

A Guide to Canadian Research Libraries' Spending on Content

A response to INDU Committee questions from the Canadian Association of Research Libraries

JULY 2018

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During Phase 1 of the INDU Committee's Copyright Review, Committee members asked several groups providing testimony to explain and share data on how universities purchase and license content and how Canadian rights holders are remunerated through this system. Below, CARL attempts to answer this question to the extent possible, with the caveat that obtaining the necessary data is not a straightforward task.

1. How does an academic library decide what to add to its collection?

Academic libraries generally make purchasing decisions based on institutional priorities, course offerings, shifts in the content types and formats used for teaching and research (e.g. increasing dependence on journal articles and electronic content), departmental needs for program accreditation, etc. Scholarly research is a global pursuit – there isn't a different organic chemistry in Canada, a particular kind of Canadian engineering, or a Canadian author bias in a Russian Literature course. Therefore, researchers demand access to the best journal articles and books published internationally to remain relevant and up-to-date in their disciplines. In addition, research libraries regularly make efforts to purchase or subscribe to Canadian content, and institutions invest substantially in Canadian scholarly publishing in order to help it thrive (see [section IV](#) of this memo).

On a practical level, collections librarians typically monitor new releases in the areas for which they are responsible, and purchase materials that are in line with the institution's teaching and research mandate. Members of the university community (primarily faculty members) can also request specific titles or ask that collections be developed in new content areas. For online journals, librarians monitor usage statistics (and increasingly faculty citations and publications) to ensure that subscriptions match their community's needs. One emerging way of selecting eBooks for the collection is patron-driven acquisition (PDA). In PDA, a library enters an agreement with a vendor where thousands of ebook records are made available to library users. Users can access any of the ebooks in this collection, but the library only purchases the book after a certain number of uses or when a certain percentage of a book is read.

Many Canadian research libraries also offer eReserves services. When an instructor opts to use eReserves, he or she submits a list of materials to be included as course readings to the library and library staff verify the copyright status of each item, including if the content is available through an existing library license, or is open access, or can be made available using the fair dealing exception. If copyright permission is required, library staff may secure a one-time transactional license for use in the course. Alternately, if the content is available to be purchased or subscribed to, the material will often be added to the library collection, which is more efficient as it

allows the entire campus community to make use of it on an ongoing basis. The instructor's readings are then made available to the students in the class via the learning management system (LMS).

2. In a university context, who pays for content, and to whom?

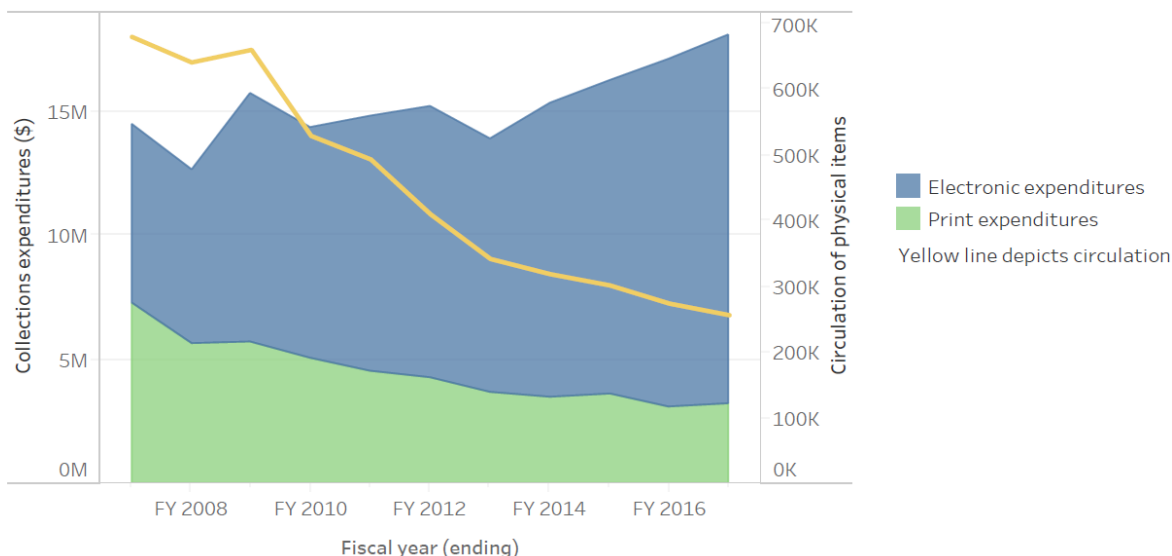
The following diagram reflects the current situation in institutions that manage copyright as opposed to paying blanket tariffs. For those who are functioning under such a tariff or license, expenditures would remain largely unaffected, but additional funds would be disbursed to the collective by the institution, and transactional licenses would be reduced.



3. How have libraries' collections changed in the past 10-15 years?

Shift from print to electronic

Research libraries' historical statistics show that amount spent on electronic content has been going up steadily while the amount spent on print content has been going down. The chart below, as an example from UBC, shows this shift from 2002-2003 to 2016-2017, as well as the dramatic drop in the use of print materials (yellow line).



Increasing variety of content types

Another notable change is in the makeup of the library's collection. In response to their communities' needs, academic libraries are increasingly spending funds on content other than books and journals, e.g. datasets, software subscriptions, streamed audiovisual content.

Canadian vs. international content

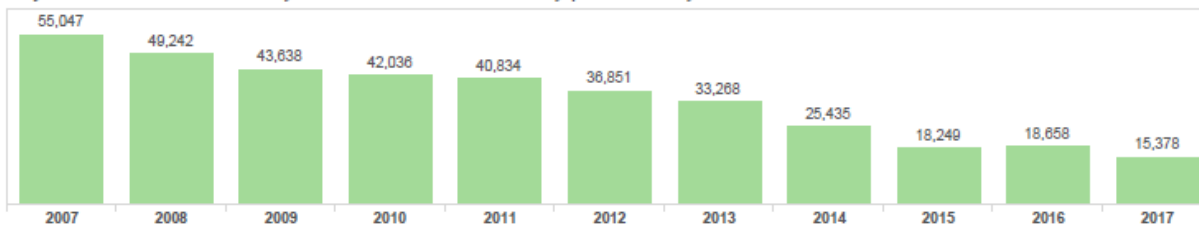
Due to differences in the metadata provided, it is very difficult to assess what percentage of libraries' *electronic* collections is Canadian. However, when UBC undertook an assessment of its print collection, it found that the overall percentage of Canadian books was reasonably steady from 2007 to 2017 (red bars in chart below).

Physical items in UBC Library collection: percentage of titles by publication year and place of publication

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Canada	15% (8K)	13% (7K)	14% (8K)	13% (8K)	12% (5K)	12% (4K)	12% (4K)	13% (3K)	16% (3K)	14% (3K)	13% (2K)
United Kingdom	17% (9K)	15% (8K)	16% (7K)	19% (8K)	20% (8K)	20% (7K)	21% (7K)	21% (5K)	12% (2K)	13% (2K)	14% (2K)
United States	39% (21K)	39% (19K)	38% (17K)	34% (14K)	36% (15K)	34% (12K)	33% (11K)	32% (8K)	28% (5K)	31% (6K)	34% (5K)
Other	29% (16K)	32% (16K)	32% (14K)	34% (14K)	32% (13K)	34% (13K)	34% (11K)	34% (9K)	24% (8K)	11% (8K)	39% (6K)
Unknown or missing code	0% (0K)	0% (0K)	0% (0K)	0% (0K)	0% (0K)		0% (0K)	1% (0K)	0% (0K)	0% (0K)	0% (0K)

However, for the same period, UBC found that the total number of books added to the collection each year was steadily decreasing (green columns in chart below).

Physical items in UBC Library collection: total number by publication year



4. How do university libraries pay for *Canadian* content?

Canadian content hidden within larger collections

Canadian-produced content (e.g. journals or eBooks) is often mixed in with content from elsewhere in collections or bundles. Canadian universities pay a vendor for access to an online collection; that vendor has, in turn, secured agreements with publishers to have the right to include their works in their collection, and have paid the publisher for that right. Similarly, when Canadian libraries purchase individual print or electronic books through an international vendor, which is common practice, it is the vendor that remits payment to the publisher. Therefore, in most cases, funds do not flow directly from Canadian universities to Canadian publishers.

As for how remuneration makes its way to the authors, in cases where the publishing agreement stipulates that royalties will be remitted to the author(s) of the work, this is done as per the contract terms negotiated between the author(s) and publisher (often 10%)¹. We note that there are typically no royalties paid in journal publishing, which is a major portion of scholarly publishing.

It can be difficult to assess “Canadianness” – whether this means that a work is published by a Canadian publisher, written by a Canadian author, or is the official publication of a Canadian scholarly society. For example, several journals that have “Canadian” in their title are in fact published by entities outside Canada (e.g. the Canadian Journal of Cardiology, the official journal of the Canadian Cardiovascular Society, is published by UK-based RELX Group, better known as Elsevier).²

¹ In his April 24, 2018 appearance before the INDU Committee, Mr. Laurent Dubois of the Union des écrivaines et des écrivains québécois (UNEQ) stipulated that “Under a publishing agreement, an author receives 10% of the copyright fees from the sale of a book. That should be the standard contract.” <http://www.ourcommons.ca/DocumentViewer/en/42-1/INDU/meeting-102/evidence> Accessed July 11, 2018.

² <https://www.journals.elsevier.com/canadian-journal-of-cardiology>

Academic libraries' subscriptions and support to Canadian collections

Certain electronic collections within academic libraries are clearly Canadian in scope. In recent years, Canadian academic libraries have supported Canadian content through targeted Canadian licenses through CRKN³ including:

- Érudit Scholarly Journals & Cultural Magazines
- Historical Newspapers: The Globe & Mail Archives (via ProQuest)
- Early Canadiana Online; Canadiana Online; and Canadiana Heritage Project (via the former Canadiana.org)
- Canadian Science Publishing Journals
- Association of Canadian University Publishers (ACUP) Ebooks.

In his [May 24, 2018 blog post](#), Michael Geist profiled a notable Canadian source for ebooks, Canadian Electronic Library's DesLibris database, to which a number of university libraries subscribe. 67 CRKN member libraries purchased a portion of the Canadian Publishers Collection (a subset of DesLibris offerings) back in 2008, and many continue an ongoing subscription to newer content, or purchase individual titles as needed.

Not surprisingly considering the importance of international publishing in scholarly communications, the image below shows that the vast majority of funds spent on CRKN-negotiated licenses is for international collections. Of course, as discussed above, a significant amount of Canadian content is also included in the international collections licensed through CRKN.

³ CRKN, the Canadian Research Knowledge Network, negotiates many of the electronic collections purchased by Canadian libraries, but not all. Some are negotiated through regional consortia, while other agreements are negotiated directly between the institution and the vendor or publisher.



Note: These figures have not been adjusted for inflation.

Universities' support of Canadian scholarly publishing

In addition to purchasing content from Canadian sources, universities play a crucial role in supporting Canadian scholarly publishing. As mentioned by Universities Canada in their submission to the Standing Committee on Industry, Science and Technology's statutory review of Canada's *Copyright Act* "Approximately 75,000 faculty and university teachers work on our campuses and regularly write scholarship, making our campuses home to the largest single group of Canadian authors."⁴ In addition, several institutions support university presses either financially, in kind, or both.

Research libraries devote considerable resources to support programs and positions that strengthen researchers' ability to write and publish their research findings. Numerous libraries have built and support institutional repositories, online spaces to gather, make publicly available, and preserve their institutions' research output. Many research libraries maintain online journal platforms that publish or host and publish journals based at their institutions. Canadian universities and colleges, via their libraries and centres for teaching and learning, are also increasingly supporting the creation, adaptation and adoption of open textbooks and other open educational resources.⁵ Finally, Canadian libraries offer considerable financial support to scholarly

⁴ <http://www.ourcommons.ca/Content/Committee/421/INDU/Brief/BR10002433/br-external/UniversitiesCanada-e.pdf>

⁵ <https://open.bccampus.ca/open-textbooks-canada/>

communication infrastructure providers, such as the Public Knowledge Project (PKP)⁶, a made-in-Canada open source solution for hosting scholarly online content, and Érudit⁷, a consortium of three Canadian universities that provides a high-quality scholarly journal publishing platform and associated services.

5. How much Canadian *literary* content is purchased and used in the Canadian university context?

Academic library collections, which support the university's teaching curriculum and research activities, are comprised mostly of non-fiction, scholarly works. Just as it is difficult to delineate Canadian content within libraries' overall purchasing, literary works (fiction, short prose, poetry and drama) are not always clearly delineated from other content, especially for electronic content. However, an analysis by UBC of their print collection⁸ found that out of the 4,949,292 items, less than 8% were literary works; and of these, approximately a third were Canadian. This means that, in UBC's print collection, Canadian literature accounts for about 2% of the total items.

Considering that literary works are used in a small subset of university courses and that many centuries-old literary classics (which are clearly not Canadian) remain core materials in academic programs, this breakdown is not entirely surprising.

6. Why do research libraries' acquisition models matter to the current copyright review?

We recognize that the way content is purchased, bundled, and accessed, is complex; therefore we wanted to clarify library spending and outline how research libraries set priorities for spending their public funds.

Within scholarly publishing, authors often are not paid and do not benefit from royalties (scholarly books usually include small royalties for authors while journal articles do not). Writing is part of the work of faculty members; it is necessary for their professional advancement and is supported by their salaries as well as grants. Simultaneously, scholarly publishing makes up the majority of the materials held in libraries and used in university teaching and research. Due to its centrality to their mission and work, universities see the advancement and sharing of scholarly writing as an essential responsibility and have therefore invested in this subset of publishing.

⁶ <https://pkp.sfu.ca/>

⁷ <https://apropos.erudit.org/en>

⁸ Due to the variety and heterogeneity of online content purchased by libraries, attempting such an analysis across the electronic collections would be a difficult multi-month undertaking.

The reason it is important to stress the shift from print to electronic collections is that most licenses (and associated payments) negotiated for online content allow for uses by faculty and students for educational purposes. Therefore, for these works, a license with a rights collective is simply not required, nor does fair dealing come into play. Due to the shift in the types of content used within education, the way these works are accessed and licensed, as well as the availability of open access content, currently only a small portion of course materials would benefit from a rights collective.⁹ It is for this reason that organizations such as CARL are adamant that obtaining licenses from rightsholder collectives should not be mandatory – it simply is not necessary for many institutions.

While Access Copyright payments to copyright holders have decreased as a result of libraries' move to directly licensed content, the current market has also provided new income streams (e.g. agreements with vendors who assemble electronic collections and sell access to libraries). Such shifts are to be expected in any industry impacted by the predominant use of the Internet for societal access to information. Since Access Copyright refuses to provide transactional licences to institutions functioning without a blanket licence, they are effectively cutting off authors and publishers from another potential stream of revenue.

We hope that this document helps explain how universities purchase and license content and how Canadian rights holders are remunerated through this system. If you require clarifications about anything in this document, do not hesitate to contact us.

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⁹ In their appearance before the INDU Committee, representatives from Guelph University stated that for content in their E-reserves, the breakdown is as follows: “54% through direct links from licensed materials, 24% open and free Internet content, 6% via transactional licences, with the remaining 16% under fair dealing.” (see <https://www.ourcommons.ca/DocumentViewer/en/42-1/INDU/meeting-110/evidence#Int-10122492>). Similarly, the University of Calgary reported that less than 8% of their E-reserves content is via transactional license (see <https://www.ourcommons.ca/DocumentViewer/en/42-1/INDU/meeting-117/evidence#Int-10149884>) and Ryerson asserted that “More than 80% to 90% of the content we make over to our students in e-reserve is covered through licences for digital materials, links to legally posted publicly available materials and open access content.” (see <https://www.ourcommons.ca/DocumentViewer/en/42-1/INDU/meeting-110/evidence#Int-10123658>)