

Access to scientific and educational books in Brazil

Pablo Ortellado (Gpopai-USP)
www.gpopai.usp.br

Scope of the market

Market share of scientific and educational books

Access:

Limitations and exceptions in copyright law

International implications

Students' financial restrictions to the acquisition of textbooks

Public funding:

Tax exemption

Funding of content

University presses

Government acquisitions

Public versus private investment in book production

Revenue distribution

Copyright versus industrial profit in the book sector

Distribution of copies and revenue in the Brazilian book market

	Percentage of copies sold	Percentage of the industry's revenue
Basic education textbooks	60,4%	55,3%
College textbooks	6,8%	13,7%
Literature and essay	19,6%	21,9%
Religion	13,2%	9,1%

Access to textbooks: limitations and exceptions in Brazilian copyright law

Brazilian copyright law (Law 9.610/98)

"Article 46: The following shall not constitute violation of copyright:

(...) II. the reproduction in one copy of short extracts from a work for the private use of the copier, provided that it is done by him and without gainful intent;"

Access to textbooks: limitations and exceptions in copyright law

Controversy over private use without gainful intent

	Interpretation of publishers	Interpretation of academic community
What is a short extract?	A 'substantive portion' (one page)	10% of work or one chapter
Who can make copies for private use?	The student herself	Copy shop machine operator at request of student
To whom it is forbidden 'gainful intent'?	To copy shops	To student if re-selling the copy

Access to Textbooks: Limitations and Exceptions in Copyright Law

International Intellectual Property Alliance 2008 Special 301 Report

"Perhaps of greatest concern to academic publishers in Brazil is the continued influence of Resolution No. 5213/2005, an administrative rule implemented by the State of São Paulo University (USP) about three years ago. This rule allows (1) reprographic copying of portions of books by commercial, for-profit copy centers and (2) copying of foreign works that are 'not available in the Brazilian market' without a license. It seems that 'not available' means in practice, that if a book is not written in Portuguese and is not for sale in the nearest bookstore, it qualifies under this resolution. The latter provision applies even to the copying of 100% of a work. This ruling presents several problems under international norms and must be revoked. For-profit entities should not be given *carte blanche* to copy works outside the normal bounds of international fair use. Furthermore, "not available in the Brazilian market" has not been defined, and industry reports that in practice this provision is being used to copy *en masse* all foreign works."

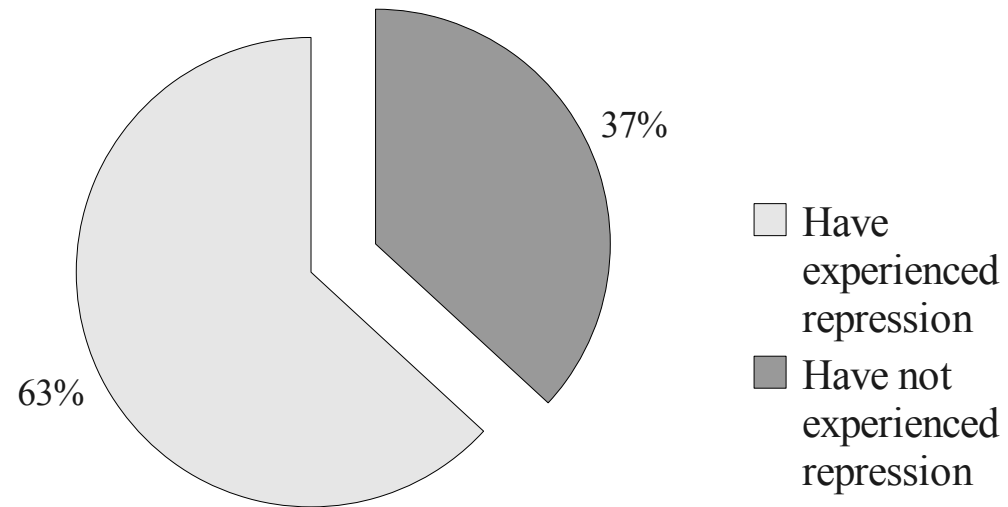
Copyright trade balance Brazil-U.S.

Import and export of copyright to and from the United States – 1996-2008 (millions of U.S. dollars)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Royalties payments from the U.S. to Brazil	14	7,8	5,9	6,4	13,5	16,1	20,8	31,4	29,7	21,3	25,2
Royalties payments from Brazil to the U.S.	693,3	762,9	913,9	902,7	884,7	883,1	1009,8	1330,7	1675	1814,9	2051,1

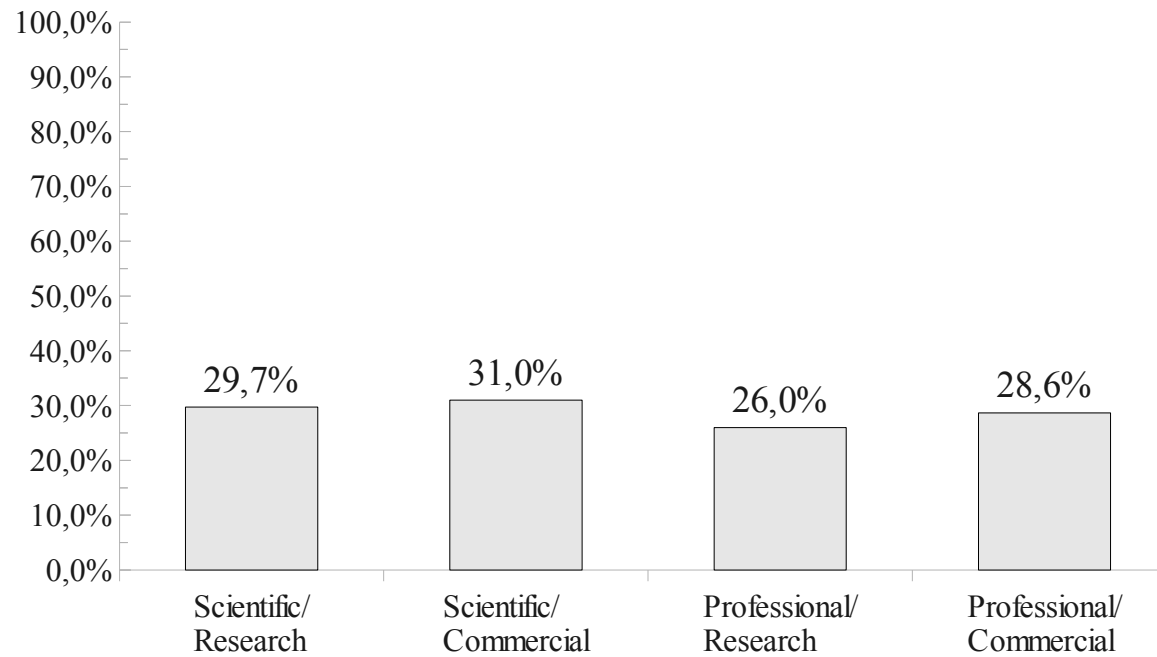
Source: Banco Central do Brasil.

Percentage of copy shops near universities in São Paulo
who have faced police repression for copying books



Access to textbooks: out of print books

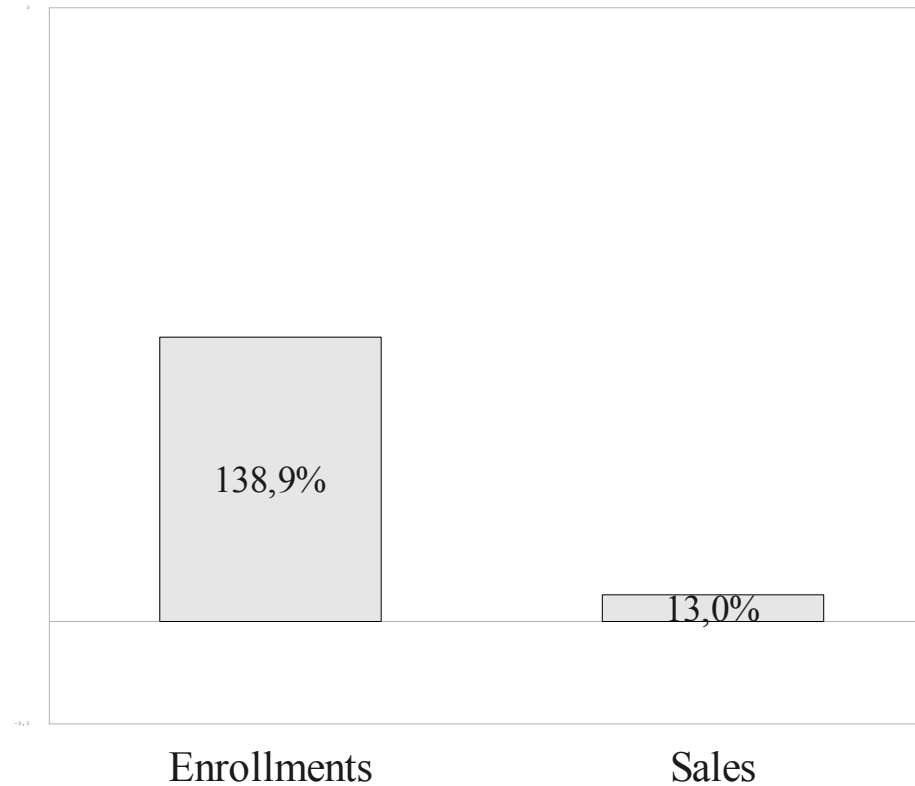
Percentage of books which are out of print (among the books published in Brazil)



Source: GPOPAL-USP

Access to textbooks: market growth but steady sales

Growth of higher education enrollment and textbooks sales (1998-2008)



Source: Ministério da Educação; Câmara Brasileira do Livro

Access to textbooks: acquisition costs

Costs of books required in mandatory bibliography and monthly family income for students at the University of São Paulo

Program	Acquisition costs of books in one year	% of students with monthly family income below US\$ 2,890
Information Systems	US\$ 2,263	90,6%
Natural Sciences	US\$ 2,105	91,3%
Tourism	US\$ 2,643	81,3%
Marketing	US\$ 2,452	76,1%
Textile Technology	US\$ 2,407	79,5%
Environmental Management	US\$ 3,013	84,1%
Obstetrics	US\$ 3,359	86,7%
Gerontology	US\$ 2,553	91,2%
Physical Activity Sciences	US\$ 1,933	88,3%
Public Policy and Management	US\$ 3,031	78,1%

Source: GPOPAI-USP

Public funding:
Tax exemption to the production of books

Article 150 of the Brazilian Constitution:

"Without prejudice to any other guarantees ensured to the taxpayer, it is forbidden for the Republic, the States, the Federal District, and the Municipalities:

[...]

VI. to institute taxes on:

[...]

d) books, newspapers, periodicals, and paper intended for the printing thereof;"

Public subsidy through tax exemption

Estimate of public subsidy through the Brazilian publishing industry's tax exemption
(millions of US dollars - 2006 value)

Year	Publishers Revenue	IPI Exemption	ICMS Exemption	PIS/COFINS Exemption	Total Subsidies Through Tax Exemption
2001	1,617	243	247	-	490
2002	1,619	243	248	-	491
2003	1,561	234	239	-	473
2004	1,535	230	235	-	465
2005	1,527	229	234	55	463
2006	1,665	250	255	61	565

Source: GPAPAI-USP

IPI: Industrialized Goods Tax; ICMS: Circulation of Goods and Transportation and Communication Services Tax; PIS: Social Integration Program Tax; COFINS: Contribution for the Financing of the Social Security

Public funding of content (authors' salaries): sample

6 areas:

3 scientific areas (Physics, History, Biology)

3 "professional" areas (Engineering, Law, Medicine)

For each area:

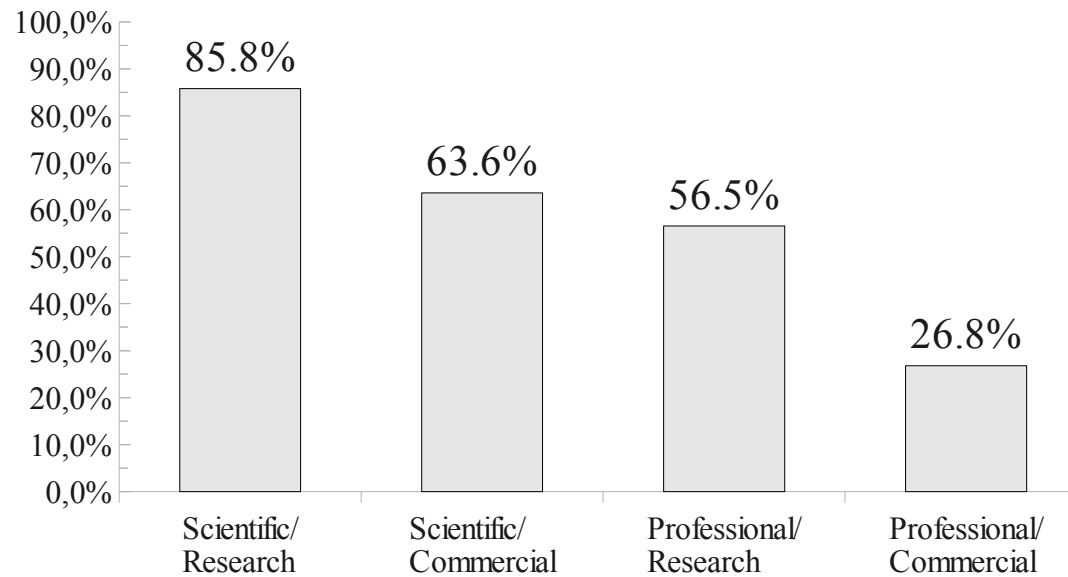
The 3 programs with best research (best evaluation by federal agency)

The 3 programs more commercially well succeeded (more enrollments)

For all programs, bibliographies for third and fourth semesters: over 2,000 books

Public funding of content through authors' salaries

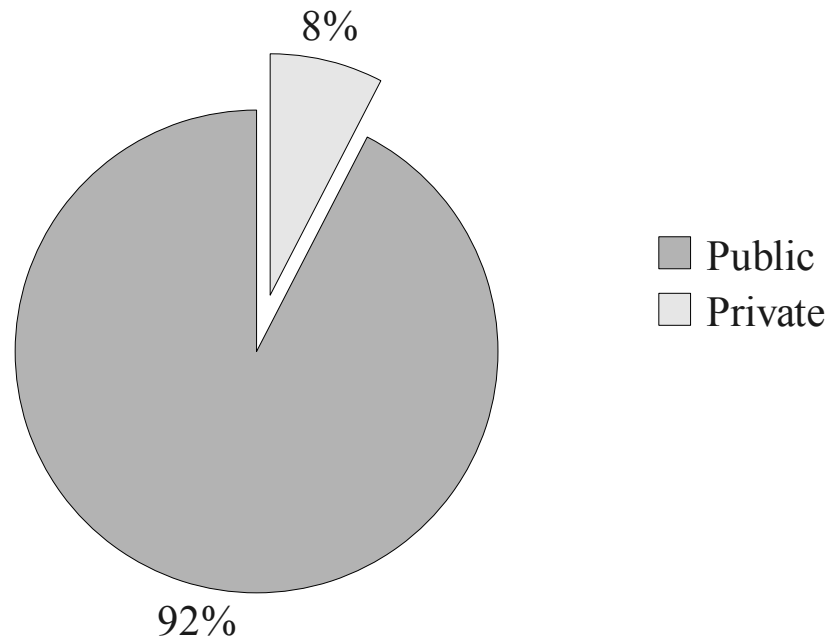
Percentage of books used in undergraduate programs whose authors were working full time in public institutions when book was released (among books whose authors are Brazilian)



Source: GPOPAT-USP

Public funding of content through research grants

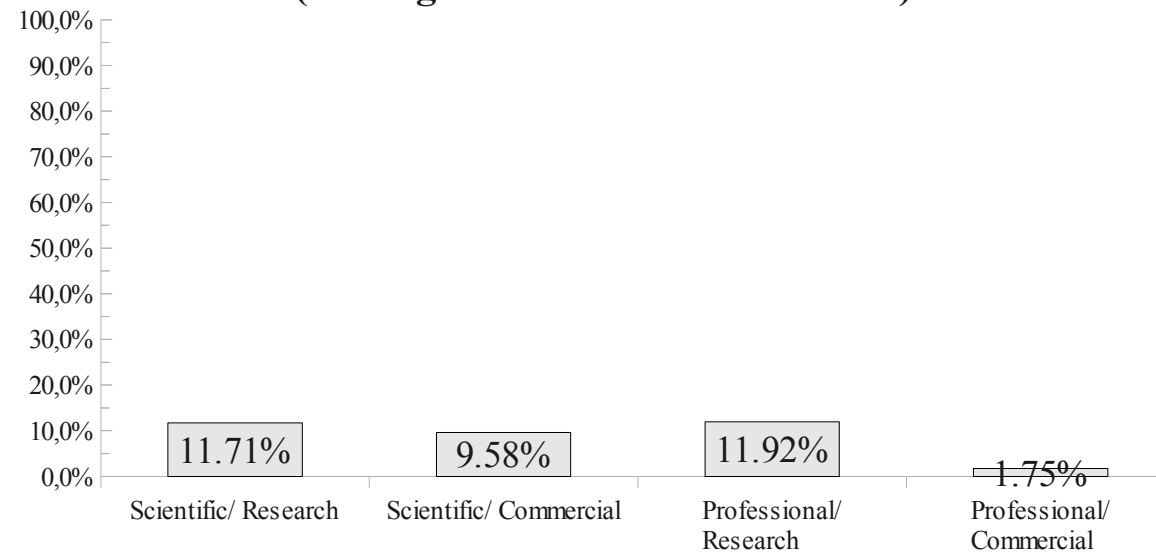
**Public and private investment
in graduate university research (2008)**



Source: Ministério da Ciência e Tecnologia

Public university presses

Percentage of Books Required in Undergraduate Courses which were Released by Public University Presses (Among Books Published in Brazil)



Source: GPOPAI-USP

Government acquisitions

Public expenditure in basic education textbooks and number of copies acquired - 2002-2007

Year	Public expenditure	Copies acquired (* includes dictionaries)
2002	R\$ 266.128.366,00 (US\$ 149,510,317.97)	57,024,873 (4,528,041 dictionaries)
2003	R\$ 574.839.852,00 (US\$ 322,943,737.08)	119,28,.883 (3,349,920 dictionaries)
2004	R\$ 619.247.203,00 (US\$ 347,891,687.08)	111,189,126
2005	R\$ 352.797.577,00 (US\$ 198,200,885.95)	50,649,055 (6,403,759 dictionaries)
2006	R\$ 563.725.709,98 (US\$ 316,699,836.50)	102,521,965
2007	R\$ 679.948.005,00 (US\$ 381,993,261.23)	110,241,724

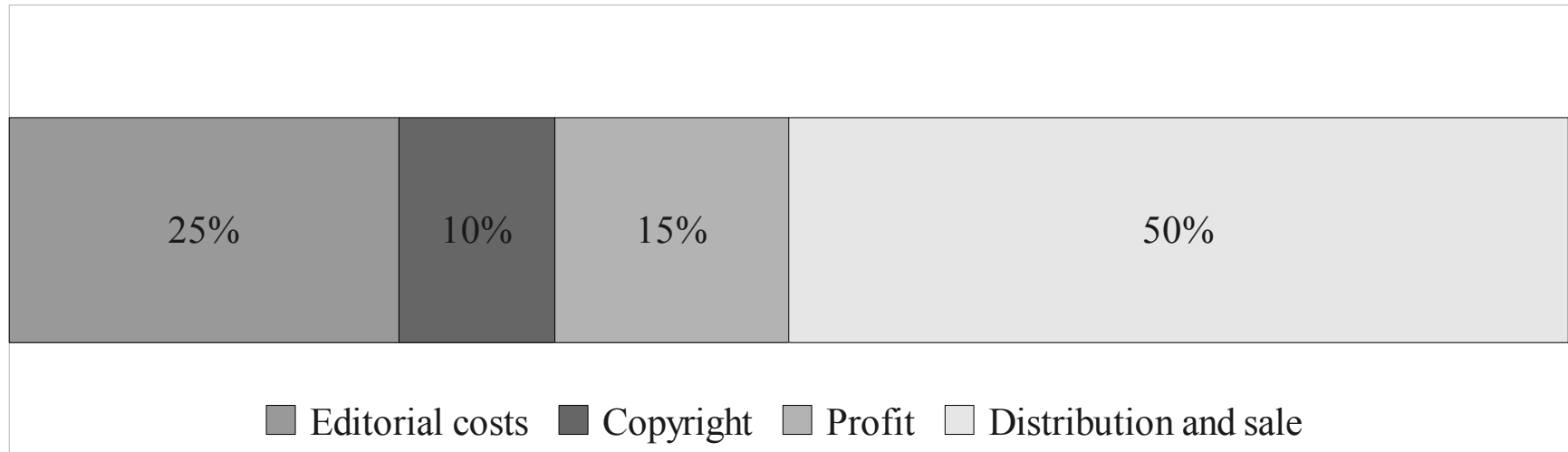
Source: Ministério da Educação

Private versus public investment in book production:

Production of typical scientific book from a PhD thesis or college professor research

	Value	Percentage of total investment
Content production cost	R\$ 237.600,00	95,2%
Tax exemption	R\$ 2.000,00	0,8%
Editorial investment (editing, printing etc.)	R\$ 10.000,00	4,0%

Value distribution as percentage of book price:
copyright versus industrial profit in the book sector



Estimated copyright revenue for a researcher in Sociology
(best evaluated department in Brazil) – 2008 data

Average annual book chapter production	2.02
Average monthly salary	R\$ 9.447,36 (US\$ 5,307.50)
Estimated monthly copyright revenue	R\$ 115,15 (US\$ 64.69)
Copyright revenue as percentage of salary	1.21%

Source: GPOPAI-USP

All but two of the interviewed sample do not receive any royalties (getting copies of the book instead – typically, 10 or 20 copies)

What empirical evidence shows?

Students have no resources to buy required books

One third of the books are out of print

Copy of books is criminalized

Criminalization results from international pressure of foreign copyright industry

Investment in scientific or college book production is typically 96% public

Authors are not remunerated or remuneration is insignificant

Publishers profit is 50% larger than authors' copyright royalties