

ELLU

There are 467 public libraries in Estonia. This number doesn't include 90 branch libraries. 29,2% of Estonians use the public libraries' services. 19% of all public library users used the services of Tallinn Central Library in 2011. However, in Tallinn only 17,8% of inhabitants used a public library service. And even though in Tallinn we have school libraries, university libraries and of course a national library, we still think that the number of people who use the public library service should be higher, at least in Tallinn, where for instance in one city district we should have 7 branch libraries but we only have 2.

Estonia is a very small country, like Latvia and Lithuania. And therefore we don't learn to speak only Estonian, we learn other languages too to become more successful outside of our own country. Young Estonians speak English quite well. And I think it's great. Except ... we must start taking into account that the more languages they speak, the more they can choose what to read. And to be honest, today, because of the globalization, the internet and e-books, literature in English is much more available than literature in Estonian.

So, not only that we have to be concerned about the reading skills of our young people, we also have to be concerned about their skills of reading, speaking and writing in Estonian. And we all know that reading in a native language and reading fiction written by local authors, helps to preserve the culture and the originality of a country.

One of the solutions to keep young people reading Estonian literature are e-books, because they spend a lot of time in front of the computer, today of course also in front of a tablet PC or a smartphone. But when we talk about usefulness of e-books, we don't only talk about young people. There are people who don't read books, but maybe they would read an e-book, especially if it would be in their mother tongue. There are people who prefer to read e-books. There are people who physically can't come to the library (e. g. library is located too far, workplace outside of Tallinn, distance learners etc), including people with disabilities etc.

So, about two and a half years ago Tallinn Central Library took the initiative and started to introduce the thought of 'libraries lending e-books in Estonian for their users' to publishers, who had started to publish e-books in Estonian. Did the publishers like the idea of our library lending e-books? At first some didn't. Why? Copyright, author's compensation from loans, new contracts with authors, fear of piracy, small market for e-books in Estonian, fear of losing the business.

So, Tallinn Central Library started to introduce a compromise solution: an online lending and reading environment, without the download possibility and which would operate on the same principles as a physical library today - one e-book for one reader. This solution was more acceptable for the authors and for the publishers. They liked the thought that the user doesn't get the whole file of the e-book, but pieces of the file while reading an e-book. They understood that authors wouldn't probably get the compensation from the e-book loan, but they'd still have a chance to get revenue from the sale.

Then what happened?

- 13 months ago several large Estonian bookstores started selling e-books in Estonian, in ePUB format. Two major manufacturers of e-books appeared on the book market: Estonian Digital Books Centre and Digira.
- 11,5 months ago Tartu City Library announced that they are going to lend e-books with e-book readers. *I will tell you a little about this service.* They lend an e-book reader for seven days. There are 25 e-books in those e-book readers, mostly classical literature, however, they only have copyright free e-books. But the service goes quite well. They have six Elonex 621EB e-book readers, which are based in electronic ink technology, and last year they borrowed them out for 150 times. And they said that there hasn't been any problems with not returning them on time.

Our library has only four Elonex 621EB e-book readers and there are about 30 e-books in different languages, but we don't borrow them out. People can use them on site just to get to know what an e-book reader is. We also have one iPad for that purpose.

- 11 months ago our library announced a simplified procurement for online e-book lending and reading environment software for e-books in Estonian, which was won by the Estonian Digital Books Centre who is the biggest Estonian-language e-book creator for the bookstores.
- And on the 1st of February our library started to lend e-books in Estonian from the online lending and reading environment, which we call ELLU.

ELLU is a software which allows us to buy and lend e-books, and to our users to borrow and read e-books. ELLU is integrated to Estonian Digital Books Centre's e-book environment, which means that buying e-books from their environment into our environment is very easy. Of course it's possible to integrate e-books from other environments to our environment as well.

The library purchases a certain number of licenses / "virtual copies" of an e-book, and the number of "virtual copies" equals the number of users that can read the e-book at the same time. The library sets the terms of use (for instance a loan period) of bought e-books and administrates the user rights.

The user gets an overview of the e-books that our library has bought, can borrow the book to his or her account and read it in our environment.

<https://ellu.keskraamatukogu.ee/>

First, about the users' interface:

- the user can access ELLU from the library's webpage www.keskraamatukogu.ee and from the online catalogue (for instance: http://tallinn.ester.ee/record=b2644769~S8*est);
- anyone can search the e-books in ELLU, either from the online catalogue ESTER or from the front page of ELLU, but to borrow one you have to be a user of Tallinn Central Library.

So, from the front page you'll find:

- all the e-books there are in ELLU.
- the new e-books in ELLU and the most read e-books in ELLU;
- you can search the e-book by using a keyword search – it searches words in titles, authors, subjects etc, or an advanced search;
- you can see the introduction of ELLU and all the information you need to register to ELLU, you can read what you can do in ELLU, how to use ELLU (how to borrow and read e-books), what kind of information you'll find about e-books and there's also an e-book search guide.

1) If you have a library card or you use your ID-card as Tallinn Central Library's library card, all you have to do is to create an account. To do that you have to choose yourself a user name and a password and then enter your library card's or ID-card's number and your personal identification number.

Then you have to confirm that you accept the terms of use of ELLU. The terms of use are not very long today, they describe that the service is free of charge, how do we use the data of the users, that the service may only be used for personal purposes and of course that they can't make copies of the e-books and that they are required to adhere to the Copyright Act, other laws and regulations and good practice in the Republic of Estonia. And of course that we have a right to disable an account if necessary.

Then the system checks if you are a user of Tallinn Central Library. It means that ELLU is connected to integrated library system Millennium.

2) But if you don't have Tallinn Central Library's library card yet then you have to physically come to the library to make one. Why? Because we are a municipal library and our main task is to serve our community - people who live and work in Tallinn.

If you log in:

- the system checks from the integrated library system Millennium if you have forgotten to return any paper book to the library - if you have, then you can't borrow an e-book before you return the print book.
- Then you can choose an e-book which you want to read and borrow it. You can borrow e-books 24/7. You don't have to leave home or work to do that. Once you have entered the environment and chosen an e-book, borrowing an e-book takes only a second and returning the book as well. The loan period is 14-21 days and one "virtual copy" of an e-book can be read just one person at a time, just like with print books in physical library. If you forget to return the e-book, then after the due date the e-book "returns" itself. Before you can borrow the same e-book again, you have to wait 24 hours – it's the window for others who would also like to read the same e-book.

Reading an e-book

- To read an e-book, we recommend to use the newer browsers: Internet Explorer 9, Firefox, Chrome or the last versions of Safari.
- You can see the e-book you borrow in "My account".
- Reading environment allows people to change the font, the font size, text alignment, number of bars and background color in an e-book and to use the bookmark.

Acquisition department's interface's 6 modules:

- 1) Users
- 2) Books

The National Library of Estonia issues international standard book numbers (ISBN) also to e-books, regardless of the format of the e-book – it can be ePUB format, pdf format, doc format or whatever format. About a month ago they had issued about 1400 ISBN numbers. Most of the 1400 ISBN numbers have been given to e-books in ePUB and pdf format. Our library buys e-books only in ePUB format. Today we have 208 titles of e-books, altogether 492 virtual copies (the number excludes the 199 "virtual copies" of Finantsaubits, which we use for testing etc).

- 3) The list of readers.
- 4) Borrowing e-books to users
- 5) Statistics
- 6) System parameters

THE FUTURE AND THE CHALLENGES AHEAD

I will talk about three challenges: value added tax, the copyright and the consortia of public libraries, so that all the public libraries in Estonia could start using the software of ELLU to lend e-books.

As I mentioned before, all the e-books will get an international standard book number. The publishers in Estonia have to give a deposit copy to National Library (I understood that soon they will change the Compulsory Copy Act). And yet, they say that an e-book is not a book, it's a service. And in Estonia and some other countries in Europe, it means two different value added taxes (VAT): one for print books, which is 9% and one for e-books, which is 20%. Today the average price of an e-book in ELLU is 7 euros, the cheapest e-book costs 0,79 euros and the most expensive e-book 13,71 euros. Higher value added tax can make an e-book even more expensive than a print book – today I know at least two e-books in Estonian, which cost more than a print book. So, unfortunately we can't say that e-books are always cheaper and libraries get more copies because of that.

So, why doesn't Estonia change the value added tax for e-books? Because the European Union has agreed that an e-book is a service, not a book. It's a tax policy, and I understood that the value added tax for e-books is not the priority at least until 2015. I was explained that it depends on the priorities of the Presidency of the Council of the European Union and the priorities are already set. But I think that the priorities are changing.

European Union has been discussing the value added tax for e-books for months now. France and Luxembourg have recently passed a law that places e-books downloaded from the Internet under the low VAT rate, since January 2012. They did it without the consent of the European Union. The Spanish government has a similar legislation in preparation, although this goes against European Union rules.

Luxembourg reduced the value added tax on e-books from 15% to 3%, France from 19,6% to 7%. But at the same time France increased its lower rate of value added tax on books from 5,5% to 7%. When the tax on e-books is lower from the 1st of January, then tax for books will come in on the 1st of April.

We can only hope that if Estonia starts to discuss about the price equation of the print book and the e-book, it doesn't mean that the VAT of the print book increases to 20%. We would like the VAT of the e-book to decrease.

The rule in Europe is that value added tax is applied according to the seller's country (not the buyer's country). That means that any company who sells e-books from Luxembourg will only have to collect only 3% VAT. It's a good news for Amazon and Apple, who have their European headquarters there. I understood that in 2015 or 2016 the European Union wants to change this system, so the VAT would apply according to the buyer's country. But in the meantime, who knows, maybe in near future Amazon can offer e-books in Estonian through Luxembourg.

It is not very clear today how the libraries are going to purchase e-books in the future, because there are two different copyrights: one is for print books and one for e-books. For instance, if the library lends a print book, the author gets paid for the loan from the Estonian Author's Benefit Fund. But this doesn't apply for e-books which are borrowed via internet. Estonian Author's Benefit Fund said that as long as they don't get more money from the state, they are not going to pay the compensation for the e-book loan. They say that if the library wants to lend e-books, the library has to get a consent from the author. So it doesn't look good for the libraries.

How did we get the consents from the authors to lend e-books via ELLU? We didn't, Estonian Digital Books Centre did. Today if we want to buy an e-book, we'll make a request, a list of e-books we want to buy, to the e-book manufacturers, and then the manufacturers will ask the consent from the publishers and from the authors. All the other libraries would have to do the same, because today there are no contracts for all the libraries at once. But of course we could also make the contracts with the authors and publishers ourselves - it just takes time and human resources.

The second biggest company in Estonia – DIGIRA – hasn't managed to get us the rights to lend e-books. They said that no one says "no", but no one says "yes" either. They pointed out two problems: one is the compensation from the loan – is it going to be 2 euros per loan like in some countries, and the other is "the life of an e-book in the library" – is it going to be forever or can the library lend the purchased e-book for limited times, for instance 26 times like in some countries.

In my opinion, 2 euros per loan for the revenue compensation is not justified, especially in a small country like Estonia who has to fight for the preservation of the Estonian language. And it's definitely not good for the libraries' budgets – it would be very difficult to plan a budget. Today we have said to the publishers that we prefer a model, where the library has to purchase the e-book with 10-30% higher price than the individuals.

UK publisher HarperCollins claims that the average library book is replaced after 26 loans, and it should be with e-books as well. This is also something that we don't want, because again, libraries are not that rich. About a month ago we had a meeting with Estonian Publishers Association and we offered them a model that the library would get an e-book for 5-10 years. Today we haven't get any e-books with this model, so we don't know yet what they think about it. We just have to wait and see.

And the third challenge is how do we go on with ELLU. The e-book lending and reading environment software got financed by the city of Tallinn (43%), 57% by the Estonian Ministry of Culture and the Gambling Tax Council. So we have said that any other public library in Estonia can use the software free of charge. But of course we want to avoid the situation where we have many versions of ELLU. Not to mention that it would be reasonable to develop it together – in a long-term it's cheaper. So we are probably

going to form a consortia and hire a person who is going to write projects to get money to develop ELLU. Though our library is already planning on develop ELLU. We managed to get finances to optimize ELLU to smartphones.

And I know that the academic libraries are also interested in using this software.

Today there are about 5000 free e-books in the National Library's digital archive DIGAR, but they are all in pdf format. Estonian Digital Books Centre and DIGIRA are ready to give a deposit copy in ePUB format, but they have to solve the technical issues first. Of course those e-books which have valid copyright, can only be read over the authorized workstations in National Library and in Tartu University Library.

Thank you for listening!