ARTS & CULTURE

Dancing in Chains

Squeezed by both political and commercial pressures, China's book publishers face an existential crisis. How can the industry survive, let alone publish anything interesting?

RACHEL CHUDNOV · MAY 6, 2021

Illustration by Jill Pizzolo

In 2020, one of China's leading private-sector book publishers, Beijing Motie Book (墨客图书), brought the Chinese language rights to *Invent and Wander: The Collected Writings of Jeff Bezos* (Harvard Business Press, 2020). Motie's pitch for the book was perfectly timed for the Chinese market. The Amazon founder was then the world's richest man, and his Chinese technology billionaire peers were also riding high.

But it was also the final year of Donald Trump's first term and Sino-US relations were at a nadir. As a result, Motie was unable to get final clearance from the National Press and Publication Administration (NPPA), the Chinese agency that oversees print publications and issues publication permits with potentially sensitive titles. "At that time, many American books could not get published," said a former book editor at Motie, who asked not to be identified. "It was stupid. Politics in China does not get along with a country, it will ban its books or it will delay them for a long time."

Invent and Wander, titled Langpeiru xun (朗贝瑞之旅) in Chinese, was eventually published in 2022 but it had missed its moment. By then President Xi Jinping had launched his campaign to rein in Jack Ma and other billionaire technology moguls, and prominent China correspondents pulled their books for the book. Then, weeks before publication, Amazon announced it was shutting down Kindle's business in China. The book sold a few hundred copies. Motie's sales dropped "A lot of it then beyond the control of an editor or a publisher," adds the editor. "But it really wears you down."

The Chinese language edition of Jeff Bezos' book, *Dancing Motie Book*.

Industry insiders like me try to publish books in China is to "dance in chains." Ever since the Chinese Communist Party came to power, publishers have been shackled by various degrees of state control. The goal is to find a way through the system and produce books people want to read. For others, the chains are not metaphorical but all too real. Under Xi, there have been well-documented instances of police hunting down Chinese publishers based in Hong Kong, Taiwan and Thailand, either subduing them on their trips back to China or rendering them from abroad.

Today the industry faces a dual predicament, according to Zhang Shejia, a former executive at a major state-owned publisher in Sichuan. It is, he said, both "vicicitud" by an ever-tightening censorship regime on the political front, while on the commercial front publishers are being "chased" to the bottom by intense competition and financial pressures. "Everybody is embroiled in a price war," he said. "Publishers are waiting — it is very difficult. If this situation does not change, there will be no books worth reading in China in five to ten years."

> Industry insiders like to say that to publish books in China is to 'dance in chains.'

Tian Lipeng, co-founder of Beijing-Hi Digital Bookstore. (Sina)

Books were once so rare in China that many literary figures left stories about how they hoarded and hunted for reading materials. Wei Yun, the Nobel prize-winning writer, rolled grain for his neighbors for the chance to flip through the one metal they owned. Yu Hua, another celebrated Chinese novelist, recalled having walked the entire city through so many bands they were missing pages. He filled in the gaps with his imagination.

As Lin Sok, a well known bookseller, told Caixin, "We were a generation starving for books." In the 1980s and 1990s people brought books as if they were "gold," he added. After serving a brief prison sentence for his role in the 1989 Tiananmen Square protests, Lin established All Sages Bookstore in Beijing in 1993. It is one of the independent bookstores that survive given as the Chinese government tightens its clockwork on cultural spaces.

It is not the Communist Party's stated intention to crush the publishing industry. The general government rule issued by Deng Xiaoping in 1980 stipulates that "serving China's people and serving the public" — provided that the people's love of reading does not extend to hardcore porn, author dodo feels like. The NPPA also maintains lists of regulatory book prices, which have fallen precipitously over recent years, in the first year alone unveiled by the government in 2022. But interviews with more than a dozen publishers, editors and writers reveal how difficult political and market conditions have upended the publishing industry and exercised the souls of the game.

Commercially, the tipping point came during the pandemic. Affected by widespread and often lengthy lockdowns, Chinese readers could not go to bookshops, book fairs or libraries. The three-year freeze accelerated the trend towards online sales and led to a collapse in bookshop margins. But even with the pandemic now in the past, industry executives fear the China's youth, fazed on online forms of entertainment, will not raise books the way previous generations had.

Industry revenues fell 10% to 111 billion yuan ($15 billion) last year, compared to the previous year, according to Caixin's Kaiwei, which collects data on the industry. Excluding textbooks, the year-on-year decline was 17%. Publishers' total revenues are also likely to be significantly less as these figures are based on list prices, and therefore do not capture widespread and deep discounting.

The rapid rise of e-commerce and social media platforms that have replaced bookstores as the main channels for distribution, accounting for up to 80% of sales, has been particularly damaging. Platforms such as JD.com have put pressure on publishers to slash prices amid the economic downturn. For example, the paperback edition of *The Last Daughter*, a novel by Indian writer Elena Ferrante that was highly rated in the category of foreign literature on the Chinese book review site Douban, is priced at 816 at Barnes and Noble and 88.99 on Amazon. On several Chinese sites, its translation sells for 22.5 yuan ($3).

In May last year, dozens of publishers decided to take a stand. They refused to take part in JD.com's annual shopping festival because mandatory steep discounts would have forced them to sell at a loss. In contrast to the US, where major publishing companies still have some bargaining power with Amazon, Chinese publishers have no choice but to bring online platforms to the negotiating table. "If they don't comply with the price cuts, the platforms would just drop their books," said Li Xiaqing, an analyst at Beijing-based Kaiwei Consultancy. For some publishers, that could jeopardize more than a fifth of their sales. "No one can afford such a loss in the current environment."

Chinese publishers' poor Covid dependency on online platforms has led to an additional, margin-crushing reliance on livestream hosts and influencers on social media apps such as Douyin, the Chinese version of TikTok, and Kuaishou. These video-video platforms are the only distribution channels for books that enjoyed an increase in sales last year, growing by 24% compared to 2021.

Thanks to their huge followings, top livestreamers can make or break a book, or even give new life to an old title. The *Last Quarter of the Moon*, an award-winning Chinese novel first published in 2005, also by the charts and sold 1.2 million copies in 2021 after Dong Yuhui, a teacher-turned influencer, recommended it to his nearly 29 million followers on Douyin. The book's accumulated sales jumped nearly tenfold.

In return, popular figures on social media demand as much as 500,000 yuan ($68,000) for a spot in their livestreams. They take a cut of the sales as well. Chinese authors typically receive royalties of 7% to 12%, similar to their American and European peers. Chinese influencers, by comparison, can command up to 30% of the sales. To draw traffic, some hold freebies for the books they agree to promote, further cutting industry profits.

Huang Yufan, founder of publishing house Shanghai 99 Readers, broke down the math in a recent interview with the magazine *Y China*. For a book priced at 100 yuan, he said, with royalty printing and translation fees alone account for 25 percent of its cost. "So when a livestream host is selling my books for 25 yuan, how is a publisher supposed to live?" he lamented.

There are still bright spots in the overall picture, and books that attract readers speak volumes about underscores in society. "One of the bestsellers over the past six months has been Virginia Woolf's *A Room of One's Own*," said Mikan Liu at Singing Grass, a UK-based consultancy that has advised several international publishing companies on the Chinese market. She attributes the popularity of Woolf's 1929 classic to a "bad feminist revival in China," especially among Gen Z women readers.

Another popular genre is books that center on the real-life experiences of ordinary people, such as *I Deliver Parcels in Beijing* or *My Mother in a Village*. The Chinese translation of journalist George Packer's *The Unwinding*, about the economic decline of the American heartland, became an unexpected hit in 2022 because it dovetailed with the Xi administration's narrative that the US is a failing nation.

Translations of Xi Jinping's "The Governance of China Volume 3," released by state-owned publisher China Foreign Languages Press. (Shanghaiist)

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— Yu Miao

But in today's difficult political and commercial climate, fewer and fewer publishers are willing to invest time or money to develop and commission original works that set off ideas. "There's a strange phenomenon, where everyone is reading literary works from ten to three decades ago," said Yunfei Chen, Kaiwei's well-known Chinese science fiction author. "There are hardly any new writers or new talking touches."

Instead of selecting books based on quality, now it's all about how many copies publishers can sell, said a director under a state-owned private, who asked not to be named because she is not authorized to speak to the media. Companies are going after what she calls the "mediocre millions whose massive following can guarantee sales, as well as self-help and guide books that have become a cash cow for the industry and to have standards and principles but they have been destroyed in the last decade," the director adds. "Books are basically fast-moving consumer goods now."

Latest hits in the market reflect the price. Manuals for the Chinese AI model DeepSeek and Chairman Mao's selected works dominated nonfiction bestseller charts in March, according to OpenBook, a Chinese company that tracks industry data. A new book adaptation of the animated blockbuster *Ne Zha 2* topped the fiction chart. Others are banking on reports of Chinese and Western literary classics — such as *Dream of the Red Chamber* and Gabriel Garcia Marquez's *100 Years of Solitude* — especially if their copyrights have expired.

"In this environment, both the quality and diversity of books suffer. It is reflected in the selection of books available at bookstores and this in turn affects people's desire to read," said Yu Miao, former owner of Beijing Books, a famous independent Shanghai bookstore that was forced to close in 2020. "It's a vicious cycle."

Recent titles that have sold well in China.

China's five years of private bookshelves emerged in the 1990s, breaking the longstanding monopoly of state-owned Xinhua bookstores. Pent-up demand from earlier decades of repression exploded. By 2003, they had sold 70% more than half of the total book market. A decade later, however, Xi Jinping began his remarkable rise to a position of power unprecedented since Mao. His administration restored discipline to a censorship regime that was more relaxed under his predecessors.

These days many private publishers are heavily in debt and "lying flat," said a publishing executive who declined to be named. It was almost impossible for the executive to speak to the media. "I haven't met any companies that aren't laying off staff," she added.

By contrast, and as in so many other industries in Xi's China, state-owned publishers are insulated from many of the pressures grinding down their private sector competitors thing have lifelines they can reach for.

Their first great advantage is their monopoly over International Standard Book Numbers, the 13-digit codes used to identify and catalog books and better known as ebooks in China. Only state-owned publishers are allowed to issue ebooks, which they sell in private sector rivals. Although the practice was never formally recognized in law, it effectively means many map profits while sitting on their hands. A reduction in the number of ebooks allocated to each state-owned publisher under Xi has also forced many to outsource their operations. While they used to cost around 10,000 yuan ($1,370) to 20,000 yuan ($2,750) in the early 2010s, now they fetch as much as 60,000 yuan ($8,230).

They have other easy sources of income as well. One is textbooks, which accounted for one quarter of the overall book market last year, according to data from OpenBook. Some have looked beyond their core business, branching out into real estate or parking their cash in wealth management and investment products.

> Everybody is almost by definition extremely conservative in their approach because they know that if the spotlight is put on them or a particular title, the repercussions can be serious.

— Peter Goff

Some of these sources of revenue are looking less certain in China's cool post Covid economic climate. But putting out books on themes promoted by the government can yet, such as tracts on Xi Jinping's political thoughts and governance philosophies, isn't as lucrative as it used to be. Large, smaller state-owned publishers could work with local Party cells to mandate purchases, such as requiring every student at a school to buy a copy. But with local governments and households also under financial stress, such practices are no longer as effective. "In sinking markets, publishers are racking their brains to sell themed books," said the publishing executive.

State publishers' political calculations have also shifted. Since its introduction, the shelve system has effectively turned them into frontline censors. The onus is largely on them to read between the lines and screen for problematic content. They have read the Party line over the course of Xi's 13 years in power. But in order to play it safe, some are self-censoring even more than is really necessary.

When working for his former state-publisher in Sichuan, Zhang's superior once rejected a memoir in which the writer harkened back to his childhood in China's industrial northeast year left because of its gloomy tone. The content may not have been critical of Xi or the Party but it did not align with the tone they are singing about prosperity. "It has become a situation where if you aren't pouring or extolling the country, the [publishing] process will be troublesome," Zhang said.

"The whole system is based on strategic ambiguity," said Peter Goff, co-founder of the Bookworm bookshop which presented readers in Beijing, Chengdu and Suzhou for over a decade until they closed in 2019. "There's no clear definition of what's okay and what's not okay. Everybody is almost by definition extremely conservative in their approach because they know that if the spotlight is put on them or a particular title, the repercussions can be serious."

"There are opportunities for real discussion still," he adds. "But it is limited and it is a top-down set-up that can be turned off at any point."

For Shanghai Sanlian Culture and Press, a private publisher, the top had slowed to a trickle. For two decades, its founder, Yao Rufei, a former scholar at the Shanghai Academy of Social Sciences, was known for selecting weighty titles. They included *Zhi Origins of Totalitarianism* by philosopher Hannah Arendt and Jing Zhong's *Tiananmen Diary*. Yet, Milton Mayer's examination of the rise of fascism in pre-Hitler Nazi Germany, *They Thought They Were Free*, published *Reading Lolita in Tehran*, a memoir by Iranian author Azar Nafisi, after lobbying different state-owned publishers to take on the project.

But Sanlian had fewer and fewer successes like that in recent years. In 2022, only six out of 26 books issued by the company were ultimately released. Meanwhile, the list of rejected titles grew so long that the company started a new column on WeChat featuring their excerpts. Among those were thirty pitches, an examination of how the Nazis cultivated popular support by Canadian scholar Robert Gellately, and *The Dictator Society* by Israeli philosopher Avishai Margalit.

Sanlian's Successes and Failures

A sample of the books that Sanlian published in 2021 and some that did not make it past censors.

PUBLISHED

Ken Follett's *The Pillars of the Earth*

Ai Weiwei's *Ai Weiwei's Blog: Writings, Pictures, and Documents*

Jing Zhong's *Tiananmen Diary*

Yu Hua's *China in Ten Words*

Liu Xiaobo's *Charter 08*

REJECTED

Anne Applebaum's *Red Famine: Stalin's War on Ukraine*

Yu Hua's *China in Ten Words*

Yu Hua's *Brothers*

Jiang Shangqing's *Ten Years: Memoirs of Life in Xinjiang Re-education Camp*

Gao Yu's *Prison Diary*

Ma Jian's *Beijing Coma*

Most failed to launch because no state publisher would issue Sanlian's ebooks. While there used to be room for negotiations with state-employed editors willing to push boundaries, Sanlian and other private-sector publishers were increasingly mistreated. "I've tried to talk to politics and philosophy that fall into sensitive categories, they would reject the book before they had even read it in the contents," Yao said.

Last October, Sanlian announced that it was publishing its last book. Yao estimated that in recent years only about 10% of the books in Sanlian's pipeline were eventually printed. "It's impossible for a company to survive in such a situation," he said.

Sanlian's closure is likely to be followed by many more Private sector publishers, especially smaller imprints, are facing an existential crisis. "The question right now is to be or not to be," said Wu Qi, editor-in-chief of One-Way Street, a literary journal in Beijing. "They are deciding if they want to continue, if they can sustain their operations and [whether] there is any meaning and future for the industry."

Hopelessness is rife. Some Chinese publishers have moved to Japan, Taiwan and the US, in search for a way ahead.

Zhang, the former state-sector publishing executive, left his high-flying career to set up the publishing house Yuanxing Ji in Tokyo in 2023. In his previous government job, he directed the publication of books whose sales ranged into of millions of yuan a year; these days he prints maybe 600 copies a month and delivers them to bookstores himself. But he has found an unexpected upside: "The Chinese publishing scene has become so restrictive that some of the best writers in the world are coming to us."

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But for Yu, it doesn't really matter how many books he sells in exile or what impact they have. "I know this is the right direction," he said. "That alone gives it meaning."

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An print on Sanlian's Motie's page announcing its closure. (Douban)