A Healthy Information Economy

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cash distribution, and returns on effort and risk to encourage knowledge growth and assure that
knowledge reaches all members of society?

First, before we mandate open access to all scholarly work, perhaps we should ask
existing funding sources to study the possible advantages of a free market for software, sci-
ence, and other creative work. To get a vision of the scale of changes that might be supported
by new information technology, consider this:
to best serve people in their quest to satisfy
their unique needs, interests, and abilities,
just providing access is not enough. We need
to promote choices aggressively. Individuals
need to become aware of and properly appreciate
and understand their options. For this to
happen, the information industry will need to
conduct market analyses and actively “sell”
the options that any given individual should be
considering. Such sales cost money.

How much would such promotion cost?
Consider Coca-Cola. Its 2005 annual report
documents spending $8.7 billion on “sell-
ing, general and administrative expenses”
Note that this is about twice the entire budget for the National Science Foundation
for that year. How much interest, use, and ad-
ditional funding might we generate if we could
spend that amount to sell users on the potential
of our next scholarly project?

Innovation is the sine qua non for new
industry to emerge to drive the growth of the
economy. Our greatest innovations, the para-
digm shifts, come from basic research, yet
basic research also has the greatest risk. We
need to restructure the market for scholarly and
scientific work to promote investment in intrin-
sically risky pursuits. Could we mitigate risk
in such investments by packaging high-risk,
high-payoff endeavors with those considered to
have lower risk and lower payoff—a mutual
fund for research?

A Role For Libraries and Others

Such investments depend on information
about information itself to reveal investment
opportunities. Could the indexes and cata-
logs created by the library industry be
used to generate this sort of information?
Librarians already assess the “market” for ac-
quissions. Reference librarians and catalogers
already study how best to “advertise” library
holdings in response to patrons’ interests.

But how do we transform current library
activities so they contribute to market struc-
ture itself? Citation analysis may not be quite
enough to fairly allocate research cash returns
down the service chain. We may need more em-
phasis on the dependencies between texts and
especially on the causal relations between
the concepts that they contain. Especially during
the transition period, we will need to segment
users. Perhaps in all cases users should be paid
when they make the effort to take in the latest
and greatest information. And who should
pay them? The parties who benefit from an
informed information customer. In many cases,
the users themselves will earn money from
what they learned. Monitoring and charging
for this may entail additional scholarly work to
understand and allocate value across all
the elements leading to monetary gain. New
roles for copyright and patent legislation may
become appropriate. Alternatively, we may
want to extend the way we charge users for not
learning the best options, suggesting possible
new roles for malpractice lawyers.

Current government funding agencies, pub-
lishing houses, and academic institutions
will be necessary in an open market. Clearer
attention to information costs and benefits to
these institutions will naturally bring them
into the new economy, likely playing roles
very similar to those they now play. The hope
is, however, that those institutions’ roles will
command a much smaller share of the market
as people move into lifelong learning across
the spectrum of life activities. It is also likely
that additional legislation and government
monitoring will be required to combat unfair
trade practices in an open market for informa-
tion and scholarly work.

Everyone benefits when people learn some-
thing that allows them to make a more informed
decision, but people benefit disproportionately.
A final question to reflect upon is, How might
a new information economy take that fact
into account, charge those who gain financial
benefit fairly, and use the monies raised to spur
increased growth of knowledge and increased
use of the best of what is new?