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L'offre de livres numériques à destination des bibliothèques de lecture publique : un regard international

Presses de l'enssib

4. Investigating the impact of the e-book in Sweden

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4. Investigating the impact of the e-book in Sweden¹

- 1 In 2013 a consortium of researchers at the universities of Gothenburg and Borås, applied for, and obtained a grant from Vetenskapsrådet (the Swedish Research Council), to explore the e-book phenomenon, from authorship through to readership. We are engaged in a series of investigations, including interviews with authors, readers and publishers, and surveys of public and academic libraries.
- 2 This is a big project, a four-year project, with a grant of 12 million Swedish Krona, which is about 1.4 million euros for the period of time. Our e-book research group is composed of two colleagues from the university of Gothenburg, and the rest of us from the university of Borås. The participants from the university of Gothenburg are working chiefly with a national media survey, called the SOM (Society, Opinion and Media) survey, which goes out to a random sample of the Swedish population every year, and in which we have placed questions relating to e-book use. So we get a national picture of how e-books are being used in Sweden in general.
- 3 Figure 1 shows a map of Sweden, because I think it's important to understand the context that we're talking about. The separate colored areas are the different *lands* in Sweden, equivalent the *départements* in France. As you see, they vary enormously in size, with the ones in the north consuming about a third of the country in two *lands*, and the rest of them, in the more highly populated areas being smaller. Sweden has a land area a little less than France. It's 449,964km². France is a bit bigger, at 551,500km². It has a population, however, of only 9.6 million, compared with France's 66 million, which gives you a population density of 21 people per km², compared with France, which has 114 people per km². Of course that population density is not even all over the country. In fact, 40% of the population of Sweden lives in just 7 cities with more than 100,000 in population. The biggest of which, of course, is the capital city, Stockholm, with 1.3 million people. As you see, Sweden is long and narrow. 1,574km from end to end. That's just about the same distance, it turns out, as it is from where I am sitting in Borås, to where you are sitting in Lyon. To get from Borås to Lyon, you have to go through all the European countries before you get to Lyon: it is a very lengthy country, very strung out, and course less

highly populated in the far north than it is in the south, because of the climatic conditions.

Fig. 68 – The geography of Sweden (Source : 2016 - © GEOATLAS.fr)



- 4 So that's the geographical situation of the country, as it were. And if we look at the public libraries in Sweden, there are quite a lot of them: 290 public libraries, mainly small municipalities. Stockholm has a big city library system, with 40 branches. But outside of Stockholm, Malmö, and Gothenburg, the municipalities are rather small. On top of those municipalities, you have 20 county, or regional library systems, which are not separate library service points, but support services for the rest of the public library system. Originally, they supported the smaller libraries with interlibrary lending services, deposit collections of additional books, and advice and consultancy generally. Today they do more of that consultancy, professional training, and promotion of reading in the community. A central authority was established for the public library system in Sweden in 1913. That role is now performed by the Swedish Arts Council. In addition to the public library system as a whole, there are three lending centres, based on the public libraries in Stockholm, Malmö and Umeå. Stockholm in the center, Malmö in the south, Umeå in the north. In addition to the three lending centres, there's a foreign literature repository based in Stockholm, and a national repository library of little-used materials, out-of-print material which is no longer active, which is in the national repository in Umeå. Material is placed there by public libraries and school libraries, depositing stock that they no longer need in their local library.
- 5 As an example of the county library kind of activity, we can consider Uppsala County Library. It has a commitment to develop libraries in the whole of Uppsala County, through further training, counselling, gathering intelligence, and so forth. These are its specific aims and objectives. To pursue the development of skills through further

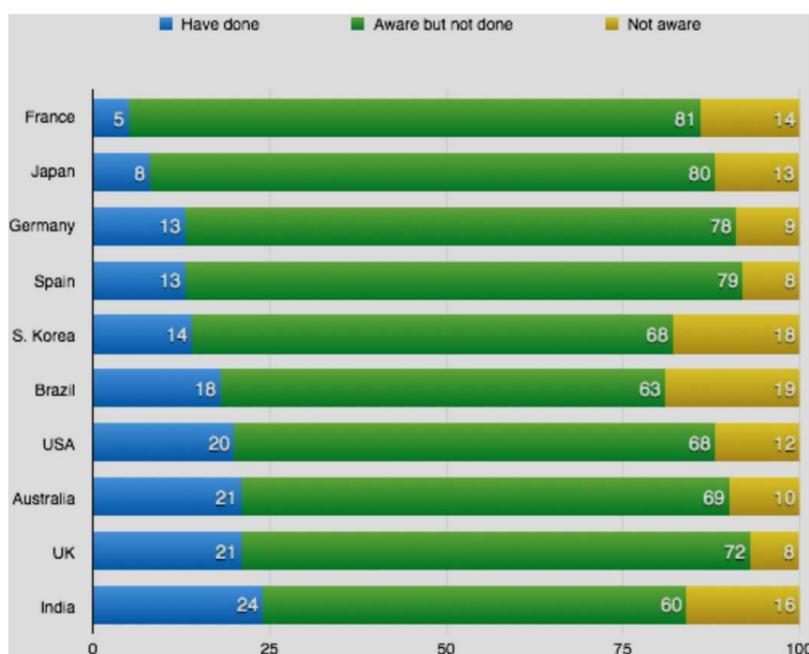
education for library staff, initiate projects, stimulate the development of county library activities, cooperate with other regional institutions, building networks, supporting the county libraries with supplementary supplies of media and information, and spreading knowledge of Uppland's cultural heritage and of literary Uppland. This diffusion of the local culture, and the promotion of the local culture is a significant part of the activities of the county library services.

- 6 Turning to e-books: an e-book is a book composed in, or converted to digital format, for display on a computer screen or handheld device. It has its origins in 1971, when Michael Hart placed online a digital copy of the U.S. Declaration of Independence, which became the first volume in Project Gutenberg, which now more than 50,000 volumes. The growth in e-books, as a modern phenomenon, is really the result of the development of mobile computing. I imagine it was only the computer geeks who used e-books when you had to consult them on a desktop computer, and probably also when you had to consult them on a laptop. But as soon as the practical, portable e-reader was developed, and even more when the Kindle and the iPad hit the market, and more recently when smartphones have been developed, the result was the ability to read on the move, and the growth of e-books mushroomed. This is the primary cause of the sudden development of the e-book as a publishing phenomenon.
- 7 But of course, it's not the same everywhere. If we look at the picture for the USA, for example, in 2008, the revenue from e-books was \$270 million, a minuscule amount compared with what is forecast for 2018, when more than \$8.5 billion is expected to be spent on the purchase of e-books. But the curve has flattened somewhat. It was going up almost exponentially up to 2014, but from 2014, the annual increase is rather lower. Whether that is the result of the austerity period that we've all been suffering from, whether it is simply that the market has been satisfied, and all the people who want to use e-books are now using them, is difficult to determine. It is only when the recession and austerity are finally overtaken by economic growth, that we will find out if there's any resurgence in the market. I suspect that there won't be, because if you look at the reasons why people use e-books, there's one dominant feature, and that is the ability to read on the move. If you have a long journey to work time, and you're traveling by public transport, or perhaps a shared car in a carpool, then this is an opportunity to read. And instead of carrying books around with you, you can simply have your smartphone, and you can read from that. Or you have an e-reader, like the Kindle, or a tablet computer like the iPad, and you can store on these hundreds of books. So you can always have something available. And there is a limit to the number of people who travel in that way. And I suspect that that proportion of the population sets the limit to how far e-books use will expand, because if you look at usage information from surveys, you find that even the people who are quite enthusiastic about e-books, are reading ordinary printed books when they're at home. So the two things are going to exist side by side. The notion that e-books are going to completely take over, I think, is a bit of journalistic nonsense. I don't think it's going to happen. It would be difficult for the publishers to make it happen, given the uncertainty about the market.
- 8 When you look at the English language market, you can see that it is completely different from the rest of the world. Figure 2 is an image from a study by the Bowker Corporation in 2012. It shows you in the blue part of the line the number of respondents to the survey who said that they have used e-books. The green color is people who were aware of e-books but had not used them, and the yellow element is people who were not aware of e-

books at all. As you can see, there's quite a geographical difference, and an associated language difference. You look at the most highly aware countries, USA, Australia, UK, India, they're all English-speaking. There are 340 million English speakers in India, so we can regard India as an English-speaking country, although it has dozens of other languages as well. When you look at other countries, you see that there is a lower proportion for use. And this lower proportion of use obviously has cultural factors, economic factors, technology development factors, and so on and so forth, affecting the situation. It's not a simple picture. For example, the low use of e-books in France, although it has been growing over the past two years, may be a consequence of the fact that there is a lower degree of smartphone penetration in France, than there is in quite a number of other European countries. Japan may have a low usage because they have a very high penetration of book shops, and printed books are relatively cheap in Japan. And interestingly, the e-book phenomenon which is used in Japan, is not books in the normal sense, but manga, the comic books.

Fig. 69 – Familiarity with e-books around the world (Source: Bowker releases results of global ebook research, 27 March 2012)

The rest of the world



- 9 So there are cultural, linguistic, and other factors that come to bear on whether or not e-books are used to any significant extent in one country or another.
- 10 When we look at e-books and public libraries, there are some things which make the e-book different from a printed book. E-books cannot be regarded as books in the sense in which public libraries generally treat books. First of all, an e-book is not purchased, usually it is licensed. So access to the e-book is allowed by the license. You cannot store the e-book permanently, in fact it is stored on the provider's server in the case of Sweden, not on the library's server. You cannot interlend it, very often you can't print anything from it. In some cases, you can't even copy a section from it to use elsewhere. So e-books are different from printed books in this respect. The second point is that public libraries

don't have the technology platforms on which to mount e-books and lend them, even if they could buy them outright. They don't have the technology available to do this. Providing that technology would be a significant cost. Publishers also put restrictions on e-books in one way or another. They may put restrictions on the number of loans you can have for the license, or you can only lend the e-book to one person at a time, as though it was a physical book, or they may inflate prices so that in fact it is totally uneconomic to borrow the e-book.

- 11 And then you have third party aggregators like OverDrive, which operate in the U.S. and UK. These entered the market, and there was a danger of a monopoly situation arising. Because if one of those third party aggregators comes to dominate the market, then the price might very well rise. And as I said, access is not on the library side, it is highly likely to be on the provider's side.
- 12 When we turn to e-book in Swedish public libraries, a number of cultural and legal things affect the situation here. Historically, Sweden was a very poor country. In 1850 for example, it was at about the same level of development as somewhere like Malawi is today. You have to remember the speed with which economic development has taken place in a country like Sweden over the past 100 years; it has been completely transformed, out of all recognition. In 1850 there were only 3.4 million people in the country. All those 449,000km², and only 3.4 million people there. Between 1850 and 1930, there was massive emigration, especially to America. By comparison, at the same time, France had 10 times as many people, it had 34 million people in 1850.
- 13 Perhaps because of this thinly spread population, there was great need for both self-reliance – because in small, scattered communities, you had to manage independently – but also there's a great need for collaboration and cooperation with your neighbours, because in emergency, these were the only people you had to rely upon. So you have this kind of dichotomy in the Swedish ethos, of self-reliance and independence, and yet a high degree of collaboration going on, which might seem completely contradictory, but that's the way it works.
- 14 Out of this, you get a national ethos, for the provision of collaborative services in the community, out of which the public library services grew. In spite of the early development of public libraries in Sweden, it did not actually have a public library law until as late as 1997. That has recently been revised, and there's a very important provision in it, that resources must be available in all media, which means that if an e-book exists, and the readers want it, you have to provide it. There is no indication in the revision of the library law how this is to be paid for, but it is a legal requirement that you have to have resources in all of the available media. Not only that, but all materials must be loaned free of charge. There are no payments by the readers, to use the public library. Another key element of the public library law is that every citizen shall have access to a library. So you have bookmobiles going out to ensure that every citizen does have access to a library. The public lending rights system already exists in Sweden as well, to pay authors for books that are loaned, but this doesn't cover e-books. In other words, in law, an e-book is not regarded as book, it is regarded as a license to a computer service, in effect. Which, to a certain extent, is reasonable.
- 15 In 2001, eLib was established by the three largest publishers in Sweden. It was then joined by a fourth large publisher. Bonnier is probably the best known of these internationally, because it also operates globally. But there are other that you may not have heard of, Nordstedt, Natur och Kultur, and Piratförlaget. These are the four biggest publishers in

Sweden. Smaller publishers made use of the eLib services to deliver their e-books to the public library system, but those are the four big ones. They had a monopoly in the situation until 2013, when another provider, Atingo, was established by a book distributor, Publit, which is one of the biggest book distributors in the world, and Axiell, a libraryITcompany. They are working to deliver a system which will compete with eLib, and in fact which is already competing with eLib. A number of public library systems have moved over to Atingo from eLib.

- 16 In 2014, Stockholm Public Library began its own collaboration with Publit, and the publisher Ordfront, to develop a system specifically for Stockholm Public Library, for access to Ordfront's output.
- 17 It is important to note that until round about 2008, the eLib service was well ahead of anything else in the rest of the world. Sweden was leading the field in the provision of e-book service to public libraries through eLib. There was no DRM on the books, no restrictions on the number of loans. The system of payment was that the library paid 20 Krona, about 2 euros, for every loan. It could lend as many e-books as it could afford. No limits at all on how many people could borrow a book at the same time, no limits at all on how long they could go on borrowing the book. So eLib was well ahead of the rest of the world, and in fact, in terms of those characteristics, the rest of the world has yet caught up with Sweden.
- 18 Things changed in 2008, because until then the demand was low. And the libraries could afford to meet the relatively low demand without too much damage to their materials budget. Things changed in 2008, because a footballer, now playing for Paris Saint-Germain, published his autobiography: Zlatan Ibrahimovic. Demand for the e-book version of his memoirs went through the roof, and caused enormous for the public libraries, because they now found that their budget was being attacked by the e-book phenomenon. Demand for e-books started to grow, and has kept on growing ever since, although it's also slackened off here over the past year or so, to a degree.
- 19 The extent of e-book lending is still only a small proportion of the total book lending: perhaps 2 to 3% overall. And for the population in general, e-book reading is very low: 91.4% have never read an e-book. We get that data from the SOM survey, that I mentioned earlier, that our colleagues at the university of Gothenburg are using. So we know that this is pretty accurate. It's accurate within plus/minus 5% or thereabouts. So it's a tiny minority of people who have used e-books, and the number is only 1% that have read an e-book every week in the previous year. 1% of the total population.
- 20 Access to the e-books is through the eLib website, linked from the library site. So if you went on the Web, for example to any of the public libraries in Sweden, here in Borås for example, and you clicked on the "E-books" link. And then you clicked on an individual cover image, that would then immediately take you through to the eLib server, and you would be out of the public library system. And all the records of demand and use and so forth, are on the eLib site, not on the local library site. That is one of the things that is changing with Atingo, because Atingo makes available an API which enables the library to keep all that information on its own servers. The lending is apparently done, so far as the user is concerned, from the library's own server. In fact, it's coming the Atingo server, but the user is not aware of that.

- 21 This is a changing situation, as I've said, and we don't know exactly how it's going to go, but when we surveyed public libraries a couple of years ago, a number of issues were brought to our attention, problems that they were experiencing.
- 22 The dominant thing is that the librarians felt that eLib model prevented them from doing a proper professional job. They couldn't select what they wanted, they had to take what was offered. So directly trying to serve the needs of the community was not possible for them, they had to take what was given. This, they felt, was an erosion of their professional standing.
- 23 The second thing is that because of the growth in demand, although still low, budgeting becomes a problem. It's a small amount, 2 euros per loan, but if you are lending several thousand e-books, that is several tens of thousands of Krona that you can't spend on printed books. So the libraries have to decide how they are going to deal with this. Because they set a budget, some libraries stop lending books at a particular point every month, when the budget for that month has been exceeded. Some of them carry on spending, but may stop lending e-books, let's say in October, because they haven't got any money left in the budget. So planning the budget becomes something of a headache for public librarians. They can't do it, because the demand is uncertain, and the demand has been growing.
- 24 The other problem that the librarians experienced, which again erodes their professional status, is that the publishers control access, and they can change the status of an item at any time. They can remove it from availability. If it shows signs of selling well in the bookstores, they can take away the eLib access. Or they can change the status of an item at any time, so that something that was openly available might suddenly be restricted in the number of loans that you can have for it. So this is very unsatisfactory, from the point of view of the librarians.
- 25 Further problems arise as a result of the new system that eLib introduced in 2014. Because of the problems with the previous system, they decided to have a new system. And this new system seems to have as many problems as the old system had, because they now have three levels of pricing.
- Pay-per-loan, 20 Krona per loan, as previously, but price is set by the publisher. So, for books that are in the back list, and are not being used, they might say "Ok, 1 Krona per loan." For something which is fairly recent, and still quite active, they might say not 20 Krona per loan, but 35 Krona per loan. So it's down to the publisher to decide the price at which they're going to make something available.
 - Licence model A: fixed fee for a limited number of loans. You decided to pay 100 Krona, let's say, for 50 loans of this particularly book.
 - Licence model B: fixed fee for unlimited number of loans.
- 26 So from the relatively simple model that was causing problems previously, we now have a more complex model, in which the librarian has to spend more time making decisions on which of these elements to accept in relation to any individual book in the system. So it's more work for the librarian, probably more costly in the end, because of the high price of some of the books, and no more satisfactory than the old model. So I don't know if this has changed things, and it's perhaps only the emergence of the Atingo model, which is already attracting customers from eLib, I think 24 library systems have now converted to Atingo from eLib... First of all, the API enables the library to maintain all the data about lending, price and so forth, on its own library servers. There is greater variation in the

cost of titles, with the price set by the publisher, which will vary over time. And all titles from the publisher are available. The rationing is done by price rather than by putting an embargo on a title, and saying “You can’t have the e-version for 6 months, or a year, or whatever.” This gives the library greater flexibility, and more control of the spending, but problems of budgeting are likely to remain because of the uncertain demand levels that there will be for e-books.

- 27 Now, what’s the reaction from libraries to these developments. As I said, some libraries have moved from eLib to Atingo. Some are hoping that the new Stockholm Public Library, with Publit, can be extended to other libraries in Sweden, and can engage more publishers. That seems to be a strong wish, which we’ll be exploring later this year. And some have pulled out of e-lending completely, because of the budgetary uncertainty. Most significant of these is the Östergötland County Library, which is on the east coast of Sweden, south of Stockholm. Östergötland County Library withdrew from its agreement with eLib, thereby affecting the 13 municipalities that were using the service. Because Östergötland County Library was the negotiator with eLib, and they held the contracts for the provision of services. So when the county library pulled out of the agreement, the 13 member municipal libraries were affected by this. The reason that they pulled out was that charging for the service was done on a per-capita basis. So the biggest municipalities paid most. And some of these municipalities objected to paying most. The county library was having to find the resources from elsewhere. Also, on about the 15th of every month, the budget had been used up, and the service had to be withdrawn. This was quite a problem.¹
- 28 Elsewhere there had been difficulties. In Norrköping for example, an old industrial city in Sweden.
- The problem is that our costs for e-books increased fivefold between 2011 and 2012, and this year we have almost doubled the cost again. We have already made changes in priorities in the media budget, where should we cut down further, and for which users? Should we reduce the purchase of fiction and just offer digitally literate users access?²
- 29 This is the dilemma that public libraries are facing. That if they provide the e-book service, they run the risk of damaging their other services in the public library. So it’s a problem, and it’s a problem I think is possibly unlikely to be resolved very soon.
- 30 As part of our investigations, we provided colleagues in Lithuania and Croatia with our survey of publishers, in order to get some comparative information from other small language markets, markets with a limited number of speakers of the native language. For example, Lithuania has 2.9 million people, Croatia has 3.4, and Sweden has 9.6. So these are small language markets.
- 31 We put a number of propositions to the publishers:
- E-books should be sold to libraries in the same way as printed books.
 - E-books should be allowed to be loaned for a limited number of loans.
 - E-books should be priced higher for libraries than printed books.
 - E-books should not be made available to public libraries.
- 32 Interestingly, the biggest majority of publishers disagreed with that last proposition. As Figure 3 shows, very few of them wanted to see e-books not available to public libraries. You can understand why that is the case in Sweden, because public libraries account for a significant part of the total book market in Sweden. So clearly, publishers are not going to

want public libraries not to have e-books available. In the other two countries, something similar must be operating, because high proportions are found there.

Fig. 70 – Publishers and public libraries (Source: project survey data)

Reactions from publishers

Statement	Sweden		Lithuania		Croatia	
	% Agree	% Disagree	% Agree	% Disagree	% Agree	% Disagree
E-books should be sold to libraries in the same way as printed books.	67	33	67	32	77	23
E-books should be allowed to be loaned for a limited number of loans.	53	47	53	46	58	42
E-books should be priced higher for libraries than printed books because of the possibility of an unlimited number of loans.	47	53	47	53	39	61
E-books should not be made available to public libraries.	9	91	9	90	17	83

- 33 We get some conflict going on in the publishers' heads when we look at the other information. On the one hand, in each country, a majority agree that e-books should be sold to libraries in the same way as printed books. 67% in Sweden, 67% in Lithuania, 77% in Croatia. But at the same time, a majority also believe that e-books should not be allowed to be loaned for an indefinite number of times. There should be a limit to the number of loans. 53% in Sweden, 53% in Lithuania, 58% in Croatia. Fortunately, a minority only in each country believe that e-books should be priced higher for libraries. Close to 50% in Sweden and in Lithuania, 47% each, 39% in Croatia.
- 34 The interesting thing about this comparative analysis in these three small language countries, is the very high degree of similarity in the opinions of the publishers in those three countries. They have very similar ideas about e-books being made available, and the terms under which they should be made available.
- 35 You are probably familiar with the theory of innovation, by Richard Rogers, where he talks about innovators, early adopters, early majority, late majority and laggards. It seems that the lending of e-books from public libraries in Sweden is still at the early adopter stage. We can tell this by the proportion of books that are borrowed, compared with printed books: 2-3% of all borrowings.
- 36 There is, as yet, no nationally available platform that gives public libraries a firm hold over their budgets, although the Atingo model may go a bit further in achieving this.
- 37 Other providers may come into the market and introduce new models. For example, for the past 2 or 3 years, it has been said that Amazon is going to open up in Sweden. In spite of all the rumors to this effect, Amazon is not yet in the Swedish market. But if it does come into the market, it could very well set up its own lending system for books. It

already has a lending system for people who use their Prime service, so what's to stop them extending this to libraries?

- 38 I think whatever the outcome, all we can be sure of, is that the future will be different from the past. But in saying that, I think the French author Simone Weil said "The future is made of the same stuff as the present." So perhaps for some time to come, we're likely to see more of the same, rather than something crucially different.

Discussion

- 39 About the stake of owning platforms for libraries to manage their e-book lending... You say that libraries didn't have the technological resources to develop their own platform, but in your conclusion, you say that it's difficult for libraries to find a way to manage their budgets and to have some preservation of the e-books they want to loan. Do you think that there is a stake in Swedish libraries to cooperatively develop some infrastructure or platform?
- 40 There has been some talk about the national library in Sweden, the Royal Library, entering into discussions with an IT provider, with the possibility of developing a national e-lending platform for libraries, and it recently received a significant grant to explore the possibilities. One of the problems is that whatever is developed will have to negotiate access with all of the individual publishers. And there is something like 150 publishers in Sweden. So anybody setting up a separate system will have to negotiate access with all of the publishers, which in itself is a big job. Whatever technological infrastructure is developed will have to interact with the technology systems of those 150 publishers. Some of them may not have highly developed technology infrastructures. Some of these 150 publishers consist of one, two or three people, producing two or three books a year. So, the very logistics of actually establishing something different, are going to be, I think, a major barrier to producing a public infrastructure for e-book lending. And I think for the time being, the libraries are going to be dependant on either eLib or Atingo. It may be that Atingo will come to dominate, because behind Atingo, you have Publit, this big book distributor, one of the biggest in the world. They are obviously continually involved in negotiations with individual publishers for their normal book distribution activities. It may be that they will be able to put in place a better system than eLib have been able to. So I think people are looking to Atingo and Publit as perhaps the next best alternative to a public system.
- 41 Have you compared the e-book situation between Swedish libraries and other countries?
- 42 As I said at the beginning, the big difference is between English-speaking countries and everywhere else. I think that the dominant thing that you find here, is if you look, for example, at Spanish, that is a big language market. Use of e-books is spreading quite a lot in Spain. There's a great deal of public lending activity going on in Spain of e-books. Everyday, there are news items of new public libraries lending e-books in Spain. Of course, they also have a big Latin American market, so they have a much bigger language market in which to operate, just as the English language market is a much bigger market. Whereas in a country like Sweden, 9.6 million people is the total limit if your market. People in Norway and Denmark can read Swedish without any difficulty. The languages are dialects of one another, so they can read Swedish. But nobody knows how many

people in Norway and Denmark read Swedish, so we don't know how big a market is there for it.

- 43 You described the eLib management issues, and the introduction of the pay-per-loan model in 2014. Does this model allow the definition of some evaluation of a market price of a loan for a pay-per-loan system.
- 44 In effect, the Swedish collaboration with Publit and Ordfront that I mentioned, what happened there is that the Stockholm Public Library provided the resources to digitise the whole of Ordfront's backlist. As a result of that, they get access to all of the items on the backlist at a very low price. In return, Ordfront makes available its current output, entirely without restriction. So it doesn't have embargoes on the best-sellers, or anything like that. It makes everything available, but at a variation in prices, depending upon how old the book is, the popularity, and so on. So in effect, a market is being established on the basis of the recency and popularity of the item in the collection. If a book is more than 4 months old, the loan price immediately drops. So this gives the library an opportunity to say "We can't afford to lend this yet, but if you wait a few months we'll have it available." So they can negotiate with their readers, if you like.
- 45 Does this model show some kind of new usage patterns for the library users?
- 46 I think it's a bit too early to find that out yet. It was only introduced towards the end of 2014, so I think it might be too early to know. We will be trying to find out things like that when we survey the libraries again towards the end of this year. We'll be hoping to have some data on that.
- 47 About publishers setting the prices of e-books for libraries...
- 48 As I said, the situation in Sweden is very unusual, because of the dominant role of the public libraries in the book market generally. So, to a certain extent, there's almost no other commercial market. In France, of course, you have fixed prices for books, whether they are e-books or printed books. There's no fixed price for books in Sweden.
- 49 [...]
- 50 That isn't an issue that we have found librarians talking about. It doesn't seem to be an issue for them. The biggest issue, I think, for librarians, is two-fold. One is that if they want to buy e-books, the VAT rate is much higher for e-books than it is for printed books, as it is in many other countries. The other issue they have with regards to that, is that the old eLib model of the 20 Krona per loan was a manageable problem. Whereas the new model that has been brought in, makes it, to my mind, less manageable.
- 51 How are librarians facing these budgetary difficulties? Are they considering that their budgets should grow in order to offer more e-books to their users, or are they asking the publishers to lower their prices for lending in libraries?
- 52 What Östergötland, for example, which has pulled out of the agreement with eLib, are saying, is "If the government, under library law, wants us to engage in e-book lending, then they're going to have to give us more resources, because we can't cope with the situation as it is." They're in a big dilemma. This is only 2 or 3% of all their lending activity, and yet it's causing them these problems. And as the librarian from Norrköping said, "Who's going to suffer from this? What else do we do, in order to provide this service? Do we stop lending printed books to people, in order to satisfy this 2 or 3%?" It's a ridiculous situation. I wouldn't be surprised if more libraries withdrew from e-book lending in Sweden, because of this budgetary uncertainty, and because of the relatively

low demand. On any rational cost-benefit analysis, public libraries would not be lending e-books.

- 53 But if libraries don't offer more e-books, they can't observe a growth in demand.
- 54 Yes, and one of the municipal libraries in Östergötland has said that this is really a disastrous move, because with the e-book service, they were able to attract people who would not use the public library before. And now they're losing them again, and they probably won't come back. So that's another dilemma that librarians face.
- 55 And of course, over the past 10 years or so, there's been a gradual decline in public library borrowing in Sweden, just as there has been in many countries. It's very small, only about 2% over the past 10 years. But still, they don't want to deter people from using the systems. Getting rid of the e-books means perhaps getting rid of some recent users as well.
- 56 Why are there so few e-book users in public libraries?
- 57 I think one of the things is that Sweden is very much a reading culture as a society. It reads. Use of public libraries has very high penetration in the population, compared to many other countries. So you have, if you like, lifelong readers. They read printed books. Probably, also, we're talking about lots of relatively small communities, with 50,000 in population and less. In many of these cases, they will be static, in these communities. They won't be commuting. Small communities around Stockholm, or Gothenburg, or Malmö, people will be commuting to the big cities, and are perhaps using e-books to read on the train, and so on. In the smaller, scattered communities, with no big hub to attract like that, they aren't doing the moving. So the advantage of the e-book, as something that you can read on your tablet or smartphone, doesn't apply to them, because they're static.
- 58 I think it's this connection between the reading culture, on the one hand, which promotes the printed book, and the scattered communities, where there's no commuting taking place, except in relation to the big cities, probably accounts for the relatively low use of e-books from the public libraries. It's a complex set of factors.
- 59 Can you tell us how big the budget of public libraries is in Sweden?
- 60 It varies enormously. In Stockholm, it's several million Krona. In a small city like Borås, it will be several hundred thousand Krona. There's huge variation in the size of the budget from city to city.
- 61 Over the past few years, has this budget been growing, or declining?
- 62 Over the last 2 or 3 years, it's been declining, because of the financial situation. Although in England, we would consider the decline as static, rather than declining, because it is such a small decline. Whereas in England, I think something like 500 public library branches closed in the past 2 years. Nothing like that has happened in Sweden. It's been a modest decline in the budgets, not a really significant decline.
- 63 Is the question of e-book lending in libraries more about budgetary issues, or something more about the role of libraries?
- 64 It's both of these things. The big problem that the librarians experienced, apart from the budgetary problems, is the fact that they cannot make use of their professional skills in developing the appropriate resource for the community. They can do it with printed books, but they can't do that with e-books. So they feel a diminution in their professional role.

- 65 About preservation: in France we have discussions about the way for libraries to provide preservation for the e-books they want to offer, in a historical way. Is the matter of preservation present in discussions in Sweden?
- 66 That hasn't been raised as an issue. I'm not sure what the situation is here, but Sweden's Royal Library has the archive of the Swedish Web. They keep everything Swedish on the Web in the archive. They have the usual copyright deposit requirements of any national library, and I think that that will apply to e-books as well, because I think that the publishers will have to deposit e-books with the national library. Although I can't be absolutely certain that's the case. It's something I need find out. If they do have the right to demand e-books from the publishers, then they will be putting them into their preservation program. And it may be that, in the future, the National Repository Library at Umeå, which is this repository of printed material, could be developed so that they're also an electronic repository. One thing you can be sure about, is that the Swedes are examining this problem, and will do something about it. This is the way they tend to work. In the UK, we would have three royal commissions and do nothing, but in Sweden, they will have a meeting and do something.
- 67 In the last session of our seminar, we talked about the situation in Switzerland. In Switzerland, we see that there is a relation between the situation of e-book loans in libraries and illegal uses. Because the law in Switzerland is more permissive about illegal access to e-books. So it's an important issue for libraries, because they have to provide some added-value services, for their users to be interested by the e-book offer. What is the situation in Sweden regarding this issue? Is there a relation between illegal e-book uses and e-book offer in libraries?
- 68 I don't think there's any data on that at all. In the SOM survey, we asked the respondents where they got their e-books from: from the public library, from an online book seller, or elsewhere. Elsewhere could be anywhere, but elsewhere is most likely to be a pirate site. And since PirateBay was developed in Sweden, although no one knows where it is quite at the minute, there may be a connection. But overall, it seems that e-book use is so low in Sweden anyway, that I can't see the piracy issue being a significant problem. If 91.4% of the population have never used an e-book, the number of people pirating them must be tiny.
- 69 The paradox in Sweden between eLib being one of the first response to e-book loan in libraries in Europe, and the size of the e-book market in Sweden, is interesting. Because in France, there is a discourse about the role of the e-book offer in libraries on the development of the e-book market. There is an hypothesis saying that the growth of the e-book offer in libraries could be a way for the e-book market to develop.
- 70 I think that's certainly the case in Sweden, because of the significance of libraries in the book market generally. Without the public libraries, the publishers don't have an e-book market, because it's so tiny. The development of an e-book market is absolutely, crucially dependant upon the libraries being able to lend. And of course, with the change in public library law, with effect from January 2015, last month, libraries are now required by law to provide access to the material in whatever form. So the connection is there, it's going to stay there, and it's probably going to grow.
- 71 What about French publishers, if you're a public library, is there any negotiation between some French publishers and Swedish libraries?

- 72 Not that I'm aware of. We have done a survey of authors, about their reaction to the e-book phenomenon, and we find something of an age difference. The older authors are not really interested in e-books, while the younger authors are interested in e-books. And then you have another dichotomy over the issue of piracy. The established, popular authors are very concerned about piracy, because for them, it means a loss of sales. Whereas the self-publishing and younger authors are more interested in getting an audience. And if piracy is going to increase their audience, they're quite happy about that. So not all authors are of the same opinion about these matters.
- 73 What about reading promotion in Sweden?
- 74 Reading promotion is very big in Sweden. As I said, the Swedish Arts Council is the body responsible for oversight of the public library system. One of the strong elements in the public library law, one of the function with which libraries are tasked, is to promote reading. You can see the effect of this in the Book & Library fair in Gothenburg every year. This is one of the biggest book fairs in Europe. It's an absolutely amazing event, because it is not simply for the publishing industry. It was established years ago by a publisher and a librarian, who got together and said "We'll have a book fair." It is still called "the Book & Library fair," not just "the Book fair." Thousands of people, ordinary citizens, come through the doors every year. You can see the impact of reading promotion by the audience figures for the Book fair. It's a huge phenomenon in Gothenburg. The library school here has a stand at the Gothenburg fair every year. We had visitors from book sellers, publishers and so forth, finding out about library training, and how it affected their businesses, and so on and so forth. There's quite a big connection between public libraries in Sweden and the publishing industry, in a number of different levels. One of the things that county libraries are charged specifically with, is reading promotion. So there is a lot of it going on.
- 75 About the evolution of the situation in Sweden: do you think there is a risk for libraries, regarding the new Amazon offers, like Kindle Unlimited? Because this model is somewhat close to a library model: you pay a subscription for 1 year, or 1 month, and you have unlimited access...
- 76 It's going to be interesting to watch what happens, because it's not the only such subscription service, as you're aware. You have Scribd, which operates in the UK and U.S., Oyster which operates in the U.S., there are a couple of Swedish subscription services, a Danish one, another one based in Britain... There's also at least one French subscription service for books, and a Spanish one. It's a growing phenomenon. Nobody knows exactly whether or not they're making a profit, because no financial data are being released by any of them. They don't have complete coverage of all publishers. For example, Scribd has HarperCollins and Simon & Schuster, and just recently, Macmillan put about a thousand books into their service. But you're still talking about a service that has half a million books. In fact, I was given a subscription to Scribd. I bought some photography software, and as a result of buying the software, they gave me a subscription to Scribd for a year. I'm never without a book to read, clearly. I think the impact of these services could well be significant at some point in the future. But I think for it to be significant, you have to see the usage of e-books in general growing. If the growth in the use of e-books stabilises at around 20% of sales, then I think growth of the subscription services is not going to happen, because you don't have the required number of devices being used in the community for this purpose. So the subscription services are unlikely to grow. Because I see them piggybacking: the pig is the growth of e-books. The rider on top of that is the

subscription service. If the growth of e-books went up to 50%, then at that point, the subscription services could well affect demand on public library services. And if these services begin to cover more and more publishers, to the point at which they have several million volumes available, then that could constitute a very real threat to public libraries. It's a very uncertain world, that particular issue. We're watching it with quite some interest here in the project, because one of the things we will be asking in our public library survey is whether or not they felt any impact yet from subscription services.

- 77 Do you think that public libraries and publishers have to work together?
- 78 I think so. You're probably aware of the American Library Association's efforts to negotiate more closely with publishers, in order to overcome some of the problems they've been experiencing with e-books. They found that the publishers were really quite ignorant of public library activities. An interesting little phenomenon which has cropped up here in Sweden, is that one of the major publishers has carried out its own investigation into the impact of lending e-books on its own sales. For a period of time, they made books available, that otherwise they would not have made available: recent best-sellers. They made them available through eLib. They monitored the use, and the sales of the same books. They found that the only impact that lending the books had, was to increase the sales. So they've now decided to put all of their books into eLib without embargo, because they figured out that they actually get a benefit from doing so. I think it's that kind of negotiation, that kind of experiment that demonstrates the publishers that they have nothing to fear, which is going to change things.
- 79 About the development of self-publishing activities. In the U.S. market, self-publishing is getting quite huge, in part because of the Amazon offer. In some areas of the U.S., we observe the development of a kind of self-publishing service offered by the library to support people who want to self-publish books about the city, or something that can be a preservation of the memory of past times in the city and so on.

Afterword

- 80 The e-book market does not remain static: since this presentation was given a number of developments have occurred in Sweden. First, eLib, the agency providing e-books to public libraries has been absorbed by Atingo and, instead of paying a standard 20 SEK per loan, libraries now pay on a sliding scale, the price depending mainly on how recently the book was published. As a result, a recent best-seller may cost 100 SEK per loan, and, not surprisingly, some libraries have limited lending to the cheaper ranges.
- 81 Recently, the national library (Kungliga Biblioteket in Stockholm), has been given a project to explore the development of a national platform for e-lending. Initially, the platform will deal with freely available materials, but, in the longer term, negotiations with publishers are going to be essential.
- 82 Other developments have taken place in publishing. For example, the biggest publisher, Bonnier, has begun to offer a self-publishing channel (Type and Tell) and its own subscription service, BookBeat. These developments strike us as defensive moves on the part of Bonnier, rather than an attempt to drive the market in e-books.
- 83 In another development, Storytel, the main Swedish supplier of audio books, has acquired Mofibo, the Danish e-book provider and now operates in both markets in both countries,

with, apparently, more countries to come. StoryTel had 200,000 subscribers at the time of the merger and acquired 50,000 more with Mofibo, so it looks as though the subscription service has a fairly firm basis upon which to grow the business.

- 84 In the academic world, perhaps the biggest issue (although it is not much referred to by academic librarians) is the paucity of e-textbooks and other research resources in Swedish. The vast majority of material made available to researchers and students is in English and is supplied by international providers.
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NOTES

1. Publisher's note: Thomas Wilson asked us to add an Afterword on current developments in Sweden following the proceedings of its presentation.

1. Since this presentation was given Atingo has taken over eLib, so there is now only one provider for public libraries. The four publishers retain a minority interest in Atingo.

2. Birgitte Hjerpe, Director of Libraries, Norrköping, quoted in *Kritisk röst i Götabiblioteket*, by Åsa Ekström, *Biblioteksbladet*, September 2013, p. 16.