COURSE REQUIREMENT EXTORTION
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BY now, entering college students and their parents have been warned: textbooks are outrageously expensive. Few textbooks for semester-long courses retail for less than $120, and those for science and math courses typically approach $180. Contrast this with the $20 to $30 cost of most hardcover best sellers and other trade books.

Perhaps these students and their parents can take comfort in knowing that the federal government empathizes with them, and in an attempt to ease their pain Congress asked its Advisory Committee on Student Financial Assistance to suggest a cure for the problem. Unfortunately though, the committee has proposed a remedy that would only worsen the problem.

The committee's report, released in May, mainly proposes strengthening the market for used textbooks — by encouraging college bookstores to guarantee that they will buy back textbooks, establishing online book swaps among students and urging faculty to avoid switching textbooks from one semester to the next. The fatal flaw in that proposal (and similar ones made by many State Legislatures) is that used books are the cause of, not the cure for, high textbook prices.

Yet there is a way to lighten the load for students in their budgets, if not their backpacks. With small modifications to the institutional arrangements between universities, publishers and students, textbook costs could be reduced — and these changes could be made without government intervention.

Today the used-book market is exceedingly well organized and efficient. Campus bookstores buy back not only the books that will be used at their university the next semester but also those that will not. Those that are no longer on their lists of required books they resell to national wholesalers, which in turn sell them to college bookstores on campuses where they will be required. This means that even if a text is being adopted for the first time at a particular college, there is almost certain to be an ample supply of used copies.

As a result, publishers have the chance to sell a book to only one of the multiple students who eventually use it. Hence, publishers must cover their costs and make their profit in the first semester their books are sold — before used copies swamp the market. That's why the prices are so high.

As might be expected, publishers do what they can to undermine the used-book market, principally by coming out with new editions every three or four years. To be sure, in rapidly changing fields like biology and physics, the new editions may be academically defensible. But in areas like algebra and calculus, they are nothing more than a transparent attempt to ensure premature textbook obsolescence. Publishers also try to discourage students from buying used books by bundling the text with extra materials like workbooks and CDs that are not reusable and therefore cannot be passed from one student to another.

The system could be much improved if, first of all, colleges and publishers would acknowledge that textbooks are more akin to computer software than to trade books. A textbook's value, like that of a software program, is not in its physical form, but rather in its intellectual content. Therefore, just as software companies typically "site license" to colleges, so should textbook publishers.

Here's how it would work: A teacher would pick a textbook, and the college would pay a negotiated fee to the publisher based on the number of students enrolled in the class. If there were 50 students in the class, for example, the fee might be $15 per student, or $750 for the semester. If the text were used for 10 semesters, the publisher would ultimately receive a total of $150 ($15 x 10) for each student enrolled in the course, or as much as $7,500.

In other words, the publisher would have a stream of revenue for as long as the text was in use. Presumably, the university would pass on this fee to the students, just as it does the cost of laboratory supplies and computer software. But the students would pay much less than the $900 a semester they now typically pay for textbooks.

Once the university had paid the license fee, each student would have the option of using the text in electronic format or paying more to purchase a hard copy through the usual channels. The publisher could set the price of hard copies low enough to cover only its production and distribution costs plus a small profit, because it would be covering most of its costs and making most of its profit by way of the license fees. The hard copies could then be resold to other students or back to the bookstore, but that would be of little concern to the publisher.

A further benefit of this approach is that it would not affect the way courses are taught. The same cannot be said for other recommendations from the Congressional committee and from State Legislatures, like placing teaching materials on electronic reserve, urging faculty to adopt cheaper “no frills” textbooks and assigning mainly electronic textbooks. While each of these suggestions may have merit, they force faculty to weigh students’ academic interests against their fiscal concerns, and encourage them to rely less on new textbooks.

Neither colleges nor publishers are known for their cutting-edge innovations. But if they could slightly change the way they do business, they would make a substantial dent in the cost of higher education and provide a real benefit to students and their parents.

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