

---

## Book Reviews

**Kingma, Bruce R. THE ECONOMICS OF INFORMATION: A GUIDE TO ECONOMIC AND COST-BENEFIT ANALYSIS FOR INFORMATION PROFESSIONALS.** Englewood, Colorado, Libraries Unlimited, Inc. 1996. 200 pages, hardback, 24 cms. ISBN 1 800 237 6124. UK distribution: The Eurospan Group, London, £ 33.50

[This review appeared first in *Education for Information* 15 (3) and is reproduced here by agreement.]

Having studied and taught economic theory with enthusiasm at the start of my career, it was a great personal pleasure to renew acquaintance with the basic concepts in this book. In the intervening years - 27 in shoe manufacture and 16 in books and libraries - the conversations were few indeed that touched on 'marginal costs', 'price elasticity of supply', 'oligopoly', and other such fascinating concepts. If library and information professionals typically fight shy of statistics and cost comparisons, then economic theory is in the even remoter distance!

This book does not argue the rights or wrongs of this situation at any length: that is done elsewhere. In this book the author assumes there is virtue in the combination of disciplines and proceeds to careful and lucid basic exposition of the essentials of economic theory. If postgraduate programmes in Business and in Public Administration include a course in Economics, should not the postgraduates in L.I.S. follow suit? At least they will now not lack the basic textbook!

Classic economic theory is not an easy subject - and certainly not to be attempted in a single lecture, or even two. The presentation here has the clarity that comes from a writer who is complete master of his subject, and it is helpful to have the context of LIS examples. (The American tone is a drawback, but it matters less in this context than for other topics that require practical illustration.) Beginning students will get the basic

knowledge of Economics here as well as anywhere.

However, there is a caveat: this is not satisfactory as a self contained teach-yourself course book; it needs amplification by a knowledgeable lecturer and to be extended in class discussion. Without this extra interpretation, it would be all too easy for to be misled by apparent shortcomings in the theory's application.

Economic theory does not provide ready made answers to particular situations; rather it is a way of thinking with its own analytical tools. The result is a more complete understanding of what we are about, not a detailed pattern for success. So this book, for its student audience, is an essential first course, not the complete meal. As explained by Kingma,

"This book complements these (other) texts by presenting and applying economic theory to several markets for information goods and service including library services".

If intended primarily for the student, does it have a value for the mature reader - manager or researcher? The answer is most definitely 'yes'. Here is an unusual and mind stretching approach to the vital question "what value library and information services?" that will set the reader thinking - or reacting - in new ways.

"If librarians can accurately predict their patrons' marginal benefit from books, then the actual demand or willingness to pay for books by libraries will reflect the public-good demand or marginal benefit that patrons receive from the libraries. An estimate of the value of books to patrons can come from library patron surveys, user data, and local referendums on library funding." (page 117)

Economic theory distinguishes valuably between efficiency, cost and benefits - at the margin and in total. Even if some factors cannot be measured, there is virtue in the consistent logical theoretical structure on which to justify the service. Insights are of this kind:

"If the patron makes \$20 per hour, then the more efficient (of the alternative) reference librarian saves the patron \$1.67 for each question answered. Conversely, the less

efficient librarian has an added cost of \$1.67 per patron. . . . Therefore, while the library may save money by hiring a less experienced librarian for a lower salary, the opportunity cost to patrons is higher." (page 142)

Charging users for the public library service is not advocated: but the reasoning is quite different from the usual 'articles of faith' - and will be more convincing to some audiences.

An important variation to tradition theory is introduced in the differential demand curve. As applied to the demand for journals, this postulated different prices at which subscriptions will be taken out by libraries (high), faculty (medium), and students (low). (page 94) This will have application also to the analysis of browsing benefits and to the demand for academic books in underdeveloped countries.

These examples indicate aspects of LIS management and research that can be illuminated by this approach. In general satisfactory figures can be produced for cost factors but not to rate benefits. The approach to ask punters what it would cost to be without some currently important information is no more meaningful than to ask a householder what it would cost to forego his electricity supply! But that the benefit is there cannot be disputed. As with a productive sermon, many more questions are raised in the reader's mind than are explicitly answered.

One excellent feature in this approach is the recognition that the economics of information services are complex and only quantifiable in part. Not for Kingma the simplistic Romance on the rates? level of debate. Here is the search for underlying value in all forms of information provision: if it is not quantifiable in commercially valued transactions, then it must still be assessed and inferred through Opportunity costs and other concepts. This has to be required preparatory reading for any serious Value for Money exercise.

There remains the question how far this is all theory and how far there is empirical evidence in support. Led by Malcolm Getz and Bruce Kingma there is a body of researchers in the USA pushing forward the application of economic research in the LIS area - not the most popular or well known research niche, as this reviewer

discovered with the modest level of interest in the statistical analysis of PLR book loans. However, the field is ripe for research effort, and this book provides a handy guide to research of this type conducted in America over the past twenty years or so - with a twelve page bibliography and many chapter references.

References to the work of Griffiths and King - the other American gurus in this field - are intermittent. Their important book *Special Libraries: Increasing the Information Edge*, SLA, 1993, tackles the problems of cost and value from an altogether different direction and with much more empirical data deployed. Its interest is not limited to special libraries and its exposition of Economies of Scale and its costing philosophy is very strong. Ideally we should see a fusion of the two approaches - along with some illustrations and insights from Europe and the rest of the world: that has yet to be written.

For the time being this Kingma book can be recommended - but preferably accompanied, for essential background, by the last three chapters of Griffiths and King and the incredibly valuable summary of performance and quality measures in Brophy, P and Coulling, K *Quality Management for Information and Library Managers*, ASLIB/Gower, 1996. Together with current statistics from LISU publications this now makes a good set of material for a module on the economics of the library and information service operation - which could interest students and researchers from other disciplines as well as prospective LIS professionals. And this is not to deny their relevance to service chiefs needing arguments from a fresh perspective to convince chief executives or vice-chancellors of the essential value of their service.

Look out for more advanced theoretical treatment of the Economics angle and also for results of detailed field work. The first instalment can be found in *The Economics of Access versus Ownership* by Bruce Kingma published by the Howarth Press - in their well proved mode of creating catalogue confusion - as either a complete number of the *Journal of Interlibrary Loan, Document Delivery & Information Supply* vol. 6, no 3, 1996 and as a monograph. What Kingma reports in this 1996 work is a large scale survey of journal acquisition and use in four New

York State universities from which are derived complex but practical decision rules to help the librarian decide at what levels of use it is economic to subscribe, to rely on a subscription elsewhere in the group, or to rely on outside document delivery services. Even different rates of interest are included in the equations under present value discounting formulae.

These further results are by no means conclusive, but this is a most convincing and comprehensive treatment of this decision paradigm. However, the value in journal browsing is hardly considered - let alone estimated; and there are likely to be major differences in the results between scientific, professional, and Humanities journals that are not yet explored. But the evidence is here to prove the valuable applicability of the theory enunciated in the earlier book. (While the book carries a 1996 publication date, it would appear to have been completed at least two years before the journal article.)

This is an important development of both theory and practice surrounding what academic librarians have found to be the most vital resource question this decade. It deserves not only to be read and assimilated but also to prompt follow up research effort - not least to explore how generally these considerations may apply to journal information in electronic form.

JOHN SUMSION

Senior Fellow,

Dept of Information and Library Studies,

Loughborough University, UK

e-mail: J.W.Sumsion@lboro.ac.uk

**Creaser, Claire and Spiller, David LISU  
ANNUAL LIBRARY STATISTICS:  
FEATURING TREND ANALYSIS OF UK  
PUBLIC AND ACADEMIC LIBRARIES**

1986-96. Loughborough, Library & Information Statistics Unit, 1997. ISBN: 0 94884 899 5. Price: £27.50.

This is the most complete annual collection of statistics relating to the provision and performance of libraries in the UK, and has three principal aims to: identify recent trends and

provide pointers to possible future development; allow librarians to compare their own performance with national and sector averages; give an overview of library provision in the UK as a background for other research. It provides some 227 pages of fascinating information and might be an ideal volume to take to a desert island, for the possibilities of examining and comparing the data are endless.

Sections cover the major types of library, price indexes, book trade statistics, public library user profiles and Public Lending Right data. In this volume some statistics for the National Libraries of Scotland and Wales have been included for the first time, and the section on special libraries has been expanded. The bibliography and associated publications have been expanded.

One of the problems faced in the collection of statistical data is that changes occur in the organisations reporting data. Reorganisation of local government in the UK is taking place. Changes are still occurring in higher education. Where they have, or are taking place, then this is annotated. The tables and the narrative are clear, and the use of diagrams helps the reader to absorb the data provided.

So what does it reveal? Taking a very selective approach the following facts emerged. In terms of public libraries, real expenditure has been falling consistently since 1990, with the exception of staff. There has been a decline in the expenditure on books, and an increase on videos and other AV materials. It is reflected in a fall in adult fiction book issues, and in lending stock levels. This is worrying as use might have expected to increase given the greying of the population. The number of professional staff has fallen, but there has been a small increase in the number of non-professional staff. The situation may be exacerbated as local government re-organisation takes place, and pressure for expenditure on education and social services may eclipse spending on libraries. The income generated has increased.

The data for higher education libraries has been re-organised to provide more comparable information. A dramatic decline in the real book spend per capita has taken place in the old university libraries of the order of 50% over the

past decade. As might be expected there has been a corresponding increase in expenditure on 'other items' which includes automated systems and on-line services. In the new universities there has been an increase of 84% in library spend per student over the past decade, but the real book spend per person has fallen by 22%. In the old universities this was £28.54 compared with £21.88 in the new universities. The narrative comments that "annual swings of 20% or 30% in spend on books or periodicals are not uncommon". In the new universities the extent of growth in student numbers is demonstrated by the average number of users doubling over the past ten years.

Whilst data has been included in the section on national libraries for Scotland and Wales, the information given for Wales is sparse, and more detailed information should be available.

Making comparisons within the special library sector is also not easy, but some interesting points emerge. The financial sector spends the largest amount of money on both electronic and printed materials. A huge change is demonstrated by the very small amounts spent by miscellaneous manufacturers, and the chemicals and plastics industry. Remember the great industrial libraries of the late 1950s and 1960s?

Despite the decrease in book acquisitions by libraries, the number of new titles and new editions published continues to increase in the UK. Unlike the US, this is a steady rise. The user of a public library in 1996 was most likely to be a woman, over the age of 35, in the C1 category, and live in the North. They went to borrow or return a book. If they used another service it was likely to be the reference service. They borrowed a crime/thriller or detective novel for fiction, or a how to do it manual or book on food and drink for non-fiction.

There is so much more.....a fascinating volume.

PATRICIA LAYZELL WARD,  
University of Wales Aberystwyth.

**Creaser, Claire A SURVEY OF LIBRARY SERVICES TO SCHOOLS AND CHILDREN IN THE UK 1995-96.**

Loughborough, Library and Information Statistics Unit. 1996. ISBN: 0 94884 890 1. Price: £22.50.

This is the eighth annual survey. It presents data at authority level with summary tables, sector estimates for the main indicators, and trend analyses. This is the period immediately before local government reorganisation, and it provides information on the changes proposed by new and reorganised local authorities. The survey is important for providing a benchmark for services and an overall view which should provoke action on the part of the new government. However, despite several reports produced by the profession, little action has been taken on the specific question of information and library services to children delivered by public or school libraries.

The statistics present a mixed picture. If the expenditures for schools and public libraries are taken together, then two-thirds of the local authorities in England and Wales spend proportionately as much of the materials budget on children as compared with adults. Last year it was half. In the schools library services expenditure has fallen in real terms since 1990/1.

In around half of the authorities in England, a single post has joint responsibility for schools and public library services, and in some cases at senior management level, with as little as 5% of the time spent in services to schools and children. The average salary for such a post in the UK is £23,500, not a high figure for the level of responsibility involved. There has been a significant reduction in the numbers of professional staff in public library services, but increases in the school library services.

The bookstock per capita in public library services is highest in London with 3.45 books per child, and is lowest in the English counties at 2.12. Loans in London are highest at 1.13 per capita, and lowest in Wales with 0.44. There has been a significant increase in the number of school library services for which the main source of income is derived directly from the school - half of those in the English counties and in London.

These are some interesting points emerging from the detailed statistics, but overall they present a more varied picture than those for other types of library services in the UK. We are indebted to the work of LISU for carrying out a systematic survey, and presenting the information in a useful form. The important point to stress is that they should be used by everyone associated with the services to improve provision of library services to children. Whilst children should have access to electronic information services, they also need books if they are to receive a rounded education. Libraries play a vital part in today's emphasis on literacy and quality education. Perhaps the government should focus not only on testing children in schools, but also on the quality of the context in which they are taught.

PATRICIA LAYZELL WARD  
University of Wales Aberystwyth