

Cultural Protection Policies and New Changes in Canadian Book Publishing Industry

Yuan Li

Abstract

In recent years, in order to promote the development of Canadian book publishing industry, the Canadian government has adopted a series of new policies. The government is no longer strictly limit foreign investment, and do not only rely on the policy to protect and support the Canadian domestic book publishing industry. Instead, it has embraced foreign investment in a more open and flexible manner and relaxed existing policies for foreign investment in the Canadian book publishing industry. This paper introduces the cultural protection policies and new changes of Canada's book publishing industry and discusses its impact on the Canadian book publishing industry. At the same time, these cultural protection policies also derive some problems and difficulties.

Keywords: Canada, Cultural protection policy, New change, Globalization, Cultural industry, Book publishing industry

Since 1960's, with the recovery and prosperity of the global economy, western countries represented by the United States have opened a new wave of mergers and acquisitions in mass communication. Therefore, the media industry has been shifting from the simple family business to the large conglomerates, and thus that in turn evolved into a highly monopolized global company. During this period, on the basis of completing the newspaper merger, the United States through mergers, acquisitions joint, and other ways to seek the concentration, transboundary, and globalization of film, television, broadcasting, and the

industrial chain of book publishing and maintain its status as a global cultural industry giant. These changes affect Canada. For a long time, the government of Canada is notice to protect and support the domestic book publishing industry, including the implementation of the book funding project, the formulation of legal policies conducive to the development of the domestic book publishing industry, etc. Among them, the most representative is to control the development of foreign publishing enterprises in Canada through strict foreign investment policies. However, the relevant measures taken by the Canadian government in recent years have weakened its tendency to control foreign investment. So, this paper aims to focus on the content, affecting, and problems of Canadian book publishing culture protection policy to analyze the Canadian government's response to the change and try to explore the Canadian book publishing market over the past 40 years that is how to deal with the global communication industry in the integration of new liberalism, maintain its relative independence, and provide some possible for the continuation of local culture.

Canada's existing book publishing policy can be divided into two categories. One is that Canada's book funding projects and legal policies directly support the local book publishing enterprises, another kind is the legal policy of indirectly supporting Canadian book publishing enterprises by controlling foreign investment in the Canadian book publishing industry.

First of all, to directly support the local book publishing enterprises' book funding projects and legal policies, the books funding projects and legal policy mainly include the Canada Book Fund, Association for the Export of Canadian Books, Canada Council for the Arts, and so on. Canadian governments at all levels, particularly the Department of Canadian Heritage and the Canada Council for the Arts, have given economic support to book publishing. Then, there are some details of book funding programs and legal policies and their affecting and problems.

Canada Book Fund (CBF) is one of the most famous support projects in Canadian Book publishing industry. The aim is to ensure that Canadians can

create and access local cultural works by funding their own publishers and associations. CBF has provided financial direct support to more than 220 publishers, especially for small publishers and digital-book and copyright publishers. Specifically, in terms of marketing, it stressed the Canadian-owned, Canadian-controlled, and Canadian-authored books, which brings its own book publishers more business opportunities. In addition, it also invests in the development of domestic book supply and marketing system to help publishers establish and optimize the supply chain, including the production, order, inventory, storage, transportation, and customer service. Thus, Canada Book Fund has a profound effect and meaning for the future development of the domestic book publishing books, promoting the sale of the book market, expanding the international market, and supporting local publishers.

The Association for the Export of Canadian Books (AECB), renamed Livres Canada Books, which funded by the Canadian heritage and was established in 1972. It is the industry association of Canada publishing industry. Its purpose is to support Canadian publishers to develop international markets. Based on the statistics of Book Policy and designed Division, in 2004 to 2006, the Canadian heritage funded the local book publishers at C\$53.2 million and C\$7.6 million for national organizations and associations. At the same time, the Canadian heritage had approved the AECB's export marketing assistance program and foreign copyright marketing program to reach C\$9.6 million. From 2004 to 2005, a year of its various funding of book publishing is more than C\$38 million. Considering the number of book publishers in Canada, virtually every publisher receives about 175,000 Canadian dollars funding a year.

The Canada Council for the Arts has two programs. One is Block Grants which supports the standing press, another one is Emerging Publisher Grants that supports the entrepreneurial publishing industry. Two projects subsidize Canadian book publishers that trade in copyright and has played a pivotal role in promoting Canadian culture. Those books often cover a variety of fields such as fiction, poetry, drama, children's books, art, architecture, autobiography, history, literature, criticism, philosophy, political, sports, tourism, etc.. Between 2006 and

2006, 156 and 23 book publishers were funded with a total subsidy of C\$10.293 million.

Thus, due to the influence of the cultural protection policies of Canadian book publishing industry, the book publishing industry generally tends to be stable. And, Canada's book publishing industry has generally stabilized with a series of institutional and economic support from governments at all levels of Canada. About 10,000 kinds of books are published each year. Operating revenue and net interest rates have also been stable for a long time, basically maintaining at the level of C\$2 billion, C\$1.8 billion, and about 10%. The provinces of Ontario and Quebec, two major book publishing houses, earned C\$1.23 billion and C\$53.319 million respectively in 2012, which accounts for 94.2% of total revenue.

For the problem of cultural protection policy of Canadian book publishing industry, such protection policies cannot substantially improve the market competitiveness of Canadian book publishers. By providing funds for domestic book publishers through government-led support projects has little effect on improving the competitiveness of domestic book publishers. And, the Canadian government needs to do more to transform the book publishers to improve their core competencies in the fierce market competition. For example, the government can provide publishers with the opportunity to participate more in the production of international books so that increasing the global market participation of domestic book publishers, provide more information related to the operation, marketing, and intellectual property rights for developing the comprehensive ability of domestic book publishers, provide a better market infrastructure, and encourage more domestic book publishers to engage in the publishing and distribution that related products with local cultural characteristics and online social network.

In addition, with government support, Canadian book publishers rarely adopt new technologies or improve productivity through organizational innovation, while blindly following their inherent production mode. On the other

hand, in order to make it easier to apply government-sponsored applications, many Canadian book publishers are actively catering to the government's political position and policy direction, which causes the lack of innovation in the selection of books. Instead, it threatens cultural diversity from another perspective.

And, the Canadian government's book publishing protection policy is aimed at book publishing and distribution of book publishers. Therefore, it is not possible to benefit the majority of editors in the book publishing industry, and editors often get caught in the double dilemma of low pay and high-intensity work. In details, the salary of an entry-level job editor is comparable to that of a junior clerk, even though the editors themselves have a double master's degree. In many times, the work of junior editors is simply to handle a lot of administrative affairs, which is also a waste of human resource management. In Canada's book publishing, there is few books publisher attaches great importance to the reproduction of editing labor investment, such as training, construction of career advancement channels, and personal development, which is not good for the editor's long-term career development also limits the possibility of editing flow.

In the second place, to control foreign investment in the Canadian book publishing industry, there are some policies and changes and their impact on the new changes.

The Canadian government controls foreign investment in the Canadian book publishing industry, which mainly includes the Investment Canada Act (ICA) and the Foreign Investment Policy in Book Publishing and Distribution. Investment Canada Act is the basic legal basis for Canada to control foreign-invested Canadian cultural enterprises. In addition, the Canadian heritage, in 1985, established a Foreign Investment Policy in Book Publishing and Distribution to manage foreign investors' investment in books and publications in Canada and was revised in 1992. The policies have the most far-reaching impact on foreign investment in Canadian book publishing industry and set limits on foreign investors' investment in the Canadian book distribution and retail sectors.

However, the Canadian book publishing policy recently highlighted policy changes and relaxed foreign investment in Canada's book publishing industry. Before 2010, the foreign investment activities approved by the policies of the Canadian heritage. It not only restricts the types of books and publishing enterprises with foreign investment but also strictly regulates the permitted foreign investment activities. Foreign investors are required to perform the review process and make a formal commitment to ensure that foreign investment can bring net benefits to the development of Canadian book publishing industry. But, the Canadian heritage did not strictly enforce the regulation of Revised Foreign Investment Policy in Book Publishing and Distribution on foreign investment applications approved by them in recent years.

For example, foreign investors are required to invest in new book businesses in Canada, which restricted to joint ventures controlled by Canadians. In recent years, however, the Canada heritage has approved investments that are not subject to such restrictions, And the new book business that foreign investors invest in Canada is controlled by foreign companies. For instance, the Canadian heritage approved that Amazon set up a distribution center in Canada, Apple has launched an e-book business in Canada, and Simon & Schuster has a book publishing business in Canada. The new book businesses are controlled by the American companies of Amazon, Apple, and Simon & Schuster.

In addition, for the impact of new changes on Canadian book publishing policy on Canadian book publishing industry in recent years, the Canadian government has encouraged foreign investment in the Canadian book publishing industry in a more open manner. On the basis of adhering to the overall policy goal of promoting the country's cultural and economic development, it relaxes the policy requirements for foreign investment in the Canadian book publishing industry. That is to say, in most cases, the Canadian heritage will not refuse to approve the investment as long as foreign investors make a commitment to ensure that their investments follow the Canadian government's overall policy objectives. The development of Canada's book publishing industry after the approval of the

Canadian heritage shows that the impact of such policy changes on the Canadian book publishing industry should be more beneficial than the disadvantages.

For example, the Canadian department of heritage approved the acquisition of McClellan & Stewart publishing company by the Random House of Canada. In approving the acquisition, the Canadian heritage asked Random House to make a commitment to maintain the original publishing program of McClellan & Stewart, including marking the name of the company, McClellan & Stewart, on the McClellan & Stewart edition, etc.. In essence, at present, Random House not only saved McClellan & Stewart publishing company from the financial crisis but also kept the unique book publishing of McClellan & Stewart in ethnic characteristics through these commitments. Separately, the CEO of Random House, Brad Martin, said Random House is pushing for the development of the company's original business. The company's children's publishing house, Tundra Books, the annual number of books published, continues to grow at a rate of 25%, which was up from 34 kinds of books in 2012 to 54 kinds of books in 2013 and reaching 59 kinds in 2014.

To sum up, Canada is committed to protecting their own cultural uniqueness and diversity, especially to maintain the national mass culture and its heritage of book publishing in response to the impact of globalization and assimilation. These measures have achieved good results, but there are also limitations. While we are advocating a globalization, being geared to international standards, and profit model, it is also necessary to consider and take appropriate measures to protect the cultural industry so that extend the traditional culture and the diversity of local culture.

References

Canadian Heritage. (n.d.). Investing in the Future of Canadian Books – Review of the Revised Foreign Investment Policy in Book Publishing and Distribution. Retrieved November 10, 2017, from

- <https://www.canada.ca/en/canadian-heritage/services/cultureal-sector-investment-review/foreign-investment.html>
- Canadian Heritage. Retrieved November 10, 2017, from <https://www.canada.ca/en/canadian-heritage.html>
- Department of Canadian Heritage. (2010). Canada Book Fund. Retrieved November 10, 2017, from <https://www.canada.ca/en/canadian-heritage/services/funding/book-fund.html>
- Heritage, C. (2017, July 14). Policy on foreign investment in the book industry. Retrieved November 10, 2017, from <https://www.canada.ca/en/canadian-heritage/services/foreign-investment-books.html>
- Leigh Ann Williams. (2012). *Adapting to Conditions*. Canadian Publishing. Retrieved November 10, 2017, from <https://www.publishersweekly.com/pw/bytopic/international/international-book-news/article/54056-adapting-to-conditions.html>
- LORIMER, R. (2013). *ULTRA LIBRIS: policy, technology, and the creative economy of book publishing in Canada*. S.l.: READHOWYOUWANT COM LTD.
- Minister of Justice. (n.d.). Investment Canada Act. Retrieved November 10, 2017, from <http://laws-lois.justice.gc.ca/eng/acts/I-218/>.
- Osler. Amazon Decision Demonstrates Shifting Government Policy. (2010). Retrieved November 10, 2017, from <https://www.osler.com/en/resources/cross-border/2010/amazon-decision-demonstrates-shift-in-government-p>
- PublishersGlobal. (n.d.). Directory of Publishing Companies in Canada. Retrieved November 10, 2017, from <http://www.publishersglobal.com/directory/canada/>
- SIMON HOUP, S. (2017, March 26). Canadas elastic policy on foreign publishers. Retrieved November 14, 2017, from <https://www.theglobeandmail.com/report-on-business/rob-commentary/canadas-elastic-policy-on-foreign-publishers/article12872071/>
- Statistics Canada. Book Publishers. (2012). Catalogue No. 87F0004X. Retrieved November 10, 2017, from <http://www5.statcan.gc.ca/olc-olc/action?objId=87F0004X&objType=2&lang=en&limit=0>
- The Council of Canadians. (2012, January 15). Retrieved November 10, 2017, from <https://canadians.org/node/8145>

Williams, L. A. (2012, Sep 21). Adapting to Conditions: Canadian Publishing 2012. Retrieved November 10, 2017, from <https://www.publishersweekly.com/pw/by-topic/international/international-book-news/article/54056-adapting-to-conditions.html>



This work is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

© Yuan Li, 2017

Available from: <http://journals.sfu.ca/courses/index.php/pub371/issue/view/1>