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eBooks in China

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Introduction

While the growth and development of eBooks in the West lags behind that of e-journals, the situation in China is much different where both e-formats are doing extremely well. This might seem curious to North American readers, but there are strong reasons why digital books and journals have been so well received in China. First, China's robust economy means that there is plenty of capital around to launch all sorts of e-businesses and *words for the eyes of one plus billion readers of China* is a natural area for expansion. Indeed, according to a recent 2004 report, the Chinese "IT service market maintained rapid development momentum in the first quarter this year, reaching CNY 13.96 billion . . . [US \$1.7 billion dollars] in total, a year-on-year rise of 25.4%."² Second, buying full text, instead of print, leap-frogs all sorts of the troublesome baggage that accompanies the acquisition of traditional printed volumes, e.g., shelving space, the near impossibility of trying to purchase out-of-print books, the difficulties of working with vendors on the other side of the world, the need for good physical environmental conditions for books and readers, mildew in non air-conditioned buildings, etc. This isn't to say that China's academic libraries are not buying printed books and building new buildings. Many are involved in both activities at a rate not experienced in North America since the years of the rapid expansion in higher education following the Sputnik scare. It also isn't to say that eBooks don't have problems, but compared to building good collections and buildings to hold them for all of China's 2,000 universities and 2.6 million students, e-formats are a blessing.³ A third major reason is that China's people have embraced the Web with enormous speed. A 2003 report claimed that by the end of 2002, China already had 59.1 million Internet users — second only to the United States.⁴

For whatever reason, the eBook industry thrives. The purpose of this article is to provide an overview of the commercial eBook industry, its characteristics, the financial models being used to sell eBooks to China's readers, and the challenges that must yet be overcome.

eBook Production

The three leading companies producing eBooks in China include the following:

1. **Founder Group's Apabi Digital Library** is produced by its subsidiary, **Electronic Founder Co., Ltd.** **Founder** grew out of a "small peripheral R&D department of **Beijing University**."⁵ The **Apabi Digital Library** became available in 2001. As of June 2004, it included 70,000+ volumes. See <http://www.founder.com.cn/> for additional details.

2. **Superstar Digital Library** began in the 1990's by working with a number of major libraries in digital projects including one with the **National Library** in Beijing. The **Superstar Digital Library** became available in 1998. As of June 2004, it included 700,000+ volumes. See <http://www.ssreader.com/> for additional details.

3. **Shu Sheng Zhi Jia (Scholars Home)** was established in 1999 by **Mr. Wang Donglin**. Like **Superstar**, the digitizing of Chinese materials has been **Scholar's** core business. As of June 2004, it included 170,000+ volumes. See <http://www.21dmedia.com/> for additional details.

Most of these collections can be found in China's major research libraries. For example, this is the situation at the top ten universities in China:

Top 10 Universities in China and Their Use of the Three Major eBook Collections

Universities (In 2004 Rank Order)	Apabi	Superstar	Scholars
1. Tsinghua U	Yes	Yes	
2. Peking U	Yes		Yes
3. Zhejiang U	Yes		Yes
4. Fudan U	Yes	Yes	
5. Huazhong U of ST		Yes	
6. Nanjing U	Soon	Yes	
7. Wuhan U	Yes		Yes
8. Jilin U		Yes	
9. Shanghai Jiatong U	Yes	Yes	Yes
10. Sichuan U	Soon	Yes	Yes

Ranking Source: Sina.com: <http://2004.china-school.net/2004top.htm>

In addition to "The Big Three" large eBook publishers there are other organizations involved or are about to be involved in eBook production effort. For example, the premier e-journal producer, **Tsinghua Tongfang Optical Disc Company, Ltd.**, will soon come out with its own collection of 40,000 eBooks. They have agreements with more than 300 publishers and expect to have 70,000 titles by the end of 2004. Their collection will focus on the arts, but will include science fiction titles.

Apabi

Apabi is seen by some as the eBook enterprise that tries to do everything right though it doesn't always succeed. **Apabi** books reportedly don't have copyright problems since the company began by partnering with publishers and include only licensed volumes. In fact **Apabi** began as an IT based printer for publishers who wanted to outsource the electronic printing layout of their own materials to someone who already had the technology under control. **Apabi** claims that they now have around 70,000 titles, mostly published since the year 2000.

Like **netLibrary**, if you own one copy, one copy can be read by only one person at a time. If you want two simultaneous readers, you must buy two copies. Because students in China have

much less disposable income than their Western counterparts, Chinese libraries frequently buy large numbers of duplicate copies. There has not been the same kinds of objections to the need to buy multiple copies that **netLibrary** has faced in the West. The very low price of only US \$0.50 per volume also contributes to the lack of librarian opposition to this business plan.

The **Apabi** reader was designed for Chinese books, but can handle books written in western alphabetical scripts as well. Indeed, it is the only one of the three eBook producers that includes books in some of the national minorities' languages of China. For its Mainland Chinese audience, **Apabi** employs simplified Chinese characters, but for Hong Kong readers, traditional Chinese characters are used. Simplified characters use fewer strokes to write the same ideogram than traditional characters. Popularized by the People's Republic of China, the use of simplified ideograms was promoted to provide its citizens with easier access to basic reading and writing skills. **Apabi** includes an online dictionary and its newest version allows the reader to select a character using the computer's mouse, and then have the word pronounced in *putonghua*, the official language/dialect of

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China. **Apabi** allows libraries to offer its users remote access reading capabilities.

Apabi books are sold singly, in collections, or on a subscription basis. The **University of Hong Kong (HKU) Libraries** chose to purchase a basic collection of 30,000 volumes. We subsequently negotiated a consortial arrangement on behalf of the other libraries in Hong Kong. Framed within a loose agreement where each library continues to spend an agreed upon amount within a three-year period allows each library to purchase its own titles. We are still negotiating whether we will be able to share the eBooks within the consortium. While we can't reveal the exact terms of our agreement, in general it provides participants with discounted prices in exchange for a guarantee that a certain volume of materials will be purchased. The books are accessed from a server located in Beijing. Because the bandwidth between Mainland China and Hong Kong was recently upgraded to 155 Mbps from 2 Mbps, we are trying to avoid the need for a separate mirror site in Hong Kong. While the connection between **Apabi** and the **OCLC** of China, (**CALIS: China Academic Library and Information System**),⁶ is not clear, **CALIS** does seem to be supportive of its member libraries acquiring **Apabi** eBooks.

Superstar

Superstar was the pioneer in the production and marketing of eBooks in China. Like many pioneers who leave their own domain and marched into yet unknown areas, **Superstar** discovered that some of the companies already in production (i.e., print publishers and their authors) were not too happy with **Superstar**, the newcomer.

Superstar began as the digitizing contractor for an eBook project sponsored by the **National Library of China**. The **National Library** wanted to not only offer its own patrons access to digital books, but wanted to market their digitized books to other libraries throughout the country. The short-lived partnership between **Superstar** and the **National Library** precipitated one of the earliest copyright battles in China. Although some might debate whether a library can legally reformat and digitize its own collection for internal use, the marketing of those books to other libraries produced an outcry from the publishers and authors whose works were now to be resold in the new format. A **Peking University** law professor sued the **National Library** and was awarded RMB \$80,000 in June 2002 because he was not consulted.⁷ Many wondered why **Superstar** was not also sued, but it is supposed that the matter was settled out of court.

No doubt **Superstar's** experience with the **National Library** project taught them two lessons: People were hungry for eBooks. The copyright problem had to be solved. To find solutions **Superstar** decided upon three courses of action to try to solve the copyright issue.

First they sent teams to China's larger cities to secure agreements from individual authors to allow them to include their books within the

against the grain people profile

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BORN & LIVED: Boise, Idaho; Taiwan-Republic of China; Provo, Utah; College Station, Texas; Haworth, New Jersey, Hong Kong, SAR China.

EARLY LIFE: Raised in Boise, Idaho; lived in Taiwan from age 19 to 21.

FAMILY: With wife, parents of six children, grandparents of six more.

EDUCATION: BA in Asian Studies and Political Science (**Brigham Young University**), MA Political Science and MLS (**University of Washington**), Doctorate Education (**Columbia University**, Teachers College)

FIRST JOB: Social Science Librarian.

PROFESSIONAL CAREER AND ACTIVITIES: Spent my early years as a social sciences librarian and then subsequently worked as an Asian Studies Bibliographer; head of collection development, and now Director of a Library. I am also interim Director of IT in Learning.

IN MY SPARE TIME I LIKE TO: Study Chinese, go to movies, explore China.

Favorite books: Books about foreigners in China, Senge, P.M. *The Fifth Discipline*. 1990.

PET PEEVES/WHAT MAKES ME MAD: Unwillingness to cooperate.

Philosophy: A librarian's job is to bring people and information together as quickly and efficiently as possible.

GOAL YOU HOPE TO ACHIEVE FIVE YEARS FROM NOW: Get my University to commit to building a new library.

HOW/WHERE DO I SEE THE INDUSTRY IN FIVE YEARS: Instead of the current 70% print and 30% digital content expenditures, it will be 50/50 at least. Our services are already 60% digital and 40% print — I expect that to go to 80/20. We will be more and more focused on helping people find the right information, not just more and more information.

Superstar collection. To secure their support, they offered these authors several inducements from which they might choose: 1) Free access to the entire database for 10 years; 2) Payment of an agreed upon amount each time their book was checked out; or 3) name the price to be paid by the readers when their books were downloaded. Most authors chose the first option. The second course of action taken by **Superstar** was to agree to pay the **Copyright Protection Centre of China** fees which could then be used to pay publishers for the titles that were digitized.⁸ Thirdly, they agreed to remove any book whose author was unhappy having his book included in the **Superstar** collection. Despite these steps, some librarians in China and Hong Kong are still wary of buying **Superstar** books for fears of being dragged into a lawsuit. Yet, the company is doing good business marketing more than 700,000 volumes in China and a bit more than 350,000 to libraries in foreign countries including Hong Kong.

Unlike **Apabi** and **netLibrary**, **Superstar** does not restrict the number of people who can read at the same time. For Chinese libraries this must be seen as a real advantage as the need to purchase multiple copies is eliminated.

The **Superstar** reader was designed for Chinese books but it handles books written in

western alphabetical scripts as well. The **Superstar** front-end catalog for use outside of China allows searching using traditional Chinese characters. **Superstar** does not permit full-text searching. **Superstar** library users can sign in remotely to use the collection.

One of the major differences between **Superstar** and **Apabi** is the imprint time span coverage. As **Superstar** employs a vacuum cleaner approach to digitizing books in many libraries, whatever those libraries owned is digitized. While **Superstar** began with the **National Library**, it has since moved on to other libraries. Staff members simply go shelf-to-shelf disbinding books published since Liberation (1949). Staff then feed the disbound pages through high speed scanners, rebinding the pages into books and return the rebound books to the shelves. For selected titles, OCR technology make contents of the selected titles more accessible. They then rely on volume by volume cataloging/metadata work to insure bibliographic access. Most of **Superstars'** titles were published before the year 2004. Some were published as early as the Ming (AD 1368 to 1644) and Ching (AD 1644 to 1911) dynasties. Libraries supplying content in this manner become **Superstar** partners.

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Over the past 50 years, a wide variety books are available for purchase as a result of the partnership between **Superstar** and libraries. The quality range of the digitized materials is enormous as many of the contributing libraries were public libraries. For those who feel that critical mass is needed for eBooks use, their wish is granted. For those who cling to the idea that libraries should only have high quality collections which are carefully selected, they will be disappointed, if not outraged.

The **University of Hong Kong** is now negotiating for the purchase of a basic collection of **Superstar** eBooks in all subjects except science and technology. This purchase, if it takes place, will be within the context of an overall agreement to continue to purchase books in coming years. The purchasing process is complicated by the fact that the right to market these materials was granted to a Taiwan based group, **Chinshan Information Co. Ltd Taiwan**, a sister company of **Info Access Hong Kong**. They are regional companies of **iGroup Asia Pacific**. While Hong Kong is officially part of China, in cases like this where the Chinese price is only a fraction of the foreign price, Hong Kong finds itself classified as a foreign buyer and pays the higher price. For a number of reasons, our library will mount our eBooks on a server provided by **Info Access** rather than rely upon either Taiwan (which for political reasons cannot own all the books we purchase) or Mainland servers (which cannot be used by foreign libraries).

Shu Sheng Zhi Jia (Scholar's Home)

The **Scholar's Home** eBook collection is perhaps least known outside of China than the other two companies. Currently marketed only on Mainland China, it was founded in 1999 by **Mr. Wang Dong-lin**. An enterprising businessman, **Mr. Wang** was struck by the value of the **Apabi** product and thought he could be even more successful than **Apabi**. **Mr. Wang**, apparently, plans on taking his company public in the coming years.

This collection is based mainly, but not totally, upon materials secured from individual publishers and authors. It is said that **Scholar's Home** has not settled all the copyright issues for some of their eBooks. Unlike the other two China eBook providers, the use of **Scholar's Home** eBooks is restricted to on campus readers. The eBooks in their database are a mixture of HGML full text and PDF images. As a consequence of its use of PDF, not all of its eBooks are full-text searchable. Its self-developed interface employs simplified Chinese characters only. It contains materials published from 1999 onwards.

Comparisons

All three systems allow key word and title searching, category browsing, and character enlarging capabilities, you can flip pages much like a printed book. **Apabi**, in terms of overall functionality, is the strongest of the three systems and is a pleasure to use. Even when compared to Western eBook readers, **Apabi** is still remarkably sophisticated. Yet, the other two are still quite usable.

Major Chinese eBook Publisher Functions Compared⁹

Function	Apabi	Superstar	Scholars H.
Bookshelf capability for later reference	X	X	
Check out a book to your hard disc	X		
Check load history		X	
Copy and paste capability	X		X
Enlarge character size	X	X	X
Library can set patron parameters	X		
Number of simultaneous readers	1	Multiple	Multiple
Online help	X	X	X
Page change can go to x page	X	X	
Page change flip from one to the next	X	X	X
Printing: one page at a time	X (1)		X (10)
Search — can modify	X		X
Search by author	X	X	X
Search by call number search	X		
Search by category	X	X	X
Search by full text	X		
Search by ISBN	X		X
Search by key word	X	X	X
Search by publication date	X		X
Search by publisher	X		X
Search by subject heading	X		X
Search by title	X	X	X
Search for books not owned	X		
Search using Boolean operators	X	X	
Text markup functions*	1-5	2-5	1
User group for libraries	X		X

*1. Book mark; 2. Circle; 3. Highlight; 4. Make notes; 5. Underline.

Other China eBook Related Activities

In addition to these three competing general eBook production companies, there are several other more subject or format focused eBook publishing efforts taking place in China. For example, there are three groups collecting and providing access to e-theses:

1. **China Doctoral/Master's Dissertation of Tsinghua Tongfang Optical Disc Co., Ltd.**, Beijing. It has signed contracts with 300 doctoral graduate schools and collected 28,000 e-theses per annum since 2000. See <http://www.global.cnki.net/progress.htm> for additional details.
2. **Dissertations of China (DOC)** of Wanfang Data Co. Ltd., Beijing, which is a subsidiary of the Institute of Scientific & Technical Information of China, one of the official deposi-

tories of technology academic thesis's in China. They announced in May 2004 they have 480,000 theses published since 1986 in their database and of these 221,824 have full text. See <http://www.wanfangdata.com/doc/doc.htm> for additional details.

3. **Degree Dissertations of Academic Institutions, CALIS**. Led by **Peking University** and **Tsinghua University Libraries**, the **China Academic Library System (CALIS)** <http://www.calis.edu.cn/>, together with an additional 83 sister institutions, have established an abstracting database with more than 70,000 entries. These same libraries have agreed to share the originals with each other.

Another specialized area of eBook production
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tion relates to the digitizing of large collections of related materials. China has a long tradition of reprinting collections of classical works.¹⁰ Since all of these books are out-of-copyright (setting aside the desire to quibble about the legality of digitizing specific printings done in the past 50 years or so), they are prime targets for digitization. Some of the major sets that have been completed, information about these titles, and their publishers include the following:

1. **Si Ku Quan Shu (Collectanea of Books in the Four Parts of the Imperial Library)**. This set of collectanea contains the major literary works produced in China over a succession of dynasties. It was compiled during the early Qing dynasty by the order of **Emperor Qianlong** (1711-1799). The 36,000 volumes in the set will be placed on 182 CD-Rom discs and Web access has been provided since 1999 by the **Digital Heritage Publishing Limited**, Hong Kong. <http://www.sikuquanshu.com/big5/main.asp>
2. **Si Bu Cong Kan (Four Treasures Collectanea)**. The printed version was compiled during the years 1919 to 1936 by the renowned scholar and publisher, **Mr. Zhang Yuanji**. It includes 504 works, comprising more than 3,134 volumes of Chinese classics. The Web version was produced by **Unihan Digital Technology Co., Ltd at Beijing**. Unihan provides technology support to a variety of digital projects including the **Beijing Historical Geography Database**, a joint project developed by **Peking and Hong Kong University** libraries. See <http://www.unicode.org/charts/unihan.html> for more details.
3. **Scripta Sinica**. The mega collection of classical texts is the product of the **Academia Sinica Computer Center (ASCC)** in Taiwan. It included full text editions of the Twenty-Five Histories, the texts associated with all of China's most famous philosophers, local histories of Taiwan, Buddhist canons, and various other collections of classical texts. See <http://www.sinica.edu.tw/fms-bin/fmsw3> for more details.
4. **Chant (Chinese Ancient Texts) Online Databases** of the Institute of Chinese Studies, **Chinese University of Hong Kong**. This database includes oracle bone, bronze, wood/bamboo, and silk inscriptions as well as all extant Han and pre-Han traditional texts and encyclopedias. Since this project was funded by the Research Grants Council of the Hong Kong Government, users only need to pay a small annual subscriptions fee to the Institute for access. See <http://www.chant.org/> for more details.

Final Thoughts

eBook production in China is a beehive of activity for the reasons already stated and

because interlibrary loan in China is still in its infancy. Consequently, the ability to purchase large collections of e-texts to supplement the printed book stocks of academic libraries in China is very attractive. Still, there are a number of problems that need resolution before eBooks can, if ever, replace printed books in China:

1. Some sort of win-win-win copyright solution for writers, publishers, and readers needs to be found. Writers want recognition and would get more of it if the millions of potential eBook readers in China could read their books — instead of just being read in the libraries which were wealthy enough to buy the printed originals. Publishers want to be repaid for their initial investments, but what amount is reasonable since originally there was no expectation of earning anything beyond the first sale? And readers, along with the librarians who procure content on their behalf, want to read as much as possible and pay as little as possible. What amount of reimbursement is justifiable? Web accessible eBooks promise rewards for all three groups, but how can all three win without someone losing? Interestingly, it seems China is closer to answering this question than North America where copyright problems have instilled a form of paralysis when it comes to digitizing books still under copyright protection. Possibly the **Superstar** model is the one that could be adopted on both continents? It isn't pretty, but it might work.
2. The lack of eBook display standards also needs to be tackled. Every producer is doing something differently, perhaps intentionally, so that they can all sell collections of both unique and duplicated titles. Library patrons are forced to learn multiple software front ends and remember which collection does what. In this case, with the advent of the **Open eBook Forum**, the West may be in a better position to solve these problems.¹¹
3. The problem of libraries having to buy the same titles multiple times from multiple vendors needs a solution. eBook collection publishers don't have a problem with it, but in the long run for the sake of library budgets and user ease of use, this problem should be solved. Yet, the fact that this situation parallels the e-journal situation in North America doesn't give one much hope for optimism.
4. The lack of selectivity when choosing what to add to eBook collections is another problem ripe for solution. Unfortunately the race is to increase the number of titles, not the quality of titles in vendor collections. Internally, Chinese libraries tolerate this because eBooks are priced so cheaply that they can ignore a certain percentage of each collection being "garbage." For for-

eign libraries to buy these collections at much, much, higher prices and for significantly fewer readers, it is a problem that must be solved.

5. It seems that eBook pricing, like the pricing of fresh pork in the local marketplace, is totally negotiable and the asking price often depends upon the seller's assessment of the buyer's ability to pay. While some might consider this sort of haggling fun, it creates an atmosphere in which buyers and sellers both expect the worst of each other. There needs to be some sort of even rough standardization in pricing so that librarians won't need to carry on multiple year negotiations in order to exhaust the seller's patience.

Endnotes

1. The University of Hong Kong (HKU) is Hong Kong's oldest institution of higher education. It was founded by the British colonial government and although it is now part of China, it still retains its western flavor. HKU's libraries include separate Education, Dental, Law, and Medical libraries in addition to the Main, central, Library. With a staff of 36 professionals, 236 supporting staff, a collection containing 2.3 million volumes including 25,200 e-journals serving 8,000 undergraduate and 7,300 graduate students, HKU resembles many medium sized research libraries in North America.
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7. China Youth Post (1 July 2002) "Why Digital Library being penalized for copyright infringement."
8. See the Copyright Centre's Website [sometimes not very functional] for additional information. Retrieved 14 July 2004 from <http://www.ccopyright.com.cn/#>.
9. Note. The information represented on this chart represents the best efforts of the writers to understand each system's capabilities. In the case of Superstar and Scholar, we were not able to obtain full online access to determine all of their collections capabilities. We welcome input from the publishers or readers.
10. See Elman, B. A. (May 2003). Classical Historiography for Chinese History. Retrieved on 14 July 2004 from <http://www.princeton.edu/~classbib/right.htm#1>.
11. See Open eBook Forum Website for more information. Retrieved 15 July 2004 from <http://www.openebook.org/>.