

IDEAS

University Presses Shouldn't Have to Make a Profit

Stanford University Press relies on subsidies because its mission is to expand knowledge—not to publish blockbusters.

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BECK DIEFENBACH / REUTERS

What is the point of a university press? Should it be expected to support itself? These questions are at the heart of a debate triggered by the Stanford University provost Persis Drell, who indicated in April that the school would impose massive funding cuts on Stanford University Press (SUP). The university appeared poised to completely or almost completely eliminate the press's \$1.7 million annual subsidy, a sum essential to SUP's continued operations. After sustained pushback from the academic community, Drell sent a message to the faculty promising to “make one-time funds available to the Press,” with the possibility of giving it “incremental

funds” in future years, combined with potential opportunities to raise funds from philanthropists, thereby creating a “sustainable” funding model. Nonetheless, the long-term future of the press remains in doubt. SUP probably cannot keep up its operations without significant university funding on top of the \$5 million annual income it generates from publications.

The controversy reflects broader concerns about the future of academic presses. If one of the nation’s wealthiest and most prestigious universities is apparently willing to gut its highly respected press, that does not bode well for other academic publishers. And if academic publishing goes into decline, that in turn could impede the production and distribution of new knowledge—a prospect that should concern even the many people who do not read, much less write, academic books.

According to Peter Berkery of the Association of University Presses, some 80 percent of university presses receive subsidies from their affiliated institutions, which on average account for roughly 15 percent of their total budget. Without that additional funding, the presses would have to significantly curtail their operations, and some might even have to shut down. While some university presses engage in wasteful spending, the fundamental reason why most require subsidies is that they are not *intended* to make a profit. This point brings us back to my first question: What is the point of a university press? Its main task, quite simply, is to publish works that expand our knowledge. Such books do not necessarily attract a large readership. A book that makes a major contribution to science, art, or history might attract a readership limited to a few specialists. Sometimes, specialists are the only people who can even understand it. But the advances in knowledge that such books facilitate can greatly benefit society. A better understanding of history, law, economics, or political science can improve the quality of public policy. Advances in scientific knowledge can lead to improvement in many fields. Many such advances in knowledge are “public goods” that benefit people who cannot be induced to pay for them. As a result, conventional for-profit enterprises may underproduce them.

Academic publishers are not indifferent to profit. I have published books with several academic presses, including Stanford (the publisher of my book *Democracy and Political Ignorance: Why Smaller Government Is Smarter*). Every contract

negotiation I have had involved discussion of potential markets for the book. After *Democracy and Political Ignorance* sold thousands of copies and attracted considerable attention, publishers took a more favorable view of my later book proposals. But we should not expect university presses to publish books *only* likely to make a profit.

Granted, university presses publish a fair number of books that produce neither profits nor valuable contributions to knowledge. But predicting which books will make a notable intellectual breakthrough is often even more difficult than predicting which ones will make a profit. In many disciplines, scholars have significant disagreements about methodology and objectives. Publishers need to consider a wide range of works to reflect the field's diversity. When divergent methodologies conflict, at least one of them might well be an intellectual dead end.

A minority of academic publishers do manage to self-finance. Some, such as Harvard University Press, have large independent endowments, separate from those of their university. University of Chicago Press (the publisher of my book *The Grasping Hand*) has a successful book-distribution business that helps finance its other projects. Oxford University Press (with which I have a forthcoming book) has a large backlist of books that appeal to general-interest readers. A few university presses manage to make large profits publishing academic journals, which in turn finance their book publishing. But these strategies are unlikely to work for most university presses. Few can develop the donor bases needed to build up large endowments. Similarly, few can publish academic journals that sell more than a small number of copies.

None of this suggests that higher education is free of wasteful spending. Far from it. But university presses are only a tiny fraction of total university expenditures. Stanford's annual \$1.7 million grant to SUP is a mere 0.03 percent of the university's \$6.3 billion annual budget. And the admittedly risky investments these publishers make often result in valuable works that would not have been produced otherwise. Universities would do better to cut back on academic bureaucracy, which has massively grown in recent years, with costs that far outstrip expenditures on academic presses.

When I previously wrote in defense of SUP, some readers wondered why I, a libertarian, would criticize the decision of a private institution and urge it to continue funding a money-losing enterprise. I cannot claim to be a completely detached observer. But libertarianism is a political theory that favors voluntary cooperation over state coercion, not a theory that holds that the only worthwhile enterprises are those that make a profit. Still less does it claim that private institutions never make mistakes. Such errors are especially common in the nonprofit world, where the value of output is hard to measure.

Academic presses published pathbreaking books by leading libertarian thinkers, including F. A. Hayek and Milton Friedman, at a time when other publishers were reluctant to print them. Without those crucial early publications, libertarian ideas might not have achieved their current prominence. The same is true for many other schools of thought that challenge dominant intellectual orthodoxies.

Whether libertarian or not, we all have an interest in promoting the development and diffusion of knowledge. Despite their flaws, university presses make a valuable contribution to that enterprise.

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