market and contains a set of data that is designed to measure the time intervals during which fluctuations/changes were recorded in this specific cultural sector: i.e. book publishing industry. We have evaluated the book market on the basis of indicators covering the amount of human resources involved in the book industry, the physical and electronic infrastructure of the publishing houses and their marketing, promotion and sale strategies, as well a few more indicators dealing with legal and administrative framework, including the constraints and the challenges reported by the respondents during our survey.

The main conclusion of the study highlights the idea that technological development has the greatest impact on the way the book publishing market operates. In Romania, book publishing is mainly concentrated in the big university centers around the country. Book publishers choose to publish a book taking mostly into account criteria such as the literary value of the book. More than half of the publishers in Romania have never accessed any foreign financing sources, while a large number of them are engaged in carrying out different other activities besides book publishing. Publishers invest less in training and continuous education of their employees and most of them (especially the small and medium-size publishers) did not allocate any funds whatsoever for marketing and promotion initiatives in their 2015 budget.
4. Introduction

Statistics about the current situation of book publishing in Romania are insufficient and they are most often fulfilling a very specific need, rather than providing data for comparative statistics (e.g., marketing studies, market research or consumer studies designed to develop marketing plans). This study is a nationwide study at its first edition, with the data collected standing for a preliminary mapping of the Romanian book market. The main issues this study is addressing are: key book publishing areas, publishers’ marketing strategies, major obstacles encountered by publishers in the running of their business, book market evolution over the last five years etc. The study will have to be developed further though collecting more thorough information by qualitative research methods.
5. The rationales behind the study

The rationales behind this book market study fall into the following categories:

- the decision-makers’ demand for statistics about the book publishing market at national level;
- the publishers’ need to define their market positioning;
- the need for comparative statistics about book reading rates, number of books, editions and titles published in Romania compared to the other European countries.

Moreover, such data and analysis can be very instrumental for the development of public national and regional strategies and policies, designed to encourage book publishing and the development of publishers’ marketing and image promotion strategies. A review of the current book market is essential for anyone who wants to have a clear picture of the actual state of the book publishing industry in Romania and to answer questions such as:

- What books are edited/published?
- How many books are published?
- What are the trends in book publishing?
- What are the strengths and weaknesses of the Romanian book market?
- What legislative conditions would be recommendable in order to encouraging book publishing?
- What are the real needs of the book publishers?
- What are the financial resources available to publishers and where do they come from?
- How competitive is book publishing for the labor market and how much workforce is it able to attract?
- What is the structure of the human resources engaged in this industry?

5.1 Relevance and purpose

The book industry is concerned with creative industries, an economic sector that many countries associate with a high growth and development potential in the services market. Book industry is important both for the achievement of the life expectations of every individual, and for attaining regional development.

The role of creativity in the life and the economic growth of any society and the importance of the creative economy are two main issues that have been extensively debated on in recent years, especially in the Western European countries. Particular focus has been placed lately on the capacity and the mechanisms of the society to capture and translate creativity and creative potential into economic growth. Creativity, whatever its form of expression, has become a valuable resource and a tool that can attract economic capital and drive economic and social growth.

The book is a cultural asset which, in addition to its educational and cultural role, is governed by the same research and marketing needs as any other commodity, whether cultural or otherwise. Reading is a habit that is constantly positioning and repositioning itself in the people’s agenda of consumption choices. The sale and marketing of the book as a commodity are governed by trading rules and primarily by the people free time resources and their willingness to make room to book purchasing in their otherwise limited household budget that has to cover many of their other needs as consumers. This means that, besides its social and cultural roles, the book, seen as cultural asset, is governed by the same rules of the market game, when it comes to consumption and purchase.

Book business depends extensively on market demand, supply and competition. To achieve rewarding material and professional results in this industry, a carefully devised marketing strategy is vital, and this study is again important because it provides information that can serve as useful tools for publishers as well as for decision-makers that are directly interested and involved in the book industry or related industries.
5.2 An overview of the global book publishing industry

Studies like this one are very frequent around the world. There are countries with a long tradition in carrying out book market surveys based on the same indicators we have applied in this study. A report by the Business Club “The business of books in 2015”⁴ presents a set of statistics that describe the global book market as going through a period of crisis and instability. In particular, the report highlights book publishing in the United States of America, the United Kingdom, Germany, Spain, South Korea, China, Russia, Turkey, Mexico and Brazil.

The global book publishing industry is estimated to a total value of EUR 114 billion and is one of the largest cultural industries, clearly surpassing filmed entertainment, video games or music. The six largest book markets are the United States, China, Germany, Japan, the United Kingdom and France, which together account for almost 60% of total revenues in the industry.⁵ Book industry in Europe has been in constant decline in all areas of print publishing (on paper support) and the uptake of e-books cannot compensate completely for the lost sales of physical books.⁶

Today’s culture industry suffers of a total lack of standard or harmonized definitions⁷, which is caused precisely by its high degree of fluidity and flexibility. The traditional conservative book business⁸ is governed by a highly complex and volatile framework, being permanently shaped by national and global forces such as technological changes, innovation and developments (digital). In this context, the old industry actors are facing new and fast changing challenges. These challenges exercise pressure on the traditional industry and the old methods of book publication, distribution, sale and consumer habits. The most important of these factors are the governments⁹ or the institutions that are directly involved in the book industry and which intervene at various levels and in different ways, not just to regulate, but also to steer market forces and innovation.¹⁰

Trade book publishers now face an increasingly diverse array of competitors who, only a decade ago, would hardly have been seen as a threat or a challenge. The situation changed radically when encyclopedias went digital and started being promoted primarily in digital format. From that moment on, not only have consumers/ readers of the old form of printed cultural information migrated to online resources, but they started to look more and more for digital resources, including for other products of the printed cultural industry. The rise of encyclopedias heralded the digital revolution in this field of activity. The ever easier access to written cultural content in digital format has changed this industry for good.¹¹

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⁴ Rudiger Wischenbart, The business of books 2015. An overview or market trends in North America, Europe, Asia and Latin America

⁵ Ibid. p. 2

⁶ Ibid. p 5.

⁷ Ibid. p.4

⁸ Ibid. p 4

⁹ Ibid. p 5.

¹⁰ Ibid. p 5.

¹¹ Ibid. p 5.
After a long period of a relatively stable operation of what was considered to be a consistent and aggregated business and publishing model, book selling business started to fluctuate widely around the 1980s.\textsuperscript{12} With the development of computer and digital technologies, things have changed in the book industry, too. We may identify four stages in the process:

1. The first reorganization\textsuperscript{14} wave in the book business refers to the emergence of mass booksellers, facilitated by the access to a technology that allowed book production by an ever growing number of producers, authors and publishers. This process may be also seen as a book production massification.\textsuperscript{15} However, despite all the advantages of the new technology, distribution capacity remained still limited and a barrier for the smaller-scale book producers.


\textsuperscript{13} Rudiger, Wischenbart The business of books 2015. An overview of markets trends in North America, Europe, Asia and Latin America, p.3.

\textsuperscript{14} Ibid. p. 11

\textsuperscript{15} Ibid. p. 10
2. The second restructuring wave\textsuperscript{16} took place in the 1990s and was generated by the emergence of the Internet and the e-commerce, which prompted a change not only in the traditional book production and trade methods, but also in the way consumers started to access books and approach reading in general.

3. The third reorganization wave occurred around the 2000s, with the digital book printing greatly encouraging small businesses and self-publishing. We will see that, after this wave of change of the years 2000s, the impediment started to diminish, thanks to the development of a technology that became accessible to a large mass of people, coupled with the simplification of technology and technological products, in the sense of the emergence of mass technology that can be used with greater ease, given its much simpler operating procedures.

4. The fourth wave of restructuring was generated also by the technological development and more specifically by the development of the electronic display and of the e-book reading facilities (e-book and e-book reader). This technology has managed to reduce the high costs of the traditional print format (on paper), but most importantly it reduced the costs of book inventory, storage and distribution. Thus, part of what was once handled, checked and controlled by book publishers, manufacturers and producers has moved into the hands of those who now control, produce, develop and market specific book publishing and reading technology.\textsuperscript{17}

6. The book ecosystem

There are studies and authors that approach the book industry in terms of an 'ecosystem', a concept borrowed from biology and ecology. The metaphor refers to the players, the resources and the environment in which publishing houses, technologies, financing, reading tastes and readers coexist. The figure below shows the phases the book publishing industry has passed through along the history and the changes that have occurred in the interaction amongst the main players in the book ecosystem. We should not, however, lose sight of the fact that the five key actors (author, publisher, producer, distributor and consumer) described below are not completely separated or isolated from one another in the roles each of them play in the market. The most important thing to notice here is that the last link of this chain has changed the most, from the consumer's perspective. The third wave is the wave that has pushed the things where they are now in this industry. The relationship among the industry players has not remained linear, insofar as the consumer has himself become a manufacturer, and all this is happening because of the self-publishing technology. Under the current circumstances, the consumer (i.e. the last link of the book ecosystem) has come to play a special role, now that he is directly involved in the book business, being known by the name of "prosumer"\textsuperscript{18}, i.e. the person who consumes and produces the goods and services entering their own consumption. In economy, there are three types of producer-consumer relationships: B2B - business to business; B2C business to consumer, and the newest concept of P2P, i.e. consumer as a producer. Not only are the two roles (producer and consumer) no longer clearly separated from each other, but they overlap. Although the concept is rather applicable to goods dedicated to one's own consumption, self-publishing may also be regarded, at least conceptually, as covering this dimension as well.

\textsuperscript{16} Ibid. p. 10

\textsuperscript{17} Ibid. p. 11

The report published by the Federation of European Publishers (2015)\textsuperscript{19} shows that the total annual sales revenue of book publishers of the EU and the EEA in 2013 was approximately EUR 22.3 billion\textsuperscript{20}, which represents a small decrease from the last estimate of 22.5 billion in 2012. The total book market value was estimated at EUR 36-38 billion\textsuperscript{21}. The largest markets in terms of publishers’ turnover in 2013 were Germany, followed by the UK, France, Spain and Italy.

In 2013, the European publishers held a total of about 14.5 million\textsuperscript{23} different titles in stock, of which more than 2 million\textsuperscript{24} in digital format. Book publishing employed a total of approximately 130,000 full timers. However, Eurostat estimated the amount of people employed in book and journal publishing at more than 300,000.\textsuperscript{25} The entire book value chain (including authors, booksellers, printers and designers) is estimated to employ more than half a million people.\textsuperscript{26} According to statistics, publishing was the least affected by the economic crisis when compared to most other industries, yet with a stronger impact on exports, which started to decline sharply as of 2009. In 2011 and 2012, the market went down, a trend that was partially counteracted by the rapid growth of the e-book market. In 2013\textsuperscript{27}, revenues dropped compared to previous years, though production grew. One of the possible explanations could be related to technological development, which directly influences the retailer market. The sale of educational books has increased from 2010, in contrast with the sale of academic books. Exports are on the rise, whereas domestic sales are declining. The number of employees in the book industry has decreased by 5,000 people between 2010 and 2013.\textsuperscript{28}

\begin{itemize}
  \item Publisher dictated the types of books sold
  \item Big bookstores decided the types of books sold
  \item Online retailers dictated the types of books sold
  \item Digital print and self-publishing shared the power over publishing
  \item E-readers share power and control with the storefronts
\end{itemize}

\textsuperscript{19} European Book Publishing Statistics. Federation of European Publishers. 12 January 2015
\textsuperscript{20} Ibid. p. 1
\textsuperscript{21} Idem
\textsuperscript{23} Idem
\textsuperscript{24} Idem
\textsuperscript{25} Idem
\textsuperscript{26} Idem
\textsuperscript{27} Ibid. p. 2
Table 1. European Book Publishing Statistics 2013

<table>
<thead>
<tr>
<th>Sales by area</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales in the domestic market</td>
<td>81%</td>
<td>79.6%</td>
<td>80.5%</td>
<td>81.5%</td>
</tr>
<tr>
<td>Exports</td>
<td>19%</td>
<td>20.4%</td>
<td>19.5%</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

Table 2. Number of titles published in the period

<table>
<thead>
<tr>
<th>Year</th>
<th>New titles</th>
<th>Number of titles in print (active catalogue)</th>
<th>Number of persons with full-time employment in book publishing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>560,000</td>
<td>16,000,000</td>
<td>130,000</td>
</tr>
<tr>
<td>2012</td>
<td>535,000</td>
<td>9,000,000</td>
<td>130,000</td>
</tr>
<tr>
<td>2011</td>
<td>530,000</td>
<td>8,500,000</td>
<td>135,000</td>
</tr>
<tr>
<td>2010</td>
<td>525,000</td>
<td>7,400,000</td>
<td>135,000</td>
</tr>
</tbody>
</table>

A Eurostat report (2012) shows that the major global players in book industry are the EU27 and the United States of America. While Europe has the highest number of companies (publishing houses), almost six times more than the USA, the average number of employees across companies is twice as high. Therefore, there are in average less than seven employees per company in Europe. The strong point of the US book market is the large number of employees working in a small but very competitive market and the much bigger salaries of the US employees compared to the employees in the Eurozone.

6.1 Publishing policy in Romania

As we have said before, publishing houses are distributed disproportionately in terms of territory, with most publishers located in big university centers. A “mature” industry is one that is the least dependent on other industries in terms of its ability to survive on the market. Several factors concur to this state of fact. The vision of the representatives of the publishing houses and public institutions that are competent in this field seems to be rather short and medium-term oriented. A possible explanation for that could be, inter alia, the lack of a long-term strategy for the book industry and the absence of public policies designed to provide sustainable support to publishers and help them organize their business better.
Eliza Maier, a Romanian author, describes the Romanian book market as follows: “In Romania, there are two editorial policies: the “boom” policy and the multi-purpose publishing policy that covers as many areas of the market as possible. Both policies are paying off, but to maintain the balance among competitors, the Ministry of Culture adopts a non-involvement policy with regard to market demand. The Ministry of Culture supports only the cultural products that are representative for the Romanian creative potential. As such, the Ministry has externalized the book funding programs to the National Cultural Fund Administration. This way, books are to be financed only when a project is ready, with MC limiting its duties strictly to the national library book procurement program and to the development of the services offered by public libraries. The MC has maintained its role of financier of book fairs, but even on this front it has preferred to outsource products to organizations representing the writers.”

One of the key actors in supporting the book industry is the Ministry of Culture. Below is a short list of its programs and objectives.

### 6.2 Ministry of Culture print culture programs, libraries

1. Print culture promotion projects (in accordance with Law No. 186/2003) – National Culture Day (January 15, as per Law No. 238/2010);
2. National and international book fairs;
3. The cultural magazine financing program;
4. The national book procurement and magazine subscription program for public libraries.
   - The National Book Procurement and Magazine Subscription Program for Public Libraries
   - National Book fairs
   - International Book Fairs

### 6.3 Strategic objectives of the Ministry of Culture in the book industry

It is worth mentioning here the main strategic objectives of the Ministry of Culture in book industry, namely: increasing the number of fields and titles to be published and supporting alternative publishing formats, such as e-books and books published via the Internet. Below is a list of the key strategic objectives in book business and book industry.

1. Diversify publishers’ offer: fields and titles published;
2. Matching market supply with the interests, tastes and needs of the readers, as identified by market research – a more efficient book distribution by diversifying sale strategies (books by mail, book clubs, sale fairs, e-commerce, e-books etc.);
3. Diversify the addressability of the publishing production by establishing as key priority areas for the state aid of activities such as translation of printed books into languages of wide circulation or translation of minority literature;
4. Supporting alternative forms of publishing of books and publications, and in particular of digital publishing via the Internet.

Anticipating the presentation of the results of this study, it is worth mentioning that those who participated in this study complained of the insufficient involvement of the Ministry of Culture and of the poorly developed and harmonized structure of the processes and mechanisms (laws, programs, strategies, objectives, rules etc.) operating in the book industry.
7. Research methodology

This study presents a set of data on the activity of publishers in Romania, divided into eight chapters. The research tool (questionnaire) was structured by the following research directions and indicators:

- **General information about publishing houses** (publishing fields, other activities of the publisher, evolution in average circulation per title - before 2007 and until 2015; evolution of the average number of titles before 2007 and by 2015, types of publishing formats used by publishers between the years 2013–2015 and number of books/type of format; percentage of books published by Romanian authors vs percentage of translated authors; percentage of the total number of titles sold in the period 2013–2015. We chose to divide the research periods into the period before 2007 and the period after 2007, taking into account the possibility that many of the publishers who responded to the survey were no longer able to provide such data and considering also the seniority on the market of the publishers included in the sampling. There are almost ten years between 2007 and 2015, which is why some of the publishers under survey may have found it difficult to provide accurate data. We chose this time fragmentation also because the year 2007 is the year preceding the economic crisis.

- **Human resources** (number of full-time employees, collaborators or persons hired on a project basis; the age category of most employees, collaborators and project-hired staff; an inventory of human resources and human capital available in publishing houses, classified by four categories. All these issues were analyzed by gender, education, age, specialist education; whether or not employees had access in the past five years to training, specialization or career development programs. This indicator is designed to measure the extent to which publishers (publishing house managers) value the need for continuous learning and professional improvement and whether they invest in this direction for their own human resources. The last indicator in this category describes the flow of personnel and the workforce turnover index across publishing houses for the years 2013–2015. This indicator is particularly important and relevant because it allows us to measure the degree of stability and the potential of the labour market and to determine whether we are dealing with a flexible labor market, capable to regenerate quickly or, on the contrary, with a rather inflexible and stagnant market. Also, this indicator provides important information about the budget a publisher is forced to invest in or channel towards specific staff procurement procedures. If value of this indicator is too high, the company/publisher may incur losses that might affect its entire business.

- **Material resources** - turnover for 2015 from book publishing, access to financing facilities, type of funds accessed (national funds and international funds) and extent of absorption of these funds;

- **Physical and electronic infrastructure** (the percentage of publishing houses which own a printing house, the printing location (EU or non-EU) and whether the publishing house provides publishing services on demand;

- **Marketing and promotion** (the funds the publishing houses invested in promotion and advertising in 2015 and types of retail channels (offline, online, exports etc.);

- **Strategy and sale** (the main criteria by which publishers choose the type of their publications);

- **Laws and administration** (the way publishers evaluate and appreciate the laws governing the book publishing industry; three main weaknesses of the laws on book publishing);

- **Constraints and challenges** (main obstacles and challenges publishers are faced with: economic, financial, legislative, promotion-related, distribution etc.).
7.1 The objectives of the study

The study objectives were:

1. Identify the size of the book market by describing indicators such as: total number of publishing houses, number of active publishers, main areas of activity, types of storage media, circulation, turnover, number of titles etc.

2. Identify human, material and financial resources in the written culture sector by measuring indicators such as: number of staff, number of part-time employees, broken down by age, education, gender, occupations; physical and electronic infrastructure; financing sources, expenses, profit etc.

3. Identify the main constraints and obstacles faced by publishers in Romania.

4. Identify aspects related to marketing and publishing strategies.

The instrument used to collect the survey data was the self-applied questionnaire, distributed to publishers via electronic mail (e-mail). The data collection phase covered the period April-May 2016. Managers of the surveyed publishing houses were sent an email with an invitation and a questionnaire, which they were requested to fill in individually. Questionnaires were sent to all active publishers in the database supplied by the National ISBN-ISSN-CIP Center.

The questionnaire was distributed to a total of 1360 publishers. The final response rate stood at 12%, i.e. a total of 156 questionnaires filled in. This response rate may seem low, but it is above the average that is normally obtained in surveys based on electronic sociological questionnaires. The detailed distribution of the survey sample is described in Table 4.

Sample structure

Table 4. Number of questionnaires sent and the response rate

<table>
<thead>
<tr>
<th></th>
<th>Number of questionnaires sent (absolute frequencies)</th>
<th>Percentage by type of publishers out of total sample</th>
<th>Number of questionnaires collected (absolute frequencies)</th>
<th>Response rate (% of questionnaires collected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small publishers</td>
<td>469</td>
<td>35%</td>
<td>45</td>
<td>10%</td>
</tr>
<tr>
<td>Medium publishers</td>
<td>553</td>
<td>40%</td>
<td>64</td>
<td>12%</td>
</tr>
<tr>
<td>Large publishers</td>
<td>310</td>
<td>23%</td>
<td>38</td>
<td>12%</td>
</tr>
<tr>
<td>Very large publishers</td>
<td>28</td>
<td>2%</td>
<td>9</td>
<td>32%</td>
</tr>
<tr>
<td>Total</td>
<td>1360</td>
<td>100%</td>
<td>156</td>
<td>12%</td>
</tr>
</tbody>
</table>

Table 5. Share of publishing houses by size out of the final sample structure (156 cases)

<table>
<thead>
<tr>
<th></th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small publishers</td>
<td></td>
</tr>
<tr>
<td>Medium publishers</td>
<td>12%</td>
</tr>
<tr>
<td>Large publishers</td>
<td>12%</td>
</tr>
<tr>
<td>Very large publishers</td>
<td>32%</td>
</tr>
</tbody>
</table>

7.2 Definitions

Active publishing house

Currently, there is no standardized definition of the active publishing house. Book publishing is a special kind of business that varies depending on many factors. There are publishers with an intense activity, as there are publishers with intermittent or, sometimes, with no activity at all. For this reason, there can be multiple criteria based on which the number of active publishers may vary. Some of the criteria used to describe publishers as being active or inactive in the book market are:

- Whether or not the publisher requested ISBN codes over a given time interval;
number of titles published (in this case, a publishing house is considered active if it published at least ten titles in the last year),

• number of publishers that are engaged in book publishing only, and not in some other activities (such as advertising) and which are not affiliated with or integrated in any association, foundation or other type of institutions (e.g. universities).

Statistically speaking, the definitions of an active publishing house are a specific option and they cannot be regarded as “wrong” or “right”, but simply as an operational convention. We wish to highlight this fact precisely because we wish to exclude any possible misinterpretation of or doubts about the nature of the sample used in this research. We opted for the first criterion - whether the publisher requested ISBNs over a given time interval - because it provides the highest degree of objectivity for this study.

In understanding the complexity of these criteria we benefited from the expertise of The National ISBN-ISSN-CIP Center, as the official entity in charge with centralization and management of publishing house activity (http://www.bibnat.ro/ISBN-s21-ro.htm). The selection of the active publishers for this study was conducted in partnership with the National ISBN-ISSN-CIP Center and the National Library of Romania. Publishers that applied for ISBN codes in the last 5 years were considered as active publishers for the purpose of this study.

Number and types of publishing houses at the national level

The information contained in Table 6 to the right provides a concise overview of the geographical distribution of the written culture companies in Romania. A detail in this Table that catches the eye immediately is the massive concentration of such companies in Bucharest. Nearly half of all publishers are located in Bucharest. We may also see that counties with Tier two cities, which are simultaneously demographic agglomerations and educational centers, attract a greater number of publishers (Cluj, Iași, Dolj, Timiș). At the time of the survey, geographical distribution by types of publishers is as follows

Table 6. Number of publishers at the national level

<table>
<thead>
<tr>
<th>No.</th>
<th>County</th>
<th>Total number of publishers</th>
<th>Total number of active publishers</th>
<th>Small active publishers</th>
<th>Medium active publishers</th>
<th>Large active publishers</th>
<th>Very large active publishers</th>
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<tr>
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<td>Gorj</td>
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<td>Mureș</td>
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<tr>
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<td>8</td>
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<td>0</td>
</tr>
</tbody>
</table>

38 See Figure 1 for the definitions of each type of publishing house.
### 7.3 The structure of surveyed publishing houses

**Distribution of respondent publishing houses by county**

The Table to the right is a list of the publishers which responded to our invitation to participate this survey and their distribution by town and type.

#### Table 7. Number of printing houses by size and county

<table>
<thead>
<tr>
<th>No.</th>
<th>County</th>
<th>Total number of publishers</th>
<th>Total number of active publishers</th>
<th>Small active publishers</th>
<th>Medium active publishers</th>
<th>Large active publishers</th>
<th>Very large active publishers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Sibiu</td>
<td>100</td>
<td>48</td>
<td>14</td>
<td>24</td>
<td>9</td>
<td>1</td>
<td>6175</td>
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<td>35</td>
<td>Suceava</td>
<td>79</td>
<td>30</td>
<td>12</td>
<td>13</td>
<td>5</td>
<td>0</td>
<td>1956</td>
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<td>36</td>
<td>Teleorman</td>
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<td>1</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>752</td>
</tr>
<tr>
<td>37</td>
<td>Timiș</td>
<td>151</td>
<td>64</td>
<td>17</td>
<td>31</td>
<td>13</td>
<td>3</td>
<td>348</td>
</tr>
<tr>
<td>38</td>
<td>Tulcea</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>286</td>
</tr>
<tr>
<td>39</td>
<td>Vâlcea</td>
<td>67</td>
<td>19</td>
<td>4</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>787</td>
</tr>
<tr>
<td>40</td>
<td>Vaslui</td>
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<td>9</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>138</td>
</tr>
<tr>
<td>41</td>
<td>Vrancea</td>
<td>3021</td>
<td>792</td>
<td>348</td>
<td>286</td>
<td>158</td>
<td>20</td>
<td>379</td>
</tr>
</tbody>
</table>

**Results valid at 23.03.2016, according to the Romanian Publishing Houses database (The National Library of Romania, software - Aleph.)**
Data was collected by means of questionnaires distributed to the group of active publishers and served as a general view, rather than as a reference to the national or local (county) publishing industry. Limitations encountered when selecting respondent publishers for this survey were:

- Methodological limitations related to the listings that were used for the sampling, which may contain errors or obsolete information. The criterion by which publishers were classified as active publishers was the extent to which they filed or not applications for allocation of ISBN codes in the last five years with the National ISBN-ISSN-CIP. Thus, there were identified a total of 1963 active publishing houses; however, after the field stage of our survey, only 1360 publishers could be contacted (by e-mail or phone). This constraint was of a technical nature and was therefore impossible to control.

- A methodological limitation related to the impossibility to control the sample in terms of actual number of publishers that are active on the market in Romania, as their number may fluctuate considerably every year;

- Finally, another methodological challenge was that a large amount of data had to be collected in a very short time.

Under these circumstances, two selection criteria were established in the sampling:

1. **Active vs. inactive publisher**

   **Status** = active/inactive in the last five years (2011–2015).

   **Active publisher** = requested ISBN codes in the reference period.

   **Inactive publisher** = publishers that closed their business, publishers that suspended their business temporarily, publishers about which no data is available any longer

2. **Size or type of publishers: small, medium, large and very large publishers**

   **Chart 1.** Share of active publishers included in the survey

   ![Chart 1. Share of active publishers included in the survey](image-url)
8. Data analysis and interpretation

8.1 Current state of the book industry in Romania

Below we will describe the data about the total number of publishing houses that have been established in the country in the last 26 years (whether still active or not), based on data provided by the National ISBN-ISSN-CIP. Center. Not all of these publishing houses are currently in operation, but this information is nevertheless important for identifying the parts of the country where the largest publishing houses (and, as such, most of the publications) are located. The counties showing the highest number of publishers are usually located in the most developed regions and in important university centers in Romania - Bucharest, Cluj, Timișoara, Iași.

Map 1. Distribution of the publishers by status/county/size as at 23.03.2016

Data source: National Center ISBN-ISSN-CIP; Data processing: NICRT (2016)
The coloured areas are the counties with the largest number of publishers in the country. The counties with the largest number of publishers and the biggest university centers of Romania were highlighted.
Compared to the total number of publishers established in Romania, the number of publishers that are still active (i.e. those that requested ISBN codes in the last five years) is much lower. Out of a total of 6157 publishers established across the country, only 1956 are currently active and involved in the book business. More than 50% of publishers have suspended their business. This state of affairs is comparable to that in other cultural areas (theater etc.), namely a massive “desertification” and a constant decline in the production of cultural assets.

The Bucharest - Ilfov region is the best represented in terms of number of publishers. Half of the publishing houses are seated in Bucharest and its neighboring areas. The remaining 50% of them are spread around the other regions of the country. It is interesting to note that book production is clustered in the capital city. At the same time, publishers complain about the book distribution costs. In any case, it is a fact that intensely populated areas will always attract the greatest number of companies and, implicitly, the largest production volumes.

Map 2. Distribution of publishing houses by status/county/size as at 23.03.2016

Data source: National Center ISBN-ISSN-CIP; Data processing: NICRT (2016)

The map illustrates the distribution of publishers by regions. According to this map, over 50% of the existing publishers in the country are seated in Bucharest.
Map 3. Distribution of publishing houses by status/county/size at 23.03.2016

Data source: National Center ISBN-ISSN-CIP; Data processing: NICRT (2016)

The map illustrates the number of active publishers by county.
An active publisher is a publisher having requested ISBN codes in the last 5 years.
The index was calculated taking into consideration the number of active publishers and the population recorded in each county. The intense heat areas in blue, purple, pink are counties where the density of active publishers is higher.
8.2 Background information on publishing houses

In this section we will describe the publishing work, the type of production and to whom it is addressed (general public or specific social and professional categories of people), the percentage of publishers involved exclusively in the book business, the other activities publishers carry out in addition to their main line of business, the hierarchy of the publishing domains and the differences appearing in this hierarchy there in the case of diversified-business publishers and the amount of publications over several periods of time.

In this analysis, the best represented are the medium-size publishing houses, followed by the small ones. The group of surveyed publishers is well-balanced from this point of view, because it reflects the macro-structure of the spread of the number of publishers by their size. Medium-size publishing houses account for 41% of the total number of publishers included in this analysis. Large-size publishing houses account for the lowest percentage out of the total number of respondents, which in fact mirrors the nationwide state of affairs in this industry.

Chart 2. The structure of the survey sample by size of publishers

Over 70% of the total production declared by publishers who responded to this survey is intended for distribution to the general public. A little over one quarter (28%) of the total publishing production is targeted to a specific audience, in this case to a specific social and professional category of individuals. As a matter of fact, the trend in the publishing areas shows that the target of the largest percentage of the total book production is the general public. Almost half (47%) of the total book production is dedicated to a socio-professional category.

8.3 Other activities carried out by publishing houses

To better understand the way publishers operate in Romania it is important to see what other activities they are involved in. When reviewing the book market one should outline the full scope of the operations carried out by the publishing houses, because in many cases they are not involved exclusively in the book publishing business. In fact, most of them perform some other activities in addition to book editing. Below we will present the situation from this point of view. Thus, we may notice that, for 50% of the publishers, book publishing is neither their main nor their only line of business.

To figure below was drawn out taking into account the activities the respondents of this survey have indicated under the free-answer section of the survey questionnaire. However, due to the fact that the number of respondents that chose to answer to this particular question was not large enough to allow a percentage hierarchy, we could not but present them schematically. As such, we divided the relevant respondents into 12 larger categories, by the frequency with which they indicated the different other types of activities they were involved in.
Data analysis and interpretation

Explicația pentru această situație este legată de faptul că un număr mare de edituri funcționează într-o structură afiliată, fie în cadrul unor instituții publice, fie fundații sau asociații.

The explanation for this situation is the fact that most publishers operate as a structure affiliated to different public institutions, foundations or associations. Of the 50% of the publishers that said they were involved in other business besides book publishing, some operate within various universities (academic publishers), public institutions or cultural associations (museums, memorial houses) and within the county centers in charge with promotion and preservation of the traditional culture, for example. A possible explanation for this situation is the constant demand for publishing services of these institutions, in their attempt to be independent with respect to their choice of editorial process and schedule. “Publishing in one’s own backyard” is a common practice among university centers as well as among educational and higher education institutions. Out of the total number of surveyed publishers, 27% are part of an umbrella structure and carry out, besides publishing, different other activities as well.

This state of facts is relevant for this book market analysis, because it is an indicator that can explain why some areas of publishing are better represented than others and what criteria publishers will apply in deciding whether to publish a title or not.

Figure 3. Other activities carried out by publishers in addition to publishing

Research  Printing  Marketing & consulting
Publicity, advertising  School contests  Research - development - innovation
Education  Symposia  Cultural events
Artistic creation  Entertainment  Training

8.4 The scope of the publishing activity

Over the time, the book, as a cultural commodity, has served many different fields: education, training, recreation, information etc. The first books published and printed in Romania were religious books to which only a few people had access. Nowadays, amid the technological development and the changing economic logic of the book publication business, the book and publications of all sorts are subject to completely different other mechanisms. Consequently, and publishing fields have also changed and repositioned themselves. The chart below shows the percentages for each area of the publishing industry. The percentages represent the “yes” answers given by respondents to the question regarding the scope of their publishing work. Children’s and teenagers’ books are well represented in the hierarchy of publishing fields. The data collected indicate that the field of comic books is the least represented of all the fields, because the comic book culture is virtually inexistent in Romania. Most comic book stories available on the Romanian market are imported, mainly from the US. We do not know the reason for this situation, but the most likely explanations are the lack of a real market supply in this sector and the lack of publishers’ interest in books of this type.
The next chart illustrates the fields of publishing that account for the highest percentages in the book market in Romania. The highest percentage of all the publications is occupied by the fields of linguistics, literature and literary studies, fiction books and biographical books. Comic books are the least published books. Humanities are better represented in terms of publication compared to hard science books or professional books (law, medicine etc.)

<table>
<thead>
<tr>
<th>Field</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linguistics, literature, literary studies, fiction &amp; biographies</td>
<td>61%</td>
</tr>
<tr>
<td>Children's and teenager's books</td>
<td>41%</td>
</tr>
<tr>
<td>History and archeology</td>
<td>37%</td>
</tr>
<tr>
<td>Education and teaching</td>
<td>36%</td>
</tr>
<tr>
<td>Philosophy and religion</td>
<td>33%</td>
</tr>
<tr>
<td>Arts: painting, sculpture, architecture, film, theater</td>
<td>32%</td>
</tr>
<tr>
<td>Social sciences</td>
<td>27%</td>
</tr>
<tr>
<td>Mathematics and sciences</td>
<td>25%</td>
</tr>
<tr>
<td>Geography and environment</td>
<td>25%</td>
</tr>
<tr>
<td>Reference and information works</td>
<td>21%</td>
</tr>
<tr>
<td>Medicine</td>
<td>21%</td>
</tr>
<tr>
<td>Economy, finance, management</td>
<td>19%</td>
</tr>
<tr>
<td>Technology, engineering, agriculture</td>
<td>19%</td>
</tr>
<tr>
<td>Sports and recreation</td>
<td>18%</td>
</tr>
<tr>
<td>Health and personal development</td>
<td>15%</td>
</tr>
<tr>
<td>IT &amp; Computers</td>
<td>15%</td>
</tr>
<tr>
<td>Law</td>
<td>14%</td>
</tr>
<tr>
<td>Music: sheet music, music books</td>
<td>13%</td>
</tr>
<tr>
<td>Lifestyle, hobby</td>
<td>8%</td>
</tr>
<tr>
<td>Comic books</td>
<td>3%</td>
</tr>
</tbody>
</table>
Regarding the specifics of the editorial production, 90% of the publishers surveyed said they published preponderantly books written by Romanian authors and only 10% of them said they preferred to publish foreign books. We may talk here about two distinct effects: a positive one, namely the tendency to encourage domestic book production and promote the Romanian authors, and a negative effect, consisting of a limited access of consumers to certain types of books and fields of publication.

Chart 6. Share of Romanian authors of the total publications of the respondents
8.5 Areas of publication and affiliations with institutions / organizations

Another objective was to identify the extent to which publishers’ affiliation or membership to an umbrella structure alters the hierarchy of the publishing areas. The field “linguistics, literature and literary studies, fiction and biographies” remains on top of the list, followed by “education&teaching”. As we have shown in the chapters above, publishers operating in affiliate structures mirror in their publishing activity the organization within which they operate. Most often than not the specific of the umbrella institution determines the specific of the books published by the affiliate publisher. We may therefore conclude that book market in Romania depends to a great extent on school curricula and the type of activities the various umbrella organizations, companies or institutions are involved in.

Chart 7. Publishing fields of publishers with multiple activities

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linguistics, literature, literary studies, fiction &amp; biographies</td>
<td>68%</td>
</tr>
<tr>
<td>Education and teaching</td>
<td>43%</td>
</tr>
<tr>
<td>History and archeology</td>
<td>39%</td>
</tr>
<tr>
<td>Children’s and teenager’s books</td>
<td>36%</td>
</tr>
<tr>
<td>Mathematics and sciences</td>
<td>31%</td>
</tr>
<tr>
<td>Philosophy and religion</td>
<td>29%</td>
</tr>
<tr>
<td>Social sciences</td>
<td>29%</td>
</tr>
<tr>
<td>Reference and information works</td>
<td>28%</td>
</tr>
<tr>
<td>Technology, engineering, agriculture</td>
<td>27%</td>
</tr>
<tr>
<td>Arts: painting, sculpture, architecture, film, theater</td>
<td>27%</td>
</tr>
<tr>
<td>Geography and environment</td>
<td>24%</td>
</tr>
<tr>
<td>Medicine</td>
<td>21%</td>
</tr>
<tr>
<td>Economy, finance, management</td>
<td>20%</td>
</tr>
<tr>
<td>Sports and recreation</td>
<td>19%</td>
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<tr>
<td>IT &amp; Computers</td>
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<tr>
<td>Law</td>
<td>15%</td>
</tr>
<tr>
<td>Music: sheet music, music books</td>
<td>15%</td>
</tr>
<tr>
<td>Health and personal development</td>
<td>11%</td>
</tr>
<tr>
<td>Lifestyle, hobby</td>
<td>8%</td>
</tr>
<tr>
<td>Comic books</td>
<td>4%</td>
</tr>
</tbody>
</table>

(respondents that reportedly are involved in other activities in addition to publishing)
8.6 Book publishing across surveyed publishers

Publishing is a very strong indicator of the book market trend and its state at any given time. It also illustrates the changes that have shaped the book industry over the years. We asked the publishers included in our survey to provide us with data about the average circulation per title and the number of titles they published before and after 2007 and up until the year 2015 inclusive.

We can see from the respondents’ answers that the average circulation per title has increased steadily after 2007, reaching the highest values between 2007 and 2010. After 2011, the book market started to decline, a trend the book industry experienced worldwide, and in particular in Europe. In this study, we started from the assumption that the book market was severely affected by the economic crisis, but data reported by the respondents show just the opposite. This paradox can be explained by the law of the German economist Ernst Engel, who postulated that in times of crisis the expenditure on durable goods decreases substantially, while spending on non-essential or perishable goods (food, books, cultural services) remains constant or even increase.\(^{39}\) One possible explanation for the situation of the book market after the year 2011 could be the continuous development of the production technology, which resulted in lower production and distribution costs, accounting however for the inherent limitations attached to the surveyed sample of publishers.


<table>
<thead>
<tr>
<th>Average circulation/title</th>
<th>Print</th>
<th>Audio book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 2007</td>
<td>84.433</td>
<td>35.000</td>
</tr>
<tr>
<td>2007–2010</td>
<td>402.981</td>
<td>20.050</td>
</tr>
<tr>
<td>2011–2014</td>
<td>274.754</td>
<td>91.42</td>
</tr>
<tr>
<td>2015</td>
<td>170.042</td>
<td>11.711</td>
</tr>
</tbody>
</table>

The number of titles was the highest in the period 2007–2010.

In that same period, the number of printed book and audio-book titles has seen a constantly ascending trend. The increase in the number of e-book and audio book titles is clearly linked to the development and improvement of the specific technology.


<table>
<thead>
<tr>
<th>Number of Titles</th>
<th>Print</th>
<th>Audio book</th>
<th>E-book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 2007</td>
<td>27.399</td>
<td>0</td>
<td>124</td>
</tr>
<tr>
<td>2007–2010</td>
<td>51.098</td>
<td>23</td>
<td>100</td>
</tr>
<tr>
<td>2011–2014</td>
<td>14.395</td>
<td>71</td>
<td>1.301</td>
</tr>
<tr>
<td>2015</td>
<td>12.782</td>
<td>46</td>
<td>653</td>
</tr>
</tbody>
</table>

Like any other business, publishing companies are facing obstacles and challenges. One of the most serious problems they are confronted with is book distribution. The main impediment mentioned by respondents was of an economic nature. For 42% of the surveyed publishers the main obstacle they are facing is related to editorial production distribution and promotion capacity. Another barrier is related to legislation and to the fact that the largest cluster of active publishing houses is located in the capital city.

Below is a summary of the major problems reported by the surveyed publishers regarding the laws governing the publishing industry:

- sponsorship law (a recurrent issue, raised primarily by those involved in the cultural industry);
- lack of public policies designed to stimulate reading;
- publisher re-licensing regulations;
- absence of transparent legislation on the purchase of books by libraries;
- heritage law;
- intellectual property law
- the new Tax Code
- mandatory literary stamp law

The box below contains a list of the respondents’ answers to the question regarding their view on the laws governing the book industry.
List 1. List of respondents’ answer to the question about the laws governing the publishing industry

**WHY IN YOUR OPINION IS THE CURRENT LEGISLATION INSUFFICIENTLY ADAPTED THE BOOK MARKET NEEDS?**

- The national accreditation of publishers and publications did not have a clear and consistent direction.
- Publishing should be de-bureaucratized in order to facilitate anyone to publish books and other materials, thereby encouraging creativity and free expression of all Romanians.
- The ambiguity of the provisions of the law regarding contracts with collaborators (translators, editors).
- Sponsoring of the publishing projects is cumbersome due to complicated legislation (sponsorship law needs improving)
- Books should be totally exempt from VAT and libraries should sell books and stationery only.
- Publishers do not receive any kind of support or facility in terms of book distribution and collection of their revenue from distributors, insofar as the laws is clearly favoring the latter.
- Publishers do not benefit from public policies designed to stimulate reading (such as organizational, financial, promotional, strategic policies).
- The Cultural Establishment Act No. 118/2006, as well as other regulations in this field, do not contain clear provisions regarding the publishing houses operating within the public cultural institutions. The non-commercial status of the books published by these publishers is not precisely stipulated by these laws and regulations.
- No re-licensing of publishers of technical and scientific books has been conducted.
- The heritage law does not clearly regulate on the rights of reproduction and publication of books about monuments and works of art, which limits the publishing of albums about the Romanian monuments and artistic works.
- The new tax code introduced a compulsory pension tax in 2016 in the case of authors hired under employment contracts, who pay already their contribution to the pension fund. The higher the reduction in the percentages the authors are entitled to under contracts, the lower the drive of the authors to write and publish books. On the other hand, if the publisher itself pays such additional charges itself, just to keep the author’s revenue intact, the expenditures of the publishers would increase, which would force it to increase the price of the books to compensate for its additional spending.
- High book prices discourage readers to buy books. Moreover, by paying more taxes to the public budget than they do already, publishers may become insolvent or may see themselves forced to cut down investments in new titles, equipment and human resources.
- The Romanian laws on book publishing are much stiffer compared to the laws of other countries, which means that it obstruct publishers to compete with publishers from abroad. For example, in other countries of the world it is perfectly legal to allocate a specialized publication that is distributed along with a serial publication an ISSN code because it belongs to a serial publication and an ISBN code because it is a special issue. In contrast, in Romania, if foreign authors ask for such a form of publication several times, the publisher will encounter serious barriers at the National ISSN - ISBN – CIP center.
- The obligation of the publishers to pay the fee for book packages sent to the legal deposit of documents.
Data analysis and interpretation

- Lack of translated version and implementation of the standard ISO 15836-2009 Dublin Core Metadata Element Set establishing a set of metadata vocabularies for print and digital cultural products (NBR blames it on its insufficient resources).

WEAKNESSES IN THE RELEVANT LEGISLATION

(Please indicate and elaborate on the main weaknesses of the laws governing your publishing business)

- Lack of transparent legislation establishing criteria for the purchase of books by libraries or other state entities.
- Lack of clear legislation on literary stamp the use of the funds collected from this source.
- Lack of national programs dedicated to supporting written culture and the access to books of as many people as possible.
- Lack of a policy to support the publishing of books by Romanian authors and their promotion abroad (recommendation: cutting down the tax on revenues from copyrights for the Romanian authors). Written culture should enjoy the same level or support as the IT industry (tax facilities to be allowed to people working in the publishing industry).
- (...) The laws should establish more rigorous filters for the screening of editorial products before their publishing, to avoid publishing books of very poor quality and or books with an antisocial and immoral content.
- Insufficient capacity of the publishers to ensure the widest possible distribution of their books.
- Incapacity of the publisher to make larger investments in the book business.

- University press publishers cannot operate as commercial publishers under current legislation, as the sale of publications cannot rely too much on the current legislation.
- High taxation.
- The imposition of the literary stamp tax, the ambiguity of the legislation (in general) in the field of book publishing.
- Lack of criteria to ensure publication quality. Greater emphasis on the correct use of the Romanian language; compliance by the authors with the legal regulations in force.
- Digital books are classified as information services by the Romanian Tax Code and have a different taxation regime than the print books (20% VAT vs. 6%).
- The Tax Code does not recognize expenses related to unsold or damaged/scrapped stocks of books as expenses associated with the publishing activity.
- Donations of books to public libraries are limited in terms of their value depending on the amount of profit incurred by publishers (which, generally, make small or no profit at all).
- Law186/2003 is not applied. Small and private publishing houses (as defined by Law 31/1991) do not benefit from financial support. Printing and publishing written culture are impossible without at least a partial funding. There is no book market other than under the monopoly of the Ministry of Culture.
• Promotion of electronic book publishing through the Education Ministry. Traditional school libraries are not promoted at all.

• The need for regulations regarding the conditions for book distribution and revenue collection by publishers from the sale of their books; there law as it is now almost encourages the creation of large retailers cartels.

• Taxes and charges imposed by the new Tax Code on copyrights to authors working under employment contracts.

• Absence of a legal framework facilitating cultural production – subsidies for participation to national and international book fairs, support for organization of events designed to stimulate reading.

Table 10. Main barriers to book publishing

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>I don’t know / I don’t want to answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>15%</td>
<td>70%</td>
<td>15%</td>
<td>100%</td>
</tr>
<tr>
<td>Retail/promotion</td>
<td>42%</td>
<td>42%</td>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>Economic/financial</td>
<td>62%</td>
<td>25%</td>
<td>13%</td>
<td>100%</td>
</tr>
</tbody>
</table>

8.7 Laws and administrative issues

We cannot talk about an industry without considering the legal and regulatory framework that governs it. The surveyed publishers were asked to evaluate the relevant legislation in force and 72% of them said that legislation was insufficiently adapted to the actual needs of the book market. Their complaints on this issue are numerous and very explicit, so that we may conclude that some aspect of the laws in the publishing sector are indeed representing a problem the publishers are constantly confronted with.

Chart 8. Evaluation of the current legislation

- Sufficiently adapted
- Insufficiently adapted
- Non-answer
8.8 Material resources

Turnover

The turnover reported by book publishers covered by the survey amounted in average to RON 155,800 in 2015 (almost 34,000 EUR). The biggest turnover recorded was RON 1,868,514. (415,225 EUR).

Ability to absorb funds

To identify the sources of the foreign funds attracted by publishers, we have checked whether the publishers surveyed benefited from subsidies, projects or other forms of support. Thus, we have found that 80% of the surveyed publishers said they did not access any kind of funding facility. Of the publishers that reported to have accessed funds, 80% of the funds concerned were international financing facilities. Publishers who accessed such resources benefited preponderantly from international funds (85% of cases). A possible explanation for the low level of absorption of the national funds is, on the one hand, the scarcity of such funds and, on the other hand, the cumbersome procedure one is required to apply to access the funds. Where the candidate applying for a funding line is required to make some “pre-financing investments” as a prerequisite for fund allocation, the chances of the less developed publishers to access such funds get drastically slimmer. We are therefore dealing with a vicious circle - publishers in desperate need for funds cannot simply afford to invest before the financing stage. In some cases they are required to bring proof of their expertise and their portfolio, but they cannot do that precisely because they were not given the chance to access the resources they needed to strengthen their position. On the other hand, financiers require the candidates to fundraising to deposit a performance bond designed to ensure the proper implementation of the projects.

Figure 4. External funding resources – national and international fund absorption by surveyed publishers
Physical and electronic infrastructure

Physical and electronic infrastructure gives publishers access to the best and most effective mechanisms and production technologies, while offering readers the chance to high quality books. More than half of the respondents said they did not own a printing press. Only 30% of respondents reported they owned a printing press.

Table 11. Own printing press

<table>
<thead>
<tr>
<th>Do you own a printing press?</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30%</td>
</tr>
<tr>
<td>No</td>
<td>66%</td>
</tr>
<tr>
<td>Non answer</td>
<td>4%</td>
</tr>
</tbody>
</table>

Most often, Romanian publishers print their books in Romania. In the absence of explanatory data for this state of affair, we can only suppose that the reason is the high cost of printing books elsewhere.

Table 12. Printing place

<table>
<thead>
<tr>
<th>Where do you print your books? In Romania?</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>87%</td>
</tr>
<tr>
<td>No</td>
<td>7%</td>
</tr>
<tr>
<td>Non answer</td>
<td>6%</td>
</tr>
</tbody>
</table>

8.9 Marketing and promotion

The average budget allocated by the 36% of the publishers that said they provided for budget resources to finance their marketing and promotion initiatives in 2015 amounted to RON 15,796. Most publishers (64%) said they did not provide for a marketing and promotion budget. Those who chose not to allocate funds to promotion activities were either lacking the financial resources to do that or had no activity (and hence no budget). Regarding the marketing budget for 2015, publishers reported the following two situations: they could not afford a marketing budget or they had no sales whatsoever and, as such, they saw no use in having a marketing plan in stock.

Dissemination / retail channels

The channels the publishers use for distributing their books are influenced by strategic, territorial or technological factors. The newly developed technologies offer new opportunities. The latter criterion is one of the most important, because it triggers the mobility of the others and may cause elimination of old channels in favor of the new ones. Even if the main distribution medium is still the conventional one, we may say that the online environment, too, is a powerful distribution tool for publishers. Almost half of the publishers see the online media is a distribution channel.

The publishers participating in the survey were asked to indicate other book distribution channels. The main channel they reported was the authors of the books they published. The contributors to the book publishing act in some cases as a distribution channel as well. Direct sale (door-to-door) sales are another channel indicated by publishers in the survey, though this selling technique is less and less applied in merchandising. Publishers supply publishing services on request. Over half (58%) of the publishers said they engaged and would continue to engage in direct sales. 11% of publishers surveyed declared they exported their editorial productions.

Chart 9. Main book distribution channels

| Offline / conventional (bookstores, book fairs, festivals, specific events etc.) | 70% |
| Online | 46% |

Table 13. Other distribution channels

<table>
<thead>
<tr>
<th>Other book distribution channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authors</td>
</tr>
<tr>
<td>Own institution</td>
</tr>
<tr>
<td>Door-to-door sale</td>
</tr>
</tbody>
</table>
8.10 Publishing strategy of the organization participating in the survey

Regarding publishing strategy, representatives of the publishing houses included in the survey were asked to give a free answer to the question about the three main criteria they take into account when deciding on their editorial production. Publishers were also invited to answer freely to the question dealing with the criteria based on which they decide to publish a title or not. Some of the main criteria indicated by respondents are: the author’s request, the market demand and the readers’ requirements. The type of institution and the requests coming from inside the association or institution are a criterion that dictates the choice of the editorial content, in particular for those publishers that are associated with an institution or organization. It is interesting to note here that the respondents appear to be more interested in the quality of their products, than in their financial gains, when they choose their editorial production. The second and the third criteria they indicated take account of financial, profit-making, scientific quality and field of the editorial production. The publishers’ scale of values is as follows: quality - author - novelty - profit - field - technical issues (e.g. number of pages).
8.11 Human resources and workforce

The number of people employed in publishing in the last three years has been fluctuating. We cannot outline a clear trend on this front, because the number of new hires (95) in the publishing sector in 2014 was lower compared to the year 2013 and mainly compared with the year 2015 when their number increased significantly. Compared with what happens in Europe, in Romania, publishing industry does not seem to be very attractive for the active workforce.

However, compared to the number of people employed and engaged in this sector, the amount of employees who left the publishing sector is high. This tendency has, on the one hand, a positive impact, owing to the fact that staff fluctuation usually causes a freshening up of the workforce, which is a good thing from the organizational viewpoint and a source of permanent revival for the company. On the other hand, it has a negative impact, due to that an unstable market and an excessively flexible workforce may trigger economic instability, a soaring of the recruitment costs and a decline in company’s productivity and, implicitly, its profits. This indicator is very useful in identifying the priorities of the publishers’ management plans.

In the case of the publishers surveyed, workforce is not a priority. Year 2015 saw the lowest amount of staff losses across the sector.

Chart 10. Number of employees hired in the publishing sector in the last three years

Compared to the survey sample (156 publishers from across the country)
Data analysis and interpretation

Chart 11. Number of employees who left the publishing sector in the last three years

Compared to the survey sample (156 publishers from across the country)

Training and investment in continuing education of the employees

An important indicator in this case was to identify the publishers that included staff training, specialization and skill development as a priority in their management plan.

The results of the survey on this issue are as follows:

• 20% of publishers said they had provided staff training courses
• 20% of publishers said they had provided skill development courses;
• 16% of publishers said they had offered specialization courses.

Staff training and development packages did not represent a priority for the publishers participating in the study. The percentages of publishers that allocated funds and arranged for staff training programs, which are an important growth factor for any company, are very low.

Table 14. Staff training programs provided by the surveyed publishers

<table>
<thead>
<tr>
<th>In the last five years employees have participated in:</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>training courses</td>
<td>20%</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td>skill development courses</td>
<td>20%</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td>specialization courses</td>
<td>16%</td>
<td>84%</td>
<td>100%</td>
</tr>
</tbody>
</table>

To identify the extent to which the size of the publisher organization influences the training budget and implicitly the number of trainees, we established the size of the publisher to be a key criterion in our survey. The data obtained show that the size of the publisher does not directly influence its training budget or the number of staff trained. It appears that large size publishers are the most willing to provide training programs to their employees, probably because of their notoriety and their higher attractiveness for people seeking employment in this industry.

Chart 12. Investments in staff training by size of publisher

In 2015, publishers had the lowest number of employees in 3 years. The average number of employees has steadily declined since 2013 (513). This decline is probably due to migration of employees to other sectors, to the technological developments that resulted into the replacement of human resources with technical means (e.g. disappearance of jobs or trades that are no longer in use and replacement thereof by modern technologies),
as well as due to scarcity of newly qualified and specialized personnel (human resources exiting the market without being replaced by new workforce).

Chart 13. Average number of employees in the publishing sector in the last three years (in relation to the surveyed sample (156 publishers from across the country)

![Chart](chart.png)

8.12 Staff turnover index

Staff turnover index reflects the degree of sector stability. To perform at its best, a company should have a staff turnover index of up to 25%. A staff turnover rate above 25% indicates that the company is having troubles managing its human resources. Staff turnover index is a quantitative indicator that describes a state of fact in figures. However, it cannot mirror more subtle aspects such as staff satisfaction and motivation or other possible causes behind the workforce fluctuation. The calculation of this index takes into account only the full-time and part-time employees and excludes authors and collaborators. For the publishers under our analysis, we have calculated the staff turnover index for the whole group of respondents over their last three years of activity and found that staff turnover index in the period 2013–2015 stood at 9%, which indicates a relatively stable sector. The 9% rate identified during this study is deemed acceptable, compared to the commonly accepted maximum limit of 25%.

Publishers’ staff structure

An analysis of the staff structure is important because it allows us to establish the characteristics of the employees involved in this industry and the staff fluctuations and trends in the last three years covered by this survey. Except for the publishers (39%) in the survey sample, which reported they had no employees, most of the respondents (31%) said they had between 1 and 3 employees and 19% of them declared they had between four and ten employees.

Chart 14. Number of employees by type of employment contract

40 Staff turnover index: – calculated as a percentage of the number of employees who leave the organisation in a period of time in the average number of employees of that period


“Contributor agreement” becomes more and more frequently used as a form of work for hire. Out of the number of the surveyed publishers who said they work with contributors, 35% of them have
Data analysis and interpretation

between one and three collaborators. Contributors’ employment is similar to that of full-timers. We may conclude, following the survey, that this type of employment arrangement is frequently used by publishers. One possible explanation for this could be linked to the need of the publishers to work with specialists over a definite period of time, without hiring them permanently. Publishers whose business is intermittent may find the contributor agreement a more suitable and beneficial solution in their case.

We have also analyzed how the staff loss has occurred: whether by resignations, layoffs, downsizing, retirement or death. We have found that resignation was the main reason for the staff loss across the publishing in the last 3 years. The second reason was the downsizing, followed by retirement and the end of employees’ active cycle on the labor market according to the law. The fact that 46% of the employees of the analyzed sector chose to resign may indicate a low level of staff satisfaction, coupled with a small degree of attractiveness of the industry.

Chart 15. Reasons for staff loss over the last 3 years

8.13 Social and demographic structure of human resources in the publishing industry

Young people account for the lowest percentage out of the total number of employees across the surveyed publishers. One explanation could be that young people are not attracted to a sector they regard as not sufficiently competitive. On the other hand, the industry itself lacks the strategy or, perhaps, the interest to attract young workforce.

Chart 16. Employee distribution by age groups

In terms of staff structure, the best represented are the employees aged between 26 and 49 years. The least represented are employees aged 65 years and over. An interesting fact is that the employees aged 65 years or over are better represented than the young employees. The distinction arises in terms of the legal form of employment – the younger ones usually being collaborators.
Although the employees aged 65 years or more are technically retirees, they continue to collaborate with publishers. This indicator confirms once again the fact that the labor market suffers from a loss of older personnel, coupled with a lack of employees from the younger generation, for which reasons publishers are forced to reactivate human resources that have ended their active life on the labor market.

For a more detailed analysis of the personnel structure in the publishing industry, we took into consideration the size of the publishers surveyed. In the case of the small-size publishers, most of their employees work under collaborator agreements. The fewest in number are the full-time employees aged between 45 and 60 years. In the case of large-size publishers, the best represented are the employees aged between 45 and 60 years. The very large publishers do not have any employee over 60-year old. As we have already mentioned above, the very large publishers have the ability and the resources to handle a higher staff turnover rate. Medium-sized publishers work mostly with collaborators in the 26 to 45 year age group. The publishers included in the survey have no collaborators aged over 60 years. The medium size publishers have the youngest staff compared to the other types of publishers.
8.14 Gender distribution of human resources in publishing houses

Of all the personnel involved in the sector, men account for a share of 57%. Male collaborators are the most numerous of all the employees working in publishing. Male employees hired under a long-term employment contract represent the fewest number.

Collaborators with higher education are the most numerous types of employees across the publishers that participated in the study. It is possible that the highly educated staff, who are specialized in specific fields, to have more collaboration agreements at a time, so we may talk about a human resource rotation process. Well-trained specialists are an important resource for any type of industry, which is why this type of staff may be more difficult to recruit and retain.

The category of higher education employees is the best represented in this sector. Nearly 80% of the sector staff, be they full-timers or collaborators, are graduates of higher education institutions. People with secondary or different other levels of education account for as little as 22%.

Most of the employees of the publishing houses are collaborators who have completed their studies in humanities. The fewest in number are full-time employees who have completed studies in hard sciences such as mathematics and natural sciences. A possible explanation could be related to the fact that those who are trained in hard science fields have access to a wider offer of better paid jobs compared to those coming from the field of humanities.
Chart 23. Human resources distribution by level of education across publishing houses

Chart 24. Level of education of the human resources employed with the publishing houses

Chart 25. Human resource distribution by field of education
9. Conclusions

The importance of this book market analysis lies in that it provides the current picture of this cultural industry sector. Data was collected by means of a quantitative study. Our goal was to conduct an overall book market research and to identify the major strengths and weaknesses of the book industry in Romania.

Currently, the global book market is going through deep changes, especially in terms of sales volumes and book publishing on the traditional paper support. Technology developments have prompted the restructuring of the book industry, which encompasses nearly all possible aspects of this trade: from the way the book is published, stored and disseminated, to the way the authors are now free to publish and sell their works on their own.

At European level, the book market is less developed in terms of absorption of new technologies than the US book market. The European market has a smaller number of employees in this industry, although it has a larger number of companies than the US market, which produces most of the innovative technologies dedicated to this industry (e-book).

In Romania, publishing industry is concentrated mainly around the capital city and around major university centers around the country. Most publishers that are currently active are located in the bigger towns of the country and primarily in important academic centers – Bucharest, Cluj, Iasi, Timisoara etc.

In terms of editorial production, the financial crisis has not affected the publishing industry as strongly as it affected other industries, at least not the publishers that participated in this study. Most often, the criteria by which publishers select the books they publish are related to the quality and the value of the literary content.

Absorption of external funds is rather low in the case of the publishers included in this study. More than half of the respondents said they had never accessed funding facilities.

Staff training is not a priority for most of the publishers surveyed.

Half of the surveyed publishers are currently affiliated to other institutions and are involved in different other activities, in addition to publishing, such as research, training, advertising; events and symposia organization; marketing and consultancy etc.

The number of employees engaged in the publishing industry is not very high, and young people are poorly represented on this segment of the labor market. Most employees are male, aged between 36 and 45 years, with higher education degrees in humanities and arts.

The staff working in the publishing industry does not find their workplace very attractive, a fact proven by the large number of employees who chose to abandon the industry in the past 3 years.

The obstacles publishers are confronted with are mostly of a financial nature, followed by constraints related to legal framework, public policies and industry organization.