

## **More for less : managing the budget of the OECD's Centre for Documentation and Information**

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### **Introduction**

Ask any library manager what the biggest challenge is that he or she faces in their work and one of the most frequent answers will be “trying to balance our clients’ demands for increased information and resources against shrinking budgets.”

In this paper I will outline some of the ways that the OECD’s Centre for Documentation and Information (CDI) has faced some of these budgetary challenges and has attempted to offer more and improved services for its clients. Like most other libraries, the CDI has had to adapt its work to satisfy clients who are demanding more information and in a much quicker time frame.

### **The OECD**

The Organisation for Economic Co-operation and Development (OECD) is made up of 30 member countries, including Mexico, who share democratically elected governments and are committed to the market economy. Its forerunner, the Organisation for European Economic Co-operation (OEEC), was originally established to administer the Marshall Plan for the economic re-construction of Europe after the Second World War. The OECD took over from the OEEC in 1961 and its work consists of research into economic, social and scientific issues, advising governments and policy makers on best practices, and identifying policies that work.

The broad outlines of the main areas of the OECD’s work are agreed upon at the annual meeting of the Council of Ministers. In addition, each member country is represented by an Ambassador who attends the fortnightly Council meetings which are chaired by the Secretary-General. The Council provides guidance for the committees which produce reports and recommendations and these committees are supported by the OECD Secretariat of about 2400 people, consisting mainly of economists, statisticians, legal experts and support staff.

Funds for the OECD are provided by the contributions of its member countries and the amount of each member’s annual contribution is decided according to the size of the country’s economy. The budget and the programme of work are determined on a two-yearly basis by Council, the annual budget for the whole of the OECD in 2006 being 336 million euros.

Known mainly for its publications and statistics, the OECD also produces international agreements and recommendations, examples being the *Guidelines on Corporate Governance of State-Owned Enterprises* and the *Convention on Combating Bribery in International Business Transactions*. These conventions and guidelines are produced

after discussion with experts and representatives of the member countries. The Organisation relies on dialogue, consensus, peer review and pressure to influence countries to adopt its recommended policies.

As well as working with member countries, the OECD works actively with some 70 other countries. It has been producing Economic Surveys of member countries for 40 years, but increasingly non-member countries are benefiting from advice and recommendations from the OECD Secretariat and committees. A recent example is the first *OECD Economic Survey of China* which was published in September 2005.

## **THE OECD Centre for Documentation and Information**

The Centre for Documentation and Information (CDI) has a staff of 14 and serves the information needs of the OECD economists, statisticians and researchers as well as visiting committee delegates, external researchers and post-graduate students. The services provided by the CDI include bibliographic searches in our catalogues and external databases, supply of periodical articles in paper or electronic format, inter-library loans of books, as well as lending books and periodicals from its own collections.

### *Budget*

Each year the CDI puts in a bid for the following year's budget, which for 2006 is around 430,000 € (US\$550,000), excluding personnel. This is used mainly to fund the purchase of periodicals, books, periodical articles from commercial suppliers and inter-library loans.

Subscriptions to academic periodicals have generally been significantly higher than the annual increase in inflation in most countries. Swets Information Services' comparison of 2005 and 2006 serial prices show an average price increase worldwide of 6.27% (Swets Information Services, 2006). Of course, inflation rates vary across countries, but taking the Euro area serial prices in 2005-2006 in the domains of medicine and social sciences increased by 7.47% and 5.16% respectively, whilst inflation in the Euro area is running at about 2.5%. One American economist has even drawn up a list of what he calls a "rogue's gallery of expensive journals" to illustrate overpricing. (Bergstrom, 2001)

Mergers between publishers also have tended to result in increased journal prices. One study finds that

The Reed Elsevier/Pergamon merger resulted in postmerger prices (1992-1994) that exceeded the average in the market by 17 percent. Compared to these two firms' premerger prices – about 7 percent higher than the market on average – the postmerger results suggest that the merger increased prices about 10 percent. (McCabe, 2002).

Doing a similar calculation for the Wolters Kluwer/Lippincott combination at the beginning of the 1990s, McCabe concludes that the price increase was about 8.5 percent.

These types of price increases put heavy pressure on library budgets. Academic and public libraries are struggling to maintain a good level of service to their clients with librarians making difficult decisions in order to meet budgetary targets. The situation of Southern Oregon University Library in the United States described by one librarian is fairly typical. (Miller-Francisco, 2003).

Librarians have to be ingenious in stretching their budgets further and seeking better value-for-money. Methods include more sharing of resources with other institutions, purchasing individual articles to replace subscriptions to serials, replacing paper with electronic resources, participating in consortia in order to negotiate more favourable prices from publishers, and closer and stricter consultation with users before renewing subscriptions. As Joan Gotwals points out in her article on academic library funding:

Colleges and universities without question are under substantial pressure to slow the pace of rising costs and, in many cases, restrict or cut budgets. (Gotwals, 2005).

In 2006 the CDI has to contend with a cut of some 4.2% in real terms in its periodical budget and we ensure that we are getting value-for-money when subscribing to journals. The CDI normally pays for publications from its own budget, so it is important that our clients are aware that information costs money.

#### *Electronic and/or paper – which to choose?*

We have increasingly replaced paper publications with electronic ones and at present over 55% of our resources are in electronic format and this percentage will no doubt grow. With the large publishers like Elsevier, Springer and Blackwell now offering their periodicals in both paper and electronic format, we have replaced many titles previously received on paper with access to full texts from the publishers' sites or through intermediaries like Ingenta. This has two principle advantages: our clients are now able to access periodical articles immediately from their desktop computers via the Internet and we have saved on physical storage space.

With the growth in usage of the World Wide Web library clients expect to access information as soon as they need it. They expect to be able to download in portable document format (PDF) academic working papers and periodical articles.

Other advantages of electronic versions of journals are that an article is usually available to researchers some time before the paper version is printed and that publishers are now offering the electronic subscriptions at a lower price than the paper version (a discount of 10% over the printed version is quite typical). However, some publishers still will only allow access to electronic versions of their journals to libraries who also subscribe to the paper version, so care must be taken when cancelling a paper subscription that the subscriber does not also lose access to the electronic version.

Even monographs are now being electronically scanned and mounted on the Internet. Projects like Google Books™ and Microsoft's Windows Live Books Search™ are in the

process of digitising millions of pages of books previously only available in print versions. The British Library has recently announced a partnership with Microsoft to digitise 25 million pages of out-of-copyright material. This will allow users to search through the full text and download all or part of the publication. Subscribers to services like SourceOECD can already download monographs as well as short articles.

### *The CDI and the consortium Couperin*

In 2002 the CDI joined the French consortium of academic libraries Couperin (Consortium Universitaire de Périodiques Numériques).<sup>1</sup> This consortium of 203 libraries negotiates on behalf of its members with the publishers of electronic journals. Being the member of the consortium Couperin is particularly useful in obtaining a site licence for access to publishers' databases. After negotiations between the representatives of the consortium and the publisher, a global price is established depending on the number of participating libraries. The consortium then divides the cost amongst these participating libraries, basing the contributions on the number of potential users of the publishers' database in each library. Thus a large university library with perhaps 10,000 full-time students will pay a larger percentage of the global price than a small library like the CDI. We have benefited from membership of Couperin to subscribe to Elsevier's Science Direct and to SpringerLink and we are also interested in Blackwell's Synergy.

Had the CDI been negotiating alone with these publishers, we would not have been able to afford the costs of these subscriptions. The publishers see the commercial advantage of being able to spread their customer base over many libraries when they can offer a global price to a consortium. Care must be taken though that these big deals, as they are known, offer value-for-money to the purchasing libraries. Insist on a trial of the database before committing library funds to a large purchase, tempting though it may be to have access to several hundred periodicals. If the consortium has good negotiators, they should be able to press the publisher to offer advantageous discounts over the public price for the service. These negotiations can be complex as they involve several parties who do not always have the same agenda. (Flowers, 2004.)

Libraries in the United States and in other countries have been participating in consortia for many years. Well before the advent of electronic journals, consortia existed to share printed books and periodicals amongst members. Now with online journals being offered for sale by publishers, consortia are becoming widespread. India has established the INDEST consortium of engineering and technological libraries (Arora, 2001) and in Mexico there are the consortia for co-operative inter-library lending Grup Amigos and the Transborder Library Forum (Guerrero and Mattes, 2003).

### *Site licences*

The major serial publishers sell their complete catalogue in electronic format and libraries can purchase subscriptions to hundreds of titles in one block The CDI justifies the

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<sup>1</sup> Couperin has its own Internet site at <http://www.couperin.org>

expense of subscribing to Science Direct and SpringerLink as a good proportion of the journals on these sites are relevant to the work of our clients. The disadvantage of these big deals is that customer libraries have to take the whole catalogue; they cannot choose a selection of titles. Our subscription to Science Direct contains about 1,600 journals offering full text in PDF from 1997 to the present of which some 600 are regularly consulted. We also have had to commit ourselves to 3 year subscription.

Prior to this, we had used Science Direct on a yearly basis with the fees based on the number of our subscriptions to paper copies of Elsevier journals. By dividing the cost of the annual subscription by the number of articles downloaded from Science Direct, we calculate that in 2002 the unit cost of each article downloaded was about US\$1.50 and in 2005 the cost was about US\$0.16 per article. Thus, even though a proportion of the titles in the database may not be relevant to the work of the OECD, for the CDI the subscription to Science Direct represents good value-for-money.

Nevertheless, these big deals are not suitable for all libraries. As the subscription price is based on the number of researchers or full-time users, large academic libraries can find subscribing to a publisher's full electronic catalogue or journals not cost-effective. In 2003 four large university libraries in the United States decided to cancel their subscriptions to Elsevier's Science Direct and to Blackwell's Synergy. This decision was taken partly because the publishers proved inflexible when the libraries wished to subscribe to new titles, wishing to compensate financially for this by cancelling other titles in Elsevier's and Blackwell's databases. (Gibbs, 2005).

Following a survey on site licences the Chief Executive Officer of the company Ingenta comes to the conclusion

Findings from the Ingenta Institute programme indicate that it is highly probable that the current consortia license model will undergo significant change at the next round of renewals. (Rowse, 2003).

We would like to see publishers breaking down their catalogues into smaller components, giving libraries a greater choice over the subject areas and journal titles they can purchase. This would reduce costs for the CDI - and indeed other libraries - but would still allow us to access a number of electronic journals at a lower price than if we subscribed to each individual title.

Another possible side effect of these big deals could be that the smaller academic publishers, such as learned societies, will find that their journals are being increasingly marginalized. Fewer citations and lessened impact could be the result as end-users only access the journals offered to them by the library as part of a big deal purchase. With most of their periodical budget having to fund big deals, some libraries find that they have to cancel subscriptions to journals from smaller publishers. (Edlin and Rubinfeld, 2004)

## SourceOECD

The OECD's publications are well-known all over the world, particularly the statistics, the economic surveys and the lead publications like the *Economic Outlook*. In 2000 OECD publications were made available in electronic format on the Internet site SourceOECD<sup>2</sup>. This online library allows subscribers to access the whole range of OECD publications and databases or just individual titles. There are some 250 Latin American libraries accessing SourceOECD, of which almost half are in Brazil<sup>3</sup>.

In 2005 the function StatLink was launched on SourceOECD allowing subscribers to click on a hyperlink attached to a table in a publication in PDF format and download the figures behind the table into an Excel™ spreadsheet. This is possible as each spreadsheet in a publication is assigned a Digital Object Identifier (DOI) which remains constant. DOIs also allow subscriber libraries to put a direct link to a publication or to a part of a publication in their own OPACs. The function EasyLinks assigns the ISBN of the publication to the URL so that libraries can add this to the 856 MARC field of their OPACs and provide a direct link from their catalogues to the OECD publication. An example of how one American university library is using EasyLinks to reduce cataloguing processing time can be found in a recent article (Ragains, 2004)

### *Publishers' digital archives: how big a financial risk for libraries?*

Before taking subscriptions to Science Direct and SpringerLink, the CDI wished to be sure that these electronic journal articles would always be available for access. Now that publishers are digitising their catalogues of journals, librarians have been concerned that the archives of back-files may be lost. Libraries that purchase digital archives of publishers' catalogues often dispense with their own paper back runs of these journals and rely on the publishers' archives. There is a risk for libraries that commercial considerations could lead publishers to abandon these archives or that some natural catastrophe could destroy the servers on which the archives are stored.

To allay some of these concerns, the large publishing companies are entering into agreements with national libraries and other digital repositories to deposit a copy of their archives with these institutions. The National Library of the Netherlands has agreements with several large publishers whereby it stores the publishers' archives in an e-depot and adds its own meta-data or converts the publishers' meta-data into its standard using Dublin Core in XML.<sup>4</sup>

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<sup>2</sup> <http://www.sourceoecd.org>

<sup>3</sup> The OECD Mexico Center has more information on special programs for individual or consortia deals

<sup>4</sup> For more information on this project see <http://www.kb.nl/dnp/e-depot/dm/dm-en.html>

Similarly, the organisation JSTOR<sup>5</sup>, which mounts publishers' back-files onto the Internet and allows subscribers to download the articles, has established in the United States and United Kingdom three data centres to provide protection against the loss of its archives. JSTOR offers its subscribers the archives of any participating publisher and currently there are over a hundred participating publishers. The CDI subscribes to JSTOR's business collection and this gives us and our clients access to the back files of 46 journals. Each journal is accessible from volume one number one up to some three or five years ago. JSTOR operates what it calls a "moving wall" which represents the time period between the last issue available in JSTOR and the most recent issue of a journal. Thus the *American Economic Review* is now available electronically to the CDI from 1886 to 2003. and the current issues through Ingenta

Dynamic journals – those that are only published on the Internet – pose an even greater archiving problem. Articles in periodicals like the *Internet Journal of Chemistry*<sup>6</sup> contain HTML text, multi-media and interactive elements that are created dynamically. Procedures must be put in place to preserve these dynamic web-based publications, for if we want to provide access to electronic scholarship in fifty or a hundred years from now, these archives should be stored on platforms independent from those on which they were created. (Baudoin, 2003).

Librarians have not left the task of digitally archiving solely to the publishers. In 2000 a team at Stanford University initiated the LOCKSS (Lots Of Copies Keep Stuff Safe™) project which offers libraries and publishers the possibility of archiving their digital collections on an independent server. Participating libraries can collect, store, preserve, and then provide access to their own copy of the authorised content that they purchase. Currently 80 libraries and 50 publishers from around the world are using the software.<sup>7</sup>

### *The Open Access publishing model*

There has been a lot of discussion recently by professional librarians, publishers and politicians about the price of scientific publications and whether the commercial publishers are making over-inflated profits. The Commission of the European Union has recently published a report on scientific publishing in Europe in which it estimates this market is worth between 7 and 11 million US dollars per year. (Dewatripont et al., 2006). Most of this money is made up of library subscriptions to journals.

Some journals are now available on open access. On its Intranet site the CDI has links to sites like the Directory of Open Access Journals which contains over 2,000 individual journals in its database<sup>8</sup> and Open J-Gate which contains more than 3,000 journals.<sup>9</sup>

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<sup>5</sup> <http://www.jstor.org>

<sup>6</sup> <http://www.ijc.com/>

<sup>7</sup> See <http://www.lockss.org/lockss/Home> for more information about LOCKSS

<sup>8</sup> <http://www.doaj.org/>

<sup>9</sup> <http://www.openj-gate.com/>

Open access changes the business model for scholarly publications: instead of the customer paying a subscription to a journal, the author pays to have his or her article published. The article is then mounted on the Internet and anyone can go to the journal's web site and download the article at no cost. Even some commercial publishers are experimenting with this business model: Oxford Journals is charging the author rather than the end-customer for publishing in a small number of its periodicals. (Gedye, 2004).

#### *Individual articles or a subscription?*

At the CDI we have to decide whether to commit the money for a year's subscription to a title or whether it is more cost effective to use a commercial document delivery service and buy individual articles. The average cost is around US\$30 per article when an article is purchased from a one of these document delivery services, the price consisting of an administration fee and a copyright fee which the supplier passes back to the publisher.

The CDI mainly purchases journal articles from the British Library, where they arrive by fax in 24 hours, or from Ingenta where articles can be downloaded in PDF format. By keeping a financial record of every article purchased we can see if the number of articles purchased from a particular journal justifies taking out a subscription to that title the following year.

#### *Book collection development*

The CDI receives book purchase suggestions from the economists, statisticians and other researchers at the OECD, but the majority of our purchases are chosen by the staff of the CDI. Each month the latest publishers' catalogues are circulated and we select the books for purchase. The diversity of work at the OECD means that the librarians have a wide area of subjects to consider when choosing new monographs. For 2006 the proportion of our total budget allocated to the purchase of books is 40,000 € and this needs to be stretched across all the subject fields of interest to the different directorates.

#### *Inter-library loan or purchase?*

We have to make a decision when our clients request the loan of a book that is not in our collections whether to purchase a copy or whether to borrow one on inter-library loan. Is the subject of the book going to interest several OECD researchers? How recently was it published? At the current fee for inter-library loans charged by the large suppliers like the British Library, a book only has to be borrowed on some three or four occasions and the CDI has paid the equivalent of the average price of an economics monograph.

#### *Electronic alerts*

At the time when there were no electronic versions of articles available, the CDI would purchase multiple copies of a journal and circulate them to OECD staff. It was expensive buying multiple copies, and for popular journals, the routing lists would be quite long, sometimes with eight or ten people on the list. The person at the bottom of the list would receive the journal several weeks or even several months after the issue date.



To make savings in its budget, the CDI cancelled supplementary copies of journals and now just keeps a single copy. To replace the circulation of the journals, the tables of contents of journals are scanned in PDF and are stored on a local server. Staff in the Secretariat who previously received a particular journal on circulation are sent an e-mail with a link to the PDF file of the table of contents. They can then request copies of articles from the journal. With many journals now available online, we have been able to improve the service for many of these electronic alerts, by providing in the alert messages links to the Internet pages where our clients can themselves download the articles.

Amongst other alerts provided by the CDI are an electronic newsletter SPI (La Section des Périodiques vous Informe), which lists new electronic publications and new relevant resources on the Internet; a monthly new acquisitions lists of books and of newly-catalogued Internet sites; and subject resource guides. All these demand a considerable investment in time by the CDI librarians, but the time gained by our clients who use these services makes the cost worth-while.

These in-house services are supplemented for over 200 OECD staff by a table of contents alerting service provided by Ingenta. A user profile is created in Ingenta's database with name, e-mail address etc. and the user can then choose him or herself a selection of journals and keyword searches to receive e-mailed bibliographic alerts of relevant books and articles. Ingenta currently charges US\$3,150 for a site licence for up to 250 of these profiles. We had to carefully consider cost-effectiveness, but the Ingenta service is an important adjunct to the alerts sent by the CDI.<sup>10</sup>

## **Conclusion**

Looking to the future, I see the pressure continuing on publishers to modify their business models in order to accommodate the wishes of their client libraries, whether the negotiations are with a single library or through a consortium. Many journals currently published in paper and electronic format will cease to appear on paper, which logically should push subscription prices down. But will the cost savings made by the publishers in dropping paper formats be passed onto their customers? It is up to us librarians to make sure that vendors do not try and use the smokescreen of "hidden costs" to keep raising annual prices well above the general rate of inflation. We will also hear a lot more about open access publishing.

The CDI has found new ways to face budgetary pressures and as a hybrid library, with a mixture of electronic and printed resources, we have had to evolve and meet the challenge of providing rich resources that are accessible to our clients from limited funds. There is no doubt that we will face further budgetary pressures in the future, but I am

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<sup>10</sup> More information about the Ingenta alert service can be found at <http://www.ingentaconnect.com/>

optimistic about the ability of the CDI to meet these new challenges as they arise, and to continue to obtain more for less.

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