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Rethinking How We Pay for Scholarly Monographs

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***Abstract**: Since at least the late 1970s, when stresses in the market for scholarly literature began to show, there have been calls to redistribute how the production and dissemination of scholarly literature are paid for. The motivations are addressing the "free rider problem" of institutions without presses and, more recently, increasing overall access to the literature. In particular, the last few years have seen schemes such as SCOAP³ and Knowledge Unlatched and proposals from K|N Consultants and a joint task force of the Association of Research Libraries and the American Association of Universities. These plans to establish new business models will be summarized, and examples of local efforts to offer low-cost programmes for publishing monographs at the University of Michigan and the University of North Texas will be described.*

Preliminaries

[slide 1] It's good to be back in Australia. I visited once before a few years ago, travelling around a bit with a good friend of mine who grew up in Adelaide. Now and then I pick up Aussie expressions from him, such as **[slide 2]** “budgie smugglers” (which I’m told is always plural) and **[slide 3]** "Seppo". Now, I don't want to be a typical seppo today and assume that university publishing in Australia works the same as in the US, or that you already know how it works in the US. Though I don't mean to limit my presentation to the US context, a number of things I say will draw on that. So I want to begin by touching on a few ways that you may not have been aware of in which higher education in the US is different from Australia:

1. **[slide 4]** The term “university press” in the US is reserved for an institutional publisher that publishes works from any scholar anywhere (not just those at the home institution) and publishes only works of scholarship that have been peer-reviewed and approved by the institution’s editorial board.
2. **[slide 5]** Many discussions of OA publishing refer to "promotion and tenure" or "tenure committees". An appointment "with tenure" is shorthand for an appointment "with indefinite tenure.” Since this has been phased out in Australia but still exists in the US and Canada, let me remind the younger members of the audience what this term means. A "tenured professor" has a continuing (ongoing) appointment at the university and, more importantly, can't be fired for doing controversial research or saying controversial things in the classroom. But you don't get this from the day of hire. Instead, while on "the tenure track" for about six years, you teach, do research, and publish works of scholarship, after which a committee of tenured professors decides whether to recommend your appointment with tenure. If you are not granted

tenure, you receive a one-year extension of your contract, and then your employment is terminated.

3. **[slide 6]** There are essentially no governmental research performance assessment efforts akin to the Excellence in Research for Australia (ERA) initiative and the Research Excellence Framework in the UK that Ben told us about yesterday. In the US, state funding for research isn't apportioned so quantitatively. Instead, while faculty are expected to publish and are assessed internally in comparison with their peers at their institution (as part of tenure review), there are no substantive efforts to compare publication output across institutions. Research at a given institution instead tends to be measured by the total dollar amount spent on research activities, and the universities are ranked by various private organizations with dubious metrics. More important for today, it's difficult to change the culture of assessment of research in the US and Canada because it's decentralized and not transparent.

Keeping these differences in mind, let's think about what it costs to publish works of scholarship.

What does it cost to publish works of scholarship?

[slide 7] Paul Courant, a specialist in the economics of libraries, archives, and scholarly publishing, said, "Making copies and distributing them used to be expensive, and publishers, librarians, and tenure review committees were happy. Now it's cheap to make copies and distribute them, and everyone is miserable. What's wrong with this picture?"[1] It's a witty aphorism about the changes we've seen in the digital age, and while many of us will immediately grasp what he's getting at, I want to unpack it because it actually serves as shorthand for a couple of observations:

1. The cost to make copies of documents (electronically, but actually also in print) has decreased, even though the prices at which they're sold hasn't for many scholarly publications.
2. The great expense of producing copies used to mean that a publisher could only afford to invest in content that, when sold, would allow the publisher to recover its investment. This allowed tenure review committees to rely on the publisher's brand as a proxy for the quality of the work. **[slide 8]** But when new entrants to the world of scholarly communication, such as arXiv and SSRN, began making works of scholarship free to read online, the old proxy

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[1] Personal communication with Paul Courant, October 31, 2007. Courant has been quoted giving a slightly different version of this aphorism in a 2008 presentation: see "President's Speaker Series: A Conversation with Paul Courant," *University Library Blog* (Georgia State University), http://webapps.library.gsu.edu/blogs/library/2012/02/14/president%E2%80%99s-speaker-series-a-conversation-with-paul-courant/.

function broke down. Today, given the proliferation of channels by which scholars disseminate their research, it's:

  - harder for established publishers to maintain their dominant market position (based on being a gatekeeper)
  - harder for librarians to decide what to acquire for their collections (because of the proliferation of new publishers of scholarly literature)
  - harder for tenure-review committees to decide whom to grant tenure to (or, in the Australian context, harder for those designing research assessments to decide what counts as quality work)

Now … even if it costs almost nothing to make an electronic copy of a document today, we all know that there are real costs involved in publishing. **[slide 9]** Let's take the case of publishing scholarly monographs. This is, after all, more relevant to the topic of the symposium than publishing a journal since universities publish more books than journals, whose publication is instead concentrated in the hands of commercial publishers. When publishing monographs, even if in open access online, you have to:

- **[slide 10]** solicit proposals
- select from submissions
- work with authors and editors to shape the content
- put manuscripts through a review process
- edit the text
- design the books in various formats
- get them into distribution channels
- market the products

All of these happen before any actual copies are produced. **[slide 11]** These are fixed costs (also called "indirect costs" or "plant costs"), not the marginal cost (or "direct cost") of producing each copy. **[slide 12]** Some people call this the "first-copy cost"—that is, what it costs to produce the first copy, after which there's a smaller marginal cost for subsequent copies. A more honest name is be "zeroeth-copy cost" since it doesn't include the cost of manufacturing even that first copy, but since "first-copy cost" is more established as a term, I'll stick with that.

How much money are we actually talking about here? According to Ithaka S+R, estimates range from $10,000 to $25,000 (in US dollars).[2] I've only seen figures up to $20,000, so I imagine those higher figures draw from what some commercial hybrid OA publishers offer as a fee to make one of their titles OA. Publishers set these fees based on market conditions, not necessarily actual costs, so we should disregard them.

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[2] Nancy L. Maron, "How Much Does It Cost to Publish a Monograph?", *S+R Blog*, http://www.sr.ithaka.org/blog-individual/how-much-does-it-cost-publish-monograph.

Now, even $10,000 is a lot of money—more, I think, than many authors or readers would guess. A publisher typically tries to recover a bit of this cost through each copy sold. But that's tricky:

1. If you spread the cost among a high number of copies but don't sell that many, you haven't recovered your investment.
2. If you try to recover the cost on fewer copies, you have to set the price higher, and then you lose out on customers who decide not to buy because it costs too much.

Since a publisher can't predict sales perfectly, the publisher guesses, knowing some books will do well and others won't but hoping that it will all even out. It's a tricky business, but university presses and other scholarly publishers are experienced at balancing the odds.

The problem

The problem, though, is that publishers of scholarly monographs aren't selling enough copies to cover their costs. There are a number of factors here:

1. Market consolidation of commercial journal publishers has led to price increases for subscriptions that far outpace inflation, leaving less money for libraries to spend on monographs.
2. A general budget tightening has been happening since the late 70s, so there's less money to go around, including for libraries to buy multiple copies.
3. As more students than ever are receiving a higher education, there are more faculty members than ever, leading to more research than ever being produced. Recall that someone—I'm afraid I forget who—quoted figures yesterday showing the total number of scholarly monographs published having nearly doubled in recent years. This makes it all the harder for any library to build a comprehensive collection.

I don't think any of you will need convincing that universities exist in order to do teaching and research—things that are good for society but wouldn't exist through market incentives alone. I also don't think you will have trouble imagining that the publishing of works for teaching and especially research is rarely any more profitable than the teaching and research itself. That's why conventional university presses that set prices in an attempt to recover first-copy costs only manage to balance the books through at least one of the following means:

1. revenue from something besides scholarly monographs (such as sales of bibles, standardized tests, or textbooks for teaching English as a second language, or profit from running a campus bookstore)
2. publishing subventions (that is, grants to offset the costs of publishing a specific title), whether funded by
    a. the author's institution
    b. an outside agency such as the US National Endowment for the Humanities Publication Subvention programme (which no longer

exists) or the Awards to Scholarly Publications Program of Canada's Federation for the Humanities and Social Sciences (which is in turn funded by Canada's Social Sciences and Humanities Research Council)

3. surprise hits (like *On Bullshit* and *Capital in the Twenty-First Century*)
4. subsidy by their host institution

Such strategies, of course, are common in universities: certain profitable activities are used to subsidize less profitable ones.

[slide 13] To return to the Paul Courant quote, in an era of scarce documents (before the Internet) but abundant financing for higher education (through the mid-1970s), we were able to pretend there was a viable market for scholarly monographs. But as it has become cheap to print and distribute copies of those documents, and budgets have tightened, the system has come to make less and less sense. As Cathy Davidson wrote, "The bottom line is that scholarly publishing isn't financially feasible as a business model—never was, never was intended to be, and should not be. *If scholarship paid, we wouldn't need university presses*."[3]

The pressure has been building for a while, but we're seeing a real movement to rethink assumptions about how publishing books should work.

I'll give an overview of some recent proposals, which range from modest to quite grand. **[slide 14]** These have antecedents in proposals that never gained traction, such as those summarized in an article[4] by Sandy Thatcher in the upcoming issue of the *Journal of Scholarly Publishing* and such as other projects not dealing with monographs—notably $SCOAP^3$. Then I'll close by describing a few examples of modest efforts to effect change at single institutions.

A modest proposal

For the reasons I indicated previously, university presses are having trouble covering the costs of publishing works of scholarship. They've become very risk-averse, being less willing to take on projects whose authors don't yet have name recognition or which are not likely to be purchased by students as course material. It is a tenure-track faculty member's first monograph that exactly fits this category.

[slide 15] Taking "the first book problem" on its own, the American Association of Universities (AAU) and the Association of Research Libraries (ARL, whose members

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[3] Cathy N. Davidson, in Carlos J. Alonso, Cathy N. Davidson, John M. Unsworth, and Lynne Withey, "Crises and Opportunities: The Futures of Scholarly Publishing" ACLS Occasional Paper no. 57, p. 24.

[4] This article is forthcoming as "Open-Access Monograph Publishing and the Origins of the Office of Digital Scholarly Publishing at Penn State University," *Journal of Scholarly Publishing*, vol. 46, no. 3 (April 2015).

are the major research libraries in the US and Canada) formed a joint Task Force on Scholarly Communication to try to address this problem. In June 2014, it published a "Prospectus for an Institutionally Funded First-book Subvention,"[5] containing a proposal pretty much summed up in the title. The thinking goes like this:

1. What would make a university press more likely to take on one of these projects? Well, they would want to know that their first-copy costs would be covered.
2. Universities routinely provide faculty members with small amounts of money as part of their hiring contracts to be used for research purposes. What if they included a bit more money that could only be used to pay a set amount to a publisher that was determined to mostly cover the first-copy costs of a first book? (Even though I made a big deal out of how first-copy costs aren't insignificant, they are, in fact, not terribly significant at the level of a university budget.) In return, the publisher would have to make the book free to read online on an unspecified platform (that would hopefully ensure preservation and accessibility of the content over time).

So this would:

1. Allow faculty members to get their worthwhile first books published.
2. Allow libraries to acquire fewer print books, saving money and space.

Grand schemes

The grand schemes seek to reinvent the system more drastically than simply increasing subsidies to publishers in the current system. The idea is to find a way to redirect the money that libraries pay to purchase or subscribe to monographs and instead spend this *directly* on covering the first-copy costs. In return for this guaranteed subsidy for new titles, the publisher would be required to make their publications free to read online.

[slide 16] This is how Knowledge Unlatched[6] and the Library Partnership Subsidy of Open Library of Humanities[7] work. I won't go into more detail on either of them because there's a presentation after tea on Knowledge Unlatched, and there's a poster on Open Library of Humanities.

Now, you may be wondering: if the content is going to be free to read online, what's to stop some libraries from "free riding" on the other libraries that are contributing

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[5] "Prospectus for an Institutionally Funded First-book Subvention," June 2014, http://www.arl.org/publications-resources/3280-aau-arl-prospectus-for-an-institutionally-funded-first-book-subvention.

[6] Knowledge Unlatched, http://www.knowledgeunlatched.org/.

[7] "Library Partnership Subsidies (LPS)," *Open Library of the Humanities*, April 7, 2014, http://www.openlibhums.org/2014/04/07/library-partnership-subsidies-lps/.

towards the first-copy costs? To avoid this, both Knowledge Unlatched and the Open Library of Humanities involve "assurance contracts," whereby the whole scheme only goes into effect if enough organizations pledge to participate. This means that the cost will be low enough for each organization, and there won't be many organizations left who haven't paid. (In fact, the AAU/ARL task force recommends an assurance contract for first-book subsidies as well.)

Really grand scheme

[slide 17] A really grand scheme—though called "modest" on the Scholarly Kitchen blog[8]—is outlined in a whitepaper by Rebecca Kennison and Lisa Norberg of K|N Consultants entitled "A Scalable and Sustainable Approach to Open Access Publishing and Archiving for Humanities and Social Sciences."[9] They propose that institutions pay into a central fund that is disbursed through a grant competition not only to publishers but also to partnerships of publishers, scholarly societies, and libraries that will collaborate to support the distribution of, access to, and preservation of scholarly literature. Kennison and Norberg hope to avoid free-riding institutions through persuasion, without resorting to an assurance contract.

This year K|N Consultants is working to launch the Open Access Network (OAN)[10] to attempt to put the whitepaper's model into practice.

Think globally, act locally

Not all efforts to change the system need to be so large-scale. In closing, I want to provide brief summaries of single-institutional publishing efforts at two US institutions to give you an idea of some small-scale efforts to challenge the conventional notions of what it costs to publish a monograph.

[slide 18] The University of Michigan Press merged a few years ago with the University Library, which has a longstanding scholarly publishing operation of its own. The unified organization, called Michigan Publishing, recently launched Maize Books, which features "streamlined selection, production, and distribution processes" and "is intended as a complement to more formal modes of publication."[11] The books are available in print and are free to read online. The idea

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[8] Rick Anderson, "A Modest Proposal for Scaled-Up Open Access," *The Scholarly Kitchen*, May 5, 2014, http://scholarlykitchen.sspnet.org/2014/05/05/a-modest-proposal-for-scaled-up-open-access/.
[9] Rebecca Kennison and Lisa Norberg, "A Scalable and Sustainable Approach to Open Access Publishing and Archiving for Humanities and Social Sciences: A White Paper," http://knconsultants.org/toward-a-sustainable-approach-to-open-access-publishing-and-archiving/.
[10] Open Access Network, http://openaccessnetwork.org/.
[11] Maize Books, http://www.maizebooks.org/.

here is strip the publishing process down to the bare minimum (notably, internal but not peer review, the lightest possible editing, standard interior design, and standard cover design) in order to significantly reduce the first-copy cost for a scholarly monograph.

[slide 19] At the University of North Texas Libraries, the university press is under the libraries though functions nearly autonomously. I've recently launched a new publishing imprint for scholarly literature—designed in many ways to complement the press's areas of activity—called Eagle Editions.[12] **[slide 20]** But instead of designing a uniform minimum model, I've established an *à la carte* model for publishing, where the author can choose the level of editing and design that they want for their work. The more labour-intensive services the author wants, the longer the project will take, and the more it will cost. This is an "author pays" model: the author pays all the first-copy costs attributable to editors and designers up front (which are variable). The advantage to this is that if copies are sold, the author gets to keep all the royalties. In other words, with authors paying the fees, the Libraries won't invest in projects as a conventional publisher would, and therefore the Libraries won't need to recover any investment.

Unlike the press (and unlike Maize Books), this service is only available for works where at least one author or editor is affiliated with the University of North Texas. The author's affiliation is their credential, and this is what separates Eagle Editions from vanity publishing. I am declining to conduct any sort of peer review because I feel that I could not do so adequately for *any* work of scholarship that might come my way (even though we heard yesterday that the ANU Press and others manage to do this). In addition, I see this requirement for an author's affiliation to be very natural for a library: just as libraries generally design their services around a known community of users, Eagle Editions serves the local community of authors.

[slide 21] I've created a "cost calculator," available on the Eagle Editions website, that lets a prospective author supply:

1. the number of words in their manuscript
2. which editing and design services they want

The calculator provides an estimate of the cost of these services. Once the author decides which services they want, I get bids from freelancers and vendors, work with the author to choose particular service providers, and then charge them exactly what the service providers pay. I hope that this radical transparency in the costs of publishing will help authors better understand the real costs of publishing and help the various initiatives I discussed today come to a more precise understanding of the real costs of scholarly publishing and how we pay for them.

[slide 22] Thank you.

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[12] Eagle Editions, http://www.library.unt.edu/eagle-editions.

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