

Pricing For Europe A Librarian's View

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Much has been written about serials pricing problems by librarians. The largest number of contributors are from the US and Europe, in particular the UK, and the Federal Republic of Germany. Therefore, it is nearly impossible to cover any new ground within the context of a brief overview such as this paper. Nevertheless, this meeting is another chance to try to make clear to publishers and agents the librarians' concerns about present trends in serials pricing.

New to most of you will be the fact that my report is not - as so many others - based on the experiences of a library in the English speaking world, but on that of the largest German research library, the Bavarian State Library in Munich. These are experiences gained in my work in the Acquisitions Department during the last 16 years. These experiences form the basis of my argument of how developing events - the beginning of the European Common Market and the rapid growth of the electronic media - may affect acquisitions in general and serials pricing in particular.

Nowadays a research library clearly finds itself "between a rock and a hard place". On the one hand we librarians see:

- a greater number of monographs and serials offered by the publishing industry,
 - ever increasing prices for these materials,
 - rapidly growing offers of electronic media which demand a larger part of our budgets,
 - and an unabating demand for rapid information by our patrons;
- on the other hand we have
- small annual acquisition budget increases, approximately 4%,
 - and nearly no increase in staff.

Examining the topic more closely, let us have a special look at serials. As far as they are purchased by the Bavarian State Library,

- 25% come from the US,

- 24% from the German speaking countries,
- 20% from the EC countries except the UK,
- 12% from the UK,
- another 12% from the rest of Europe,
- and 7% come from the rest of the world.

An interesting point is that the subscription costs of about two thirds of the serials are subject to currency floating. This is due to the fact that only one third originates from countries which are members of the European Currency System. To be more specific within serials, it is the journals which show the severest price increases. Therefore, in *Chart 1*, they are placed in relationship to the currency exchange gains and losses of the Deutschmark and to the ups and downs of the acquisitions budget of the Bavarian State Library from 1986 to 1989.

There one notices that in 1987 the rather moderate increase of the average periodical subscription rate could be equalized by currency gains. But since then, the subscription rates have been soaring upwards, especially in 1989, when the international devaluation of the Deutschmark added to our costs. The Blackwell's Periodicals Price Index for 1990, published in *Serials*, vol.3, 1990, no.2, p.73-76, clearly shows a continuation of this trend, stating a 12.52% overall increase over 1989. Data, provided by courtesy of Swets, indicate a similar average increase of 10.5% for the same period. Vendors predict that this development will not end in 1991 nor in the years immediately thereafter. And, it is also to be expected that many new periodicals will be founded. More and more researchers will want to have their findings published and new branches of the sciences will need their pathways to the public.

Of course, such an unbroken trend will mean that within a few years the library budget would only suffice to pay for journals. But that cannot be the aim of a responsible collection building policy.

Monographs and microforms are also needed. Even antiquarian books have to be acquired to fill gaps, many of them still resulting from losses suffered during World War II. During recent years, the additional percentage of budget allocations granted to German research libraries covered only one third to one half of the rise of the periodicals index - although librarians handed in realistic applications for extra funds. Therefore, the increase of the portion of the budget to be spent for periodicals has to be aligned to these smaller figures - very much to the discontent of our patrons and of publishers and agents. Of course, these inevitable cancellations of current journals and the inability to take out subscriptions to new ones are among the reasons for the high increases of journal subscription rates. They add to the already spiralling costs of production and distribution - the steady complaint of the publishers.

From the librarians' point of view the situation is aggravated by the policy of differential pricing for institutions and individuals. According to the statements of the publishers exerting this policy, it has been introduced to increase the number of private subscriptions in order to curb the rise of the institutional rates. A look at *Chart 2* shows the outcome of this policy for the Bavarian State Library in a very prominent example. We started our subscription to *Tetrahedron Letters* in 1976. Then we had to pay DEM 662.50, the equivalent of USD 250, that was about four times the personal rate of DEM 159.00 (USD 60). In 1990 we had to pay DEM 5,600.00 that is 16 times the individual rate of DEM 348.00, which, according to the imprint, is available to "those whose library subscribes at the regular rate". Though publishers always tell librarians that they do not understand the economics of journal publishing, we dare say that this policy of differential pricing fails to work to the benefit of libraries. On the contrary: looking at this chart and seeing the growing trend towards establishing dual pricing, we think that many differentially priced journals are now at the point that *Tetrahedron Letters* occupied in 1976 - indeed a horrible prospect for the development of institutional rates in the coming years.

Some publishers, however, confess that the institutional price contains a surcharge for multiple use and copying done in libraries. But this means

they are charging the libraries for costs that should be paid by the patrons. There the publishers should use their lobby to introduce in all countries of the European Community legislation that really shifts the costs to those who cause them. In this respect the regulations of the new German copyright law may serve as a model.

For the issue of pricing for Europe, it will be a vital question for libraries whether this kind of differential pricing will spread further in the European Community or whether, at least, the German legislation will remain valid, which generally does not allow dual pricing. Anyway, we librarians are grateful to every publisher who does not differentiate serials prices in this way.

But there is still another kind of differential pricing that raises the concern of librarians, i.e. that based on the different location of the publishers and their customers. This policy is especially disadvantageous to German libraries when ordering periodicals from the US and - in some cases - from the UK.

On the other hand, discussions by the members of the Commission on Acquisitions of the German Library Institute with some German publishers seem to have helped to improve the situation for libraries. The VCH Publishers eliminated its surcharges for distributing *Chemical Abstracts* to German libraries. Springer Verlag will introduce the one world price system for all of its periodicals in 1991.

It is to be hoped that in this respect some progress will be made in 1993 when there is one market in the European Community. Then it should no longer be necessary to contact the European Commission in Brussels because of violations by some publishers of existing European regulations. But perhaps this ends in a general price increase in 1993 by aligning the different prices to the highest of the levels charged now.

And - least we forget - there will still be Switzerland as a comfortable basis for publishing outside the restrictions of the EC competitive law. And - not to forget either - only a part of our subscriptions are ordered from EC countries. Therefore, European libraries will still be affected by the dual pricing system of most US journal publishers charging higher rates outside the US in addition to the mailing costs. To sum up: it is a

rather gloomy outlook serials librarians have on the issue of pricing for Europe. And the consequences will be severe.

Many publishers and librarians still hold that the journal offers the best way of exchanging the latest results within the research community. But the comparison of the high price increases for library subscriptions with the moderate additional allocations of library funds clearly shows that - if present trends continue - this system will come to a natural end in the not too distant future. Only fundamental changes in the pricing or funding sector may save it, unless the academic community itself finds ways to reduce the present output of articles.

Nowadays all research libraries have to focus more and more on access to rather than on ownership of the materials their patrons need. There the electronic media will step in, for which many publishers seem to have been collecting money for a long time.

At the moment many of these new media are only lent to libraries on a licence basis. Most of them are duplicating information that is still available in paper format. Our patrons like these new media because of their comfortable use. But their life expectancy is low. Thus for purposes of long-term storage of the information, librarians adhere to the parallel paper format. Therefore, at the moment, many libraries pay twice for the same information. But this will further reduce the margin left to libraries for the acquisition of really new information.

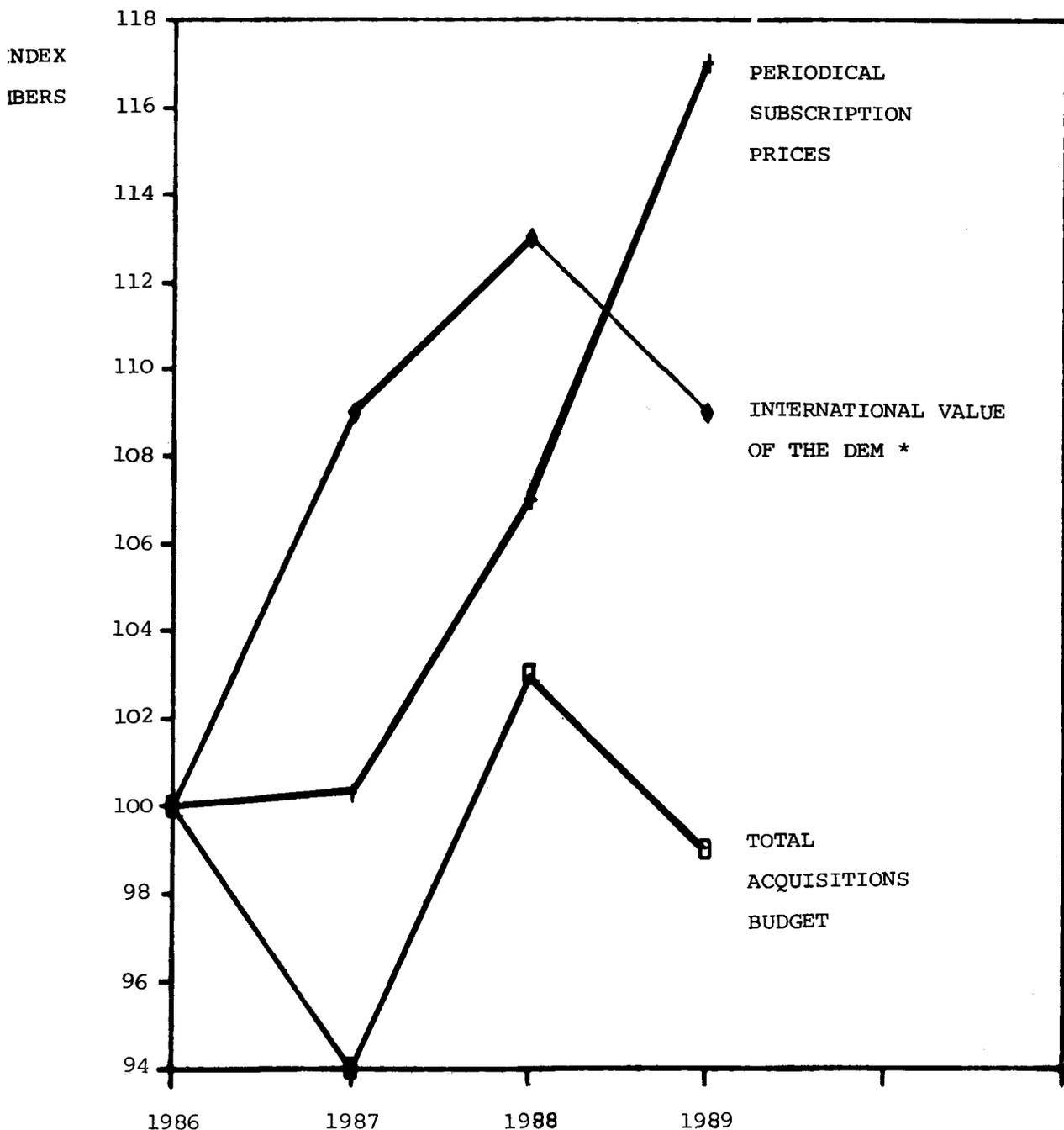
The continuing decline of the efficiency of libraries will lead to other ways of diffusion of knowledge. One way will be full-text electronic journals that are and will remain the property of the publishers. Then the former library patrons will have to pay each time they need an article. But will they really do so? Will they want to pay the full prices charged for downloading texts to their workstations? Up to now patrons were accustomed to benefitting from the public subsidy of the distribution of knowledge by the upkeep of libraries. Bypassing the libraries will also require the development of new ways of public funding if information shall remain accessible to all and not only to the rich, as with a luxury commodity. Moreover, who will care and pay for the permanent

storage of information that can no longer be kept profitably in the privately owned databases?

On the other hand many scholars are thinking of communicating the results of their research via publicly funded electronic information networks. According to a statement given by Richard M. Dougherty, President of the American Library Association, at this year's IFLA Conference in Stockholm this trend is already irreversible. But many people fear that this means withholding information from a wider public that might have been reached by journal articles. And, to state it once more, there is no solution as to the long-term storage of this information.

The crisis is near. Breaking up the present information chain, with the research libraries as one of its links, without offering an effective alternative, will be dangerous to the libraries' task of preserving present-day information for the memory of mankind. In addition this matter should still be considered an issue of political relevance. Beyond pricing issues there must evolve a new partnership to save the information chain before it is too late. □

Comparative Indices of the Total Acquisitions Budget & Periodical Subscriptions - Bavarian State Library



Differential Pricing (Tetrahedron Letters, Pergamon Press)

