

Economic Perspectives on Academic Libraries

Paul N. Courant

OCLC

8 July 2010

Jefferson on ideas as public goods

“*If nature has made any one thing less susceptible than all others of exclusive property, It is the action of the thinking power called an idea, which an individual may exclusively possess as long as he keeps it to himself; but the moment it is divulged, it forces itself into the possession of everyone, and the receiver cannot dispossess himself of it...He who receives an idea from me, receives instructions himself without lessening mine; as he who lights his taper at mine, receives light without darkening me.*”

*“Inventions then cannot,
in nature, be a subject of property.”*

The Framers Thought Like Economists

The Congress shall have Power...To promote the Progress of Science and the useful Arts, by securing for limited times to Authors and Inventors the exclusive right to their respective Writings and Discoveries...”

United States Constitution, Article I

Scholarly Work

- Read (Knowing Source)
- Do other research (including lab work, conferences, talk, listen, etc.)
- Apply for research funds and support
 - Review applications for research funds and support (more reading)
- Hire and Promote (or not), which involves...
 - Evaluate work (more reviewing and reading)
- Write
 - Publish or otherwise distribute (and put into the library)
 - Edit (Copyedit)
 - Review and comment
 - Organize conferences, fields, journals, etc.
- Teach
- Give Talks

What's Different about D?

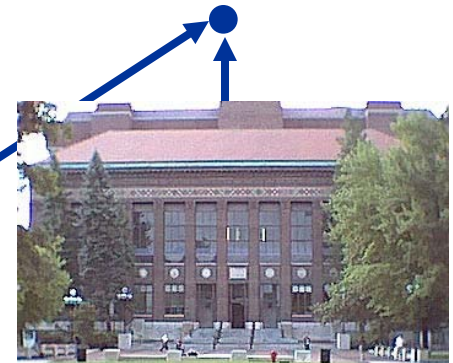
- Locus of scale economies
 - Printing (Copying)
 - Distributing
- For Scholarly lit, locus of control
 - Used to be the consumer or library
 - Now the publisher (Could be the cloud)
- Cut, Paste, Remix much easier
 - Disintermediation generally
 - But legal problems abound

More Differences

- Scale economies again
 - Design, production, even some editing embedded in software and local hardware
- Browsing is more difficult
 - Metadata less clear
 - Branding less powerful
 - Everyone is a distributor

The Good Old Days

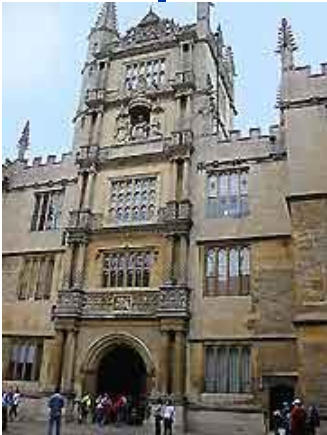
You are here



Shared Collections



You are here



It's not just about collections

- Networks make natural monopolies
 - Cataloging
 - Preservation
- Natural monopolies require extra-market governance

Publishing

- Do We have to talk about publishing?

Do We?

- I'm afraid so
 - Economics of Big Deals
 - Peer review and its discontents
 - The very same network and zero marginal cost problem. (Terrifying observation that publishers and libraries are becoming indistinguishable in some of what they do.)

Problems of print models applied to electronic publishing

- All pricing is still tied to expected revenue from print sales
- And every electronic sale is considered a lost print sale

Which leads to . . .

- High-priced e-books
- Problematic chapter pricing
- Anxiety about taking advantage of the potential of disaggregation

Scholarly Work

- Read
- Do other research (including lab work, conferences, talk, listen, etc.)
- Apply for research funds and support
 - Review applications for research funds and support (more reading)
- Hire and Promote (or not), which involves...
 - Evaluate work (more reviewing and reading)
- Write
 - Publish or otherwise distribute
 - Edit (Copyedit)
 - Review and comment
 - Organize conferences, fields, journals, etc.
- Teach
- Give Talks

Where does Peer Review Matter?

- **Read**
- Do other research (including lab work, conferences, talk, listen, etc.)
- **Apply for research funds and support**
 - Review applications for research funds and support (more reading)
- **Hire and Promote (or not), which involves...**
 - Evaluate work (more reviewing and reading)
- **Write**
 - Publish or otherwise distribute
 - Edit (Copyedit)
 - Review and comment
 - Organize conferences, fields, journals, etc.
- **Teach**
- Give Talks (?)

Required Pub Services

- Read
- Do other research (including lab work, conferences, talk, listen, etc.)
- Apply for research funds and support
 - Review applications for research funds and support (more reading)
- Hire and Promote (or not), which involves...
 - Evaluate work (more reviewing and reading)
- Write
 - **Publish or otherwise distribute**
 - **Edit (Copyedit)**
 - Review and comment
 - Organize conferences, fields, journals, etc. (?)
- Teach
- Give Talks

Annual Cost of Storing a Book

- Open Stack: \$4.26
- High Density \$.86 (but not as usable)
- HathiTrust \$.15

- Combine High-Density for storage and print circulation with index built from HT for search.
 - Saving for Individual Libraries Large
 - Saving through cooperation also large.
 - Worth studying how large

Optimize Optimize Optimize

- A different legal regime
- A different technical regime
- Different sets of norms on the part of authors?
- Different methods and problems with preservation.