11-4-2011

Digital Books and the Salvation of Academic Publishing.

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The Bottom Line: Managing Library Finances.
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In 1997 a conference aptly entitled "The Specialized Scholarly Monograph in Crisis: Or How Can I Get Tenure If You Won't Publish My Book?" was jointly sponsored by three large American academic societies and associations including the Association of Research Libraries. The papers presented and published from this conference bear revisiting since many of the problems and prediction discussed then have grown clearer in retrospect though, unfortunately, the issue's solution has not. Several contributors seem almost prescient in hindsight, though one can argue this is because the "crisis" is not so much a sudden onset as a chronic condition. (Thatcher, 1999)

Among the many views presented one keynote presentation stands out from the rest, Stanley Chodorow's *The Pace of Scholarship, the Scholarly Career, and the Monograph*. In this "provocative" piece Chodorow claims that as for the specialized academic monograph "Its evolutionary track is at an end. It is heading for extinction." (Chodorow, 1999) After enumerating the factors that went into its demise he states that "If we are going to revive the monograph, we need to find a way to reduce its cost, so that individual scholars and libraries can acquire it. Today, it is obvious that only the electronic medium can do this. We will save the monograph if we provide a way to publish it on-line." (Chodorow, 1999)

It is not the intention of this paper to chastise Chodorow for naivety, or to oversimplify his view in the hope of creating a straw-man. Chodorow's view is far better informed than that and deserves serious reflection. The true point of highlighting these remarks is to demonstrate that even well-founded predictions and 14 year old hopes can now be appraised with the conclusion that even they were too optimistic.

Fourteen years after this conference we are in the midst of massive book digitization projects. The hopes for ebooks and readers have been realized. Amazon with the Kindle has made great strides not only selling the hardware to read books, but the books, or software, themselves. There are other competitors, but the Kindle must be viewed as a true success-story; but what about academic publishers? Has the great digitalization made it any easier for English majors to publish their books to meet tenure requirements? If not, why and what significance does this have for academic publishing and academic libraries?

I contend that digitization was never the solution to our problems, nor will it ever be the solution to the problems we in the academic community face. This is not to disregard the effects of digitization nor downplay its significance. Rather it is to assert that no amount of digitization will ever address the systemic issues that lie at the heart of academic library's difficulties. Digitization is merely a means of data delivery and as such does not address foundational defects within the academic system. The true salvation through digitization will not be found in libraries, but in commercial publisher's bottom line. Certain presenters at the *Crisis* conference obviously were well aware of this likelihood even in 1997.

A quick example will clarify this proposition. This past year, according to a report in Publisher's Weekly, John Wiley and Sons faced a number of hardships. Their bookstore chain, *Border's*, went bankrupt; the foreign exchange rate was unfavorable; and this was a tough economic year for everyone. But in spite of all this Wiley recorded a "3% increase in revenue, to $1.74 billion, with net income rising 20%, to $171.9 million." The new CEO of the organization stated that "The shift to digital continues to enhance all of our businesses, resulting in new revenue models, new opportunities in emerging markets, and margin and working capital improvements...." (PW) Wiley has every reason to be optimistic about the future of its digital business since it is seeing massive percentage growth in these areas. Digital books, in its main publishing group "*Scientific/Technical/Medical/Scholarly*" which accounts for nearly $1 billion of the $1.74Billion in revenue, "rose 74% in the year and now accounts for 16% of division book sales." In the smaller "*Higher Education*" group "e-book sales rose 122%...."(PW)

Equally timely is a recent column in the *Economist* entitled "Of Goats and Headaches; One of the best media businesses is also one of the most resented." The column concludes that "Academics are heroic complainers and not always well disposed to profit-maximising businesses."(econ May 2011A) But the article also demonstrated why such complaints occur since "Academic journals generally get their articles for nothing and may pay little to editors and peer reviewers. They sell to the very universities that provide that cheap labour." The irony of this arrangement is exemplified by Elsevier which "cruised through the recession. Last year it made £724m...an operating-profit margin of 36%." (Of goats and headaches One of the best media businesses is also one of the most resented May 24th 2011)

The Economist provides further evidence of a trend in the article "Borders and bankruptcy Goodbye to bricks and mortar." *(Economist* Jul 4th 2011) What is this trend? Commercial publishers that have cornered the academic journal market are doing something similar with book publication. They see the future of books, and the business practice that provided such profits during the recession will be applied to the academic book market. Once again in the words of Wiley's CEO "the shift to digital continues to enhance all our businesses...." We can expect that the conclusion of the "margin and working capital improvements" will result in an academic book publishing market none-to-different than the current academic journal situation.

Can libraries do anything to stem this tide, and if they can, should they? I would argue there are steps the library should and can take to ensure the continued existence of smaller academic publishers and the avenues they provide for small specialized academic book publishing. Such actions require thinking outside the walls of the institutional library by considering the broader publishing market and market forces.

Lewis G. Liu in a 2003 *Library Trends* article entitled "The Economic Behavior of Academic Research Libraries: Toward a Theory" distinguishes three main sectors of the

U.S. economy: governmental, for-profit, and nonprofit. (Liu, 2003, p. 279) With all the discussion about adopting "business models" it can be forgotten that the University is a non-profit public-welfare institution. The purpose of "for-profits" is *profit* and when they cease in that role they no longer can maintain their mission and will fail. We should expect them, therefore, to operate with profitable revenue returns as a guiding principle. Academic institutions, apart from the rising "for-profit" entities that have recently arisen, have an entirely different mission and goal. The collection development and acquisition librarian, however, inhabits a world where these two distinctly different missions and goals are constantly in conflict. Too often we are aware the decisions we make have impact, but we fail to consider the extent or real effect of the economic impact our financial decisions make. We are reactive and adaptive. The latter is a positive trait but it is my contention that the former increasingly limits the latter. Our oft vetted solutions too frequently involve either finding ways to maintain the status quo, or adopting a more aggressive business model outlook. Both are doomed to failure from an economic perspective since the library controls neither capital nor production. It is a consumer, and a non-profit consumer at that. In previous article I have argued that the response by libraries to economic crisis is often the worst course of action for the libraries long-term interests.

One such response to the economic crisis libraries face has been the introduction of "Collaborative Collection Development." The idea behind such a move is that it is not necessary or even possible for every library to collect comprehensively, therefore a group or consortium with equal lending rights can be formed to reduce purchasing overlaps of books and monographs. On paper this might seem a sound principle, but as a rational economic response I believe it will do more damage than good. We can be assured large commercial publishers that already have a demonstrated aversion to inter-library loan (e.g., *Simon* & *Schuster*) will not approve of further activities that cut into their market shares. Once a book has become digital all the digital management rights and restrictions will be applied. Who then will bear the onus of collaborative collection development? The answer can be found in the same 1997 conference on scholarly publishing mentioned above and in particular two presentations by members of academic book publishing. In a presentation entitle "How Much Does It Cost to Publish a Monograph and Why?" Marlie Wasserman of Rutgers University Press outlines how much it cost to publish a monograph and demonstrates that of all the expenses the paper used is not the major expense. In fact Wasserman writes that "most of our costs ...will remain the same whether we publish ten books or ten thousand." What can be guaranteed, however, is that recovering the total printing cost becomes more difficult the fewer the number of books sold because "Lower print runs mean higher prices, which also mean that fewer individuals can buy books, which further lowers the print run, and so on down that vicious spiral."(Wasserman, 1999) In 1997 this had already become a crisis for publishers faced with declining sales for "the single biggest reason is the loss of library sales." Furthermore publishing was "a precarious business when a publisher could print 1500 copies, knowing that libraries would buy half and individuals would buy the remaining half. Now we see libraries buying 200 copies instead of 700." (Wasserman, 1999) The move to greater reduction in publishing sales through collaborative publishing will only hasten small publisher's demise, leaving only the commercial publishers to fill the gap. Joanna Hitchcock from the University of Texas press reinforces this conclusion, "libraries, which form the main market for monographs, have had to scale back their purchases to pay for electronic equipment and high-priced scientific journals; whereas we could once count on selling about 800 copies to libraries worldwide, we are now lucky if we can sell 200."(Hitchcock, 1999)

The clear conclusion presented by Sanford G. Thatcher at the conference, and the theme of this and the previous "Not so Fast" articles is the need for "a great deal more attention to the interdependencies of our academic world and an effort to think about what we do as a complex system where each part has an effect on every other." (Thatcher, 1999) Actions we take such as reducing our monograph purchases outright or through collective collection development have great effect outside the narrow walls of any particular institution. There is a whole for-profit publishing system in place whose goal is market expansion and "new opportunities in emerging markets." It is the actions and responses of academic libraries which will continue to be the fulcrum between publishers and the health of academic departments and higher learning. Our guiding principle must be that we exist in a world of two economic cultures, one culture based on public welfare, the other on profit that stretches the limits of reasonability. (Liu, 2011) In our era of consumer consciousness, the academic library too must become an active rather than a passive consumer, and act as a fulcrum for the good of scholars rather than stockholders. The mission and role of these two cultures will never overlap. Act accordingly!

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