Here there Be Tygers: Profit, Non-profit, and Loss in the Age of Disintermediation

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Abstract: Scholarly publishing and access to high-quality information may in fact be threatened, rather than improved, by the revolution in communications, particularly in a fully commercial Internet. The effects of the political revolution in Eastern Europe on scholarship and quality publishing are used as a touchstone of the dangers that occur when naïve revolutionaries make swift changes without fully recognizing the impact upon delicately balanced social institutions such as non-profit organizations.

Résumé: La révolution en communications, particulièrement en ce qui regarde un Internet commercialisé, plutôt que d’améliorer l’édition savante et l’accès à de l’information de haute qualité, pourrait en fait poser une menace pour ceux-ci. Cet article examine comment la révolution politique en Europe de l’Est a influé sur la recherche et l’édition de qualité. Il utilise cet exemple pour examiner les dangers que peuvent courir certains révolutionnaires naïfs quand ils instaurent des changements rapides sans songer à leur impact sur des institutions sociales à équilibre délicat comme les organisations à but non lucratif.

The first version of this paper was a rant about the dangers of naïve revolutionaries; the second a dark overview of the consequences of capitalistic scholarship made likely by the advent of micropayments in a disintermediated world. This third is, I hope, a more balanced expression of my concerns.

I want to address the dangers of digital publishing rather than the delights. It is an odd role for me. I am an electronic publisher, and I have been advocating digital publication for a long time. I believe strongly in the value of digital publishing and I am of the opinion that it is already transforming scholarly communication, frequently for the better.

The Internet is still very much a child, or perhaps more accurately an adolescent -- gangly, uncertain of its size and abilities, unwieldy -- but all of us can see that its power and influence will only increase. We are still in the wonderful volunteerism phase, where individual labours of love and institutional experimentation into electronic publishing is occurring. Volunteerism is reaching its limits, however, as the complexities of publishing begin to demand cost-recovery mechanisms. Cost recovery is destiny in the non-profit publishing world, and the models we choose, the structural institution. This sounds to me a lot like a university press, or a non-profit publisher.

It is clear that to do electronic publishing right is not simple: it takes time and personnel and organization and a business infrastructure and stability and cost-recovery systems, which require managers, which require some abilities, unwieldy -- but all of us can see that its power and influence will only increase. We are still in the wonderful volunteerism phase, where individual labours of love and institutional experimentation into electronic publishing is occurring. Volunteerism is reaching its limits, however, as the complexities of publishing begin to demand cost-recovery mechanisms. Cost recovery is destiny in the non-profit publishing world, and the models we choose, the structural institution. This sounds to me a lot like a university press, or a non-profit publisher.

It is true that professors could, in a few years, teach students without a university’s intervention, or with only one big university’s accreditation, or that scholars could spend the time producing the complicated presentational structures required for effective on-line publication, without the need for a publisher. Or that universities could contract with mega-information providers for just-in-time provision of scholarly content using contractual agents, replacing the need for an active library.

But I hold that having specialists do what they do best is the most efficient model in general, and that intermediaries, though not required, will nonetheless be preferred. None of the intermediaries I mentioned -- the universities, the scholarly community, the scholarly publishers -- will become moot in our lifetime, if for no other reason than the inertia of the credentialing culture.

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There are circumstances where digital publication is cheaper than traditional print, but on the whole -- and certainly for the next three to four years -- its full-scale production is at least as expensive as the traditional mechanism. Publishing is a huge gamble -- an investment of time, energy, and capital into a project with a completely uncertain return -- but traditional mechanisms are known gambles, sort of like counting cards, rather than the crapshoot that is the current state of electronic publishing.

How scholarly publishers deal with these gambles -- what stakes the house requires -- will have a significant impact on the quality and long-term value of scholarly publishing. The policy decisions made in this venue and in others will have direct impact on me and my kind, and so my message -- among other things -- is that if the non-profit...
I am a non-profit publisher and have been all my professional career. Most non-profit publishers are not in it for the money, they are in it because they love the intellectual process. As a non-profit publisher, I have to say that I am always disquieted when I find -- especially in policy or position papers -- homogenizing terminology that conflates scientific, technical, and medical (STM) publications with humanities publications; that equates for-profit publishers with non-profit publishers (like associations and university presses); or that does not discriminate between scholarly communication and scholarly publishing. Each of these have different goals, different means, and different methods for survival, which should be analyzed separately before we throw out the good in an attempt to dispense with the bad.

I have watched a revolution in scholarly communication that did some of that -- a surprisingly little-studied phenomenon in Eastern Europe, in the years immediately after the fall of the Soviet Empire. Between 1990 and 1994, I either participated in or organized seminars for scholarly publishers from Estonia, Latvia, Lithuania, Poland, Hungary, and other countries. By far the deepest experience was in Czechoslovakia, before it split. I spoke with publishers and scholars from throughout the country during that period, and watched as the totalitarian socialist model -- which had strengths as well as significant weaknesses -- was replaced by an amateur's understanding of a capitalist model, with significant weaknesses as well as perhaps a few strengths.

The Eastern European model had every university publishing its own stuff -- introductory biology course books, collections of essays, lecture notes, monographs, research -- at the professor's behest. There was heavy subvention from the universities, which was of course subverted by the state. There was no economic feedback system, because there were no cost-recovery systems beyond a token fee of a quarter or so per scripta, as the class publications were called. Hardbacks cost the equivalent of a pack of Czech cigarettes.

Editorial selection hardly entered into the matter. Every year, a few works were designated as worthy of being put in hardback, usually in an attempt to give their universities a medium of exchange for publications in the outside non-Soviet world. Often they were lavishly produced, but there was never any relationship between price and publication costs. The system separated to the point of immeasurability, by massive bureaucracy, all indirect costs and in fact discouraged any cost containment systems based on merit or audience. Instead, decisions were based on old-boy status. An important professor could insist on having 50,000 copies of his book on the aerodynamics of bat wings printed, in Czech; this was to his advantage because his royalty was based on numbers printed, rather than numbers sold.

Other state-run publishing houses also published scholarly work in philosophy, science, metaphysics, etc.; they had more freedom of choice of what to publish, but their work was also heavily subsidized, and prices and print runs were at the whim of "important" people.

When the Soviet Union collapsed, there were warehouses with hundreds of thousands of copies of the writings of Stalin which nobody would buy even at the minuscule prices charged in the Soviet days, much less in the post-Soviet economic crises. And about 49,900 copies of that bat-wing book.

In the pre-revolution days, a socially supported, exceedingly expensive publishing industry created very inexpensive books and that deeply affected the Czech culture. New books came out every Wednesday, and the bookstores were like flowers in a field -- every square had bookstores, every tram stop had a card table selling books. When I first spent time in Prague just after the revolution, I saw everyone -- the butcher and the hard-hat and the professors -- reading on the trams, the metro, the street corners, and lining up to pay a few crowns for new titles. These were not Danielle Steele trash, but philosophy, history, science, metaphysics. This system of subvention created a highly literate, well-educated populace, who read for fun, all the time.

When the revolution came, suddenly universities, whose subventions were being completely reconsidered by new governments, were telling their professors that they had to become self-sufficient in two years, and many were told they had to start giving money back to their universities: make a profit -- in the third year (much like several major university presses have recently been asked to do). For most of the Eastern European university publishers, their naive recipe for capitalism was a pinch of slogan-level ideas picked up from Dallas reruns and the Voice of America and a dash of Hayek, spiced with understanding gleaned from dinner table conversations.

Their consequent policies had no consideration of the realities of publishing costs and cost recovery; no understanding of the infrastructure (like distribution and warehousing, not to mention computers, databases, and predictive knowledge) required to have a viable publishing market; no comprehension of the place of scholarly publishing in the educational system; and no recognition that, in a revolutionary economy, nobody would have spare money to make discretionary purchases.

Four years after the 1989 revolution, the prices for books had become 10 to 50 times higher than they used to be. The publishers who were succeeding were subvening their own translations of Derrida by publishing -- literally -- soft-core pornography.

Bookstores closed down everywhere. Publishers closed down everywhere. People stopped reading every day. By 1995, nobody was reading metaphysics on the tram. A quarter of the university presses I knew of were closed, over half of the small scholarly publishers I had known and well over half of the bookstores I knew of in Prague were closed, and the scholars I had befriended were telling me that they could not get anything published anymore -- there were fewer outlets than ever.

Neither model was right. Though the result was frequently a marvelously high level of intellectual discourse, the absurd redundancies and inefficiencies of the Soviet system were far too costly. The follow-on naïve-capitalist system was far too brutal and had consequences that the citizenry are still feeling -- far fewer high-level publications in their own languages, far fewer high-quality scholarly publications in general (a significant problem in a small language group), and cultural costs that are hard to quantify but easy to identify as causing a sort of poverty in the intellectual culture.

What this has to do with the current revolution should be self-evident, though the parallels are indirect. We are in a revolutionary period, and we must be careful not to damage the valuable qualities of the current system based on a naïve understanding of the coming state of scholarly communication based on a few visionaries' description of what is inevitable. We must carefully assess what qualities we want to maintain and be sure that we create evolutionary pressures that encourage a scholarly communication biosystem that serves scholarship well.

In the U.S., the post-World-War-II funding system for scholarship, the GI-Bill, catalyzed explosion in institutions, in library-building, in encouragement of scholarship in general, creating the current non-profit scholarly publishing
environment. Universities and colleges got federal, state, and private monies to build, and to fund the development of libraries, who purchased books, which gave university presses the impetus to publish works that were valuable because there were 800 to 1,000 nearly guaranteed sales. With that kind of certainty, the prices on books could be kept lower, both for the libraries and for the non-institutional purchasers.

That began changing with the STM crisis (a term I see as more accurate than "serials crisis"). Monographs are not being purchased as dependably. Instead of 800 to 1,000 library sales, we are lucky to sell 400 to 500 copies to libraries. This raises the proportion of the first-copy costs that every sale must carry, thus raising the per-unit cost even more.

Publishing in the social sciences and humanities is suffering dramatically because that is the blood being squeezed to pay for the STM journals.

Earlier, I said that unless you support the electronic publishing forays of non-profit publishers, libraries themselves would be endangered, and so far I have not made clear why I made that statement. It was not just to wake you up, I assure you.

There is a trend I am very unhappy with: I am on the board of directors of the Association of American University Presses, and at a quarterly board meeting in February, as always, we gave our reports on what we term our "parish calls," in which each board member talks with a dozen or so presses. We ask how sales are, how returns from the bookstores are, if budget and projection targets are being met. The reports were bleak in a peculiarly dismal way, and are worth mentioning.

In general, the only university presses that were experiencing even static sales were those that had enlarged the number of titles at the cost of scholarly monographs. One important mid-sized university press (UP) director, whose list of titles has won more awards in his fields than any others -- over a third of his new titles in the last year won a scholarly award of some kind -- is experiencing a 17% decline in sales compared with last year. Conversely, another largish UP is doing quite well, but has only published a few scholarly monographs in the last two seasons. Instead, intellectually stimulating trade titles, or flat-out trade titles like a coffee-table book on vegetables, are keeping them solvent. Nobody likes it, but the market is quite evidently requiring these sorts of choices: winning awards does not keep your staff employed and your press operational, sales do. If the institutional market gets smaller and smaller, greater selectivity will result, along with greater insistence on saleability as a primary criterion for publication.

Sales to institutional libraries have become less and less significant to the success of an individual title, which has affected the selection of titles for publication. As a consequence, scholarly titles -- in the humanities and social sciences, at least -- have been cut back at many scholarly presses. These are simply market pressures. Few of us believe that scholarly communication is well served by an exclusively capitalist model, but that is the world in which we find ourselves.

The important books that are important only to a small number of scholars are failing to find publishers because publishers cannot afford to publish something that will sell less than 600 copies. The price per unit becomes too high, resulting in 400 staying in the warehouse.

Will electronic publishing solve this? Let me report from the front: at Johns Hopkins University Press (JHUP), the oldest university press in North America, we have Project Muse (URL: http://muse.jhu.edu), which provides a digital version of 42 journals at less-than-paper prices to institutions for campus-wide access. We also have two on-line reference works currently in beta testing with our Project Muse subscribers. These are The Johns Hopkins Guide to Literary Theory and Criticism Online (Groden & Kreiswirth, 1997) and Walker's Mammals of the World Online, 5th edition (Nowak, 1997), each with the same campus-wide domain access framework. They are not priced less than paper, because they are used differently -- classroom and desk copies are purchased by students and scholars, and that loss of sales must be acknowledged and dealt with.

All of these projects are being published as campus-domain purchases -- in which the entire campus has access to it 24 hours a day. They all have significant advantages over paper -- they are not just page images, but are full recastings in digital form, reconceptions of how the material can be used which takes advantage of digital access and digital presentation. The reference works are so much more useful in the digital form that they are transformed into something else -- something which can be continuously updated with new material, enhanced with new navigational mechanisms, improved with contextualizing material and links (all of which take money).

Project Muse -- at two years old, a grandaddy of digital journals projects -- was made possible by a grant from the Mellon Foundation and the NEH and was developed in partnership with the Johns Hopkins Library. It was consciously designed as a library- and institution-friendly model. We have discounts for consortia, deeper discounts for community and small colleges, and deeper discounts still for public libraries. We allow interlibrary loans (ILL) of printouts of articles, printing anywhere on campus, saving for campus use, and linkages for class use; we expect and encourage its use as an always-available reading room. Once distance-learning authentication standards are established, we will enable that. We provide several years' back issues at no extra charge for most of the journals.

We have tried to make it as institution-friendly as possible. Project Muse currently has over 260 subscribing campuses and over 75 public libraries. We are still only about a quarter to a third of the way to sustainable cost recovery, especially when paper subscriptions begin being cancelled.

If the Johns Hopkins University Press cannot make broad, easy access succeed on a campus-wide basis, much less have the wherewithal to do the deeper development work to integrate our publications with others', then publishers are going to shy away from this type of model -- including the Johns Hopkins University Press.

If we shy away from the institutional-access model because we cannot survive within it, then we will begin to change our publication model: raise prices, make back issues available on a document delivery basis, apply micropayment and restriction software to individual articles, and aim predominantly at individual access.

That constitutionally limits our dreams for digital libraries, and for easy integrated fair use, not because the publishers disallow it, but because if the material is not available easily on a campus, if it becomes time-consuming and complicated to integrate, it becomes too damn troublesome for everybody. And, further, it creates an environment in which libraries are relegated to being archives of paper, rather than integral actors in making access to digital material available to the students, faculty, and scholars in their institutions.

This hardly serves the greater good of scholarship in its broadest sense, but scholarship is even more poorly served by not having digital access to this material, which would happen if publishers cannot make cost-recovery mechanisms work. Even if each institution builds a digital publication centre, pays the staff enough to keep them from being bought away by the commercial sector, and provides assistance to all scholars and professors to make
their research and product available for free -- and I hope that happens too -- the validation and prestige and promotion value conferred by "real" publishers will not disappear. The on-line environment will be perceived, rightly or wrongly, as the place where the less worthy material is available for free (you get what you pay for), while the top-flight material will be available only to those individuals willing and able to pay for it.

Scholarship will not be well served by such a phenomenon, and I fear that this is a real danger.

I am not saying that if you do not purchase Johns Hopkins University Press's on-line publications you will not be living up to your responsibilities. Rather, I am using us to explain my belief that non-profit publishers must be encouraged by institutional purchases to provide the broadest access to the material. Without such encouragement, the non-profit publishers will continue to make the best material available at the lowest possible price, but the scholarly communications system will be weaker than it could be. Non-profit publishers are not in it to profit -- we want readers, we want impact in the scholarly world, but we also want to keep our jobs. Non-profit publishers should not be seen as antagonists in this new environment, but as partners.

If libraries and institutions consciously try to encourage, by their market clout and purchasing power, the non-profit publishers' natural match with its primary audience, then we can strengthen the non-profit scholarly communications community's natural partners: the scholars, the students, the libraries, the institutions, and the non-profit scholarly publishers.

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