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Rethinking How We Pay for Scholarly Monographs

I want to talk today about what it costs to publish works of scholarship, but this will also give me an opportunity to discuss some library publishing efforts I've been involved with and our plans at UNT to help transform academic publishing.

What does it cost to publish works of scholarship?

[slide 2] 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 3]** But when new entrants to the world of scholarly communication, such as arXiv and SSRN, began making works of scholarship free to read online, even without those works being published later in a conventional venue, the old proxy 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

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/>.

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 4]** Let's take the case of publishing scholarly monographs. When publishing monographs, even if in open access online, you have to:

- **[slide 5]** 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 6]** These are fixed costs (also called “indirect costs” or “plant costs”), not the marginal cost (or “direct cost”) of producing each copy. **[slide 7]** 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 \$25,000.² 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.

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.

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>.

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. I've heard—but I'm afraid I don't have the source—that the total number of scholarly monograph titles published has 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 8] 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 9]** These have antecedents in proposals that never gained traction, such as those summarized in an article⁴ by Sandy Thatcher in a recent issue of the *Journal of Scholarly Publishing* and such as other projects not dealing with monographs—notably SCOAP³. 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 10] Taking "the first book problem" on its own, the American Association of Universities (AAU) and the Association of Research Libraries (ARL) 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

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).

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>.

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 currently pay to purchase or subscribe to monographs and instead spend this *directly* on covering the first-copy costs—not with funding from the author's institution but from many institutions that typically purchase such works. In return for this guaranteed subsidy for new titles, the publisher would be required to make their publications free to read online.

[slide 11] This is how Knowledge Unlatched⁶ and the Library Partnership Subsidy of Open Library of Humanities⁷ work. In both schemes, academic libraries commit funds to making works of scholarship open access. For Knowledge Unlatched, the amount paid by the institution is capped but could be lower if more institutions participate than expected. For Open Library of Humanities, there are tiers for library partnerships.

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 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 ensures 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.)

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/>.

Really grand scheme

[slide 12] A really grand scheme—though called “modest” on the Scholarly Kitchen blog⁸—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 past May, K|N Consultants launched the Open Access Network (OAN)¹⁰ with the goal of putting the whitepaper’s model into practice.

Think globally, act locally

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

[slide 13] 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 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 14] 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

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/>.

the press's areas of activity—called Eagle Editions.¹² **[slide 15]** 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. 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 16] 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 17] These are just two examples of library-based scholarly publishing efforts. People think of library publishing in various ways, but I rather like the expansive definition given by the Library Publishing Coalition. **[slide 18]** The LPC is a consortium of academic libraries that serves as a community of practice for these libraries, with resources and professional development opportunities to help them improve their publishing programs. Among these is an annual conference, which is open to those not at member institutions to attend as well. The 2016 Library Publishing Forum will be held just up the road from here in Denton in May, to be followed by UNT's annual open-access symposium. I hope you'll consider joining the LPC and participating in these international events taking place this coming year in the American Southwest.

¹² Eagle Editions, <http://www.library.unt.edu/eagle-editions>.

Let me also take a moment to talk about some other efforts at UNT to transform academic publishing. We're creating a new Scholarly Communication Transformation Workgroup that draws staff from across the Libraries to coordinate work that takes place in various parts of the Libraries. We're moving away from the usual open-access evangelism aimed at researchers, who feel hamstrung by promotion and tenure policies, toward promotion and tenure committees and the administration, hoping to contribute to conversations about how promotion and tenure policies should evolve to best meet the needs of researchers and the institution, including the Libraries. We're also interested in working through our faculty committee that oversees our campus open-access policy to consider revising it so that instead of the license to the institution applying only if the author does not otherwise assign rights to the publisher, they would grant an irrevocable license to the institution that applies even before an agreement with a publisher is signed. This follows the Model Open Access Policy from Harvard.¹³

[slide 19] Thank you.

The author wishes to thank Isaac Gilman and Julie Judkins for their comments on a draft of this paper.

¹³ Model Open Access Policy, <https://osc.hul.harvard.edu/modelpolicy>. More on this and similar policies can be found in the "Drafting a policy" section of the Harvard Open Access Project (HOAP): http://cyber.law.harvard.edu/hoap/Drafting_a_policy.