

The logo for BOBCATSSS features the word "bobcatsss" in a bold, lowercase, sans-serif font. The text is centered and overlaid by two thick, orange, curved lines that sweep from the bottom left towards the top right, framing the text.

bobcatsss

BOBCATSSS 2010 @ Parma, Italy

Dates: Monday 25th, Tuesday 26th, Wednesday 27th January, 2010

**Bridging the digital divide:
libraries providing access for all?**

"Libraries will get you through times of no money better than money will get you through times of no libraries." (Ann Herbert, 1980)

How to survive the recession as a cultural entrepreneur.

Jelke Nijboer

j.nijboer@hva.nl

School of Design and Communication
Amsterdam University of Applied Sciences

Key words: cultural entrepreneurship; libraries; library management

Abstract

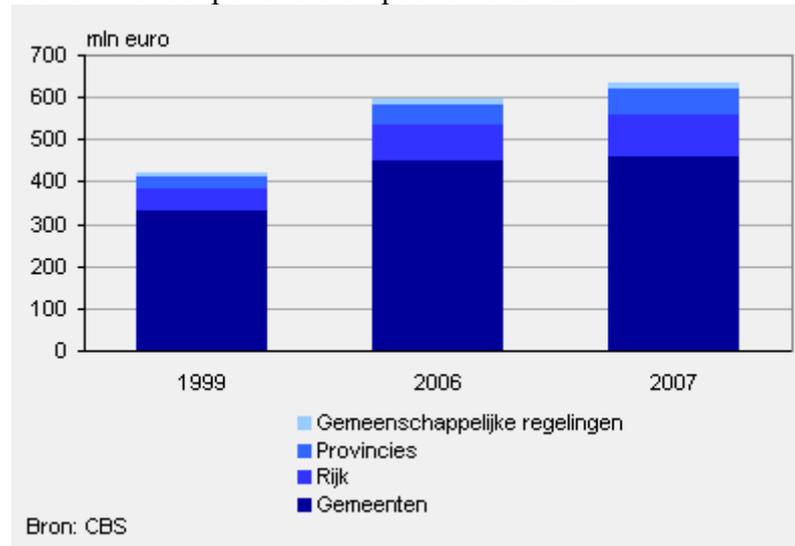
Cultural entrepreneurship in libraries, museums and other cultural organizations is a dominant trend in the 21st century. The ideas of Pine and Gilmore (1999) about the experience economy were implemented in many libraries all over the world: from Singapore, California to rural towns in the Netherlands. To be successful, libraries cooperate and build strategic alliances with other cultural organizations to develop (new) library services and increase the level of funding. Libraries with a policy of cultural entrepreneurship invested a considerable amount of money in (re)training librarians in the necessary competences for their new role, as well as refurbishing libraries into open-structured, multi-functional places to encourage users to communicate with each other and participate in cultural events. This requires a lot of extra funding. Can libraries uphold their new role as cultural entrepreneur in the next couple of years? A major cut in library funding is expected by many library directors, due to huge budget deficits in many countries, caused by the worldwide recession. Libraries have to show they can make a real contribution to society to guarantee funding in even the most difficult of times. Review the library mission and operating model. Look for new opportunities that will help to survive the deep recession. Pursuing a wider range of possible partners for library services, acquiring income in new ways. Cultural entrepreneurship will make the difference in steering through this difficult times.

Introduction

The interest of many local councils in cultural entrepreneurship stimulated many library directors to promote their libraries and demonstrate their ability to act as cultural entrepreneurs and provide new services which target new user groups and reclaim lost ones (Nijboer 2006). The ideas of Pine and Gilmore (1999) about the experience economy were implemented in many libraries all over the world: from Singapore, California to rural towns in the Netherlands. The trend is to create experiences in libraries which requires new skills and attitudes of librarians and a different library infrastructure. To be successful, libraries cooperate and build strategic alliances with other cultural organizations to develop (new) library services and increase the level of funding. Many libraries embraced a policy of cultural entrepreneurship and invested a considerable amount of money in (re)training librarians in the necessary competences for their new role, as well as refurbishing libraries into open-structured, multi-functional places and participate in cultural events to create the experience library. Often the flagship store (the Central Library) was relocated at the creative and cultural

heart of the city. A good example is the new central library of Amsterdam (2007), including a theatre, with a strategic location between the inner city and the waterfront IJ area at the creative and cultural heart of Amsterdam. Refurbishing, relocating, retraining etc. requires a lot of extra funding. The new strategy of many libraries paid off in the Netherlands, encouraged by a 50% increase in library funding in the last decade. The local councils spent €458 million in 2007 (72% of total library expenditure), central government €101 million (16%), provincial governments €59 million (9%) and special funds, including EU money €15 million (2%).

Government expenditure on public libraries



(Meer geld voor bibliotheken, 2009).

An important issue in 2010 and 2011 is: can libraries uphold their new role as cultural entrepreneur when the funding of libraries will be severely effected in the next couple of years. The most serious recession since the 1930s and the huge budget deficits in many countries will hit the library budget not just a little, it will really hurt. The budget deficit in the United States is at the moment 12%, the United Kingdom has a staggering 15%, Spain 11% and Greece a 12% deficit. The average budget deficit in the Euro zone is 6.5% (Economic, 2009). While Central government current receipts are lower and public sector net borrowing is up sharply in many EU countries the net result will be higher taxes and spending cuts in many areas, such as the cultural sector. A major cut in library funding is expected by many library directors, due to these economic circumstances.

The effects of the decline in funding in the US in 2009 and 2010 is a warning for Dutch and other European countries for the years to come. A survey in the art world in California, particular hard hit by the recession, reported a 18-20% decline in funding in 2009 and a majority expects additional cuts in 2010 (Effects, 2009)) will be a warning for the rest of the cultural sector.

One can argue that budget reductions are counterproductive during the recession when people seem to rediscover libraries (many libraries in the States saw a substantial increase in circulation and attendance (Berger, 2009; Carlton, 2009; Cook, 2009)) In spite of such a strong argument it doesn't withhold local councils to make severe cuts in library budgets. E.g. the New York Public Library has to deal with a \$23.2 million funding cut from July 2009, which will mean that 465 jobs disappeared and almost 300 people through layoffs - branch

operating hours cut from 52 hours a week to 41. The Queens Library has a \$13.9 million cut, it means a 24% staff reduction. Every library branch is closed during the weekend and some will be open less than five days a week. The Brooklyn Library budget has been reduced with a \$14 million, a reduction of 17%. More than 200 jobs disappeared. That meant a \$50 million reduction in the budget of all the New York libraries. Not only public libraries are effected by the recession, also prestigious university libraries (Stanford University: “more than 60 library positions have been affected by layoffs, reassignments and other cost-cutting measures to meet the 2010 budget reduction mandated by the university” (Budget, 2009)).

Wake-up call

The Dutch libraries are slowly waking up to the fact that they will not escape the budget cuts in the cultural sector. The increase of library budgets in the last decade made many less alert for bad times to come. Many libraries hoped that the news of budget reductions was just a bad American dream and would not cross the ocean. A well known library blogger in the Netherlands expected nine months ago that the Dutch libraries didn't have to fear much (Mijnsbergen, 2009). How deeper the crisis, how busier the library. It provides the smart librarian with lots of opportunities (Wieldraaier, 2009). Well, well, the reality is quite different at the moment! In the Netherlands we saw the first staff reductions in public libraries in some major cities (Rotterdam and Groningen) and other libraries will follow in 2010 and 2011. The Amsterdam council announced in November 2009 that at the beginning of 2010 they will propose budget cuts for the next four years with a total of 620 million euros! One can't imagine that the public library and other cultural organizations in Amsterdam will escape severe cuts in their budgets for the next couple of years.

Many library directors in the Netherlands expect now a cut in funding of appr. 6-10% in the next couple of years. However there is a real possibility that the average cut in library funding will be in the range of 15-20% since the publication of the government's budget 2010. One has to go back 25 years in the Netherlands that library funding in general was severely affected by the economic recession in the early eighties and experienced labour unrest in the Dutch library world (to fight staff reductions, reduced opening hours, closings of branches, cuts in the book budgets etc.)



(February 16, 1984)

The libraries in the Netherlands are ill prepared for these extraordinary circumstances and most of them have no contingency plans. In the US some libraries took unorthodox measures

to keep the business running by closing for some time (including the library website!) and not paying the library staff during the closing hours (Seattle, 2009). In the Dutch social system and elsewhere in the EU this will probably not be viable alternative option to manage budget cuts.

Cultural entrepreneurship makes the difference.

How libraries respond to the present challenge will be crucial for the future funding. Libraries have to show they can make a real contribution to society to guarantee funding in even the most difficult of times. It does mean that libraries have to assess the importance and function of each of the library services offered to the public and establish which services add value towards the mission, goals and objectives of the library. Libraries with clearly defined goals and supporting objectives (which help to define the goals and measure, identify conflicting activities and ensure accountability within the library) are in a position to make the right decisions in the allocation process and set priorities for the new budget.

If you assess the importance and function of each of the library services one has to consider the costs, use and satisfaction of users for these services. Collecting data, including market research is an important tool to establish the relevance of a service. It makes the decision process more transparent and objective, but it is not an easy task. Many Dutch libraries participate in regular customer satisfaction and benchmark studies at a provincial or nationwide scale to assess their performance. Outcome: users are generally (very) satisfied with library services and the recommendations for improvements tend to be in the area of a greater variety in the collection, increased opening hours, more cultural and educational activities, accessibility, improved interior and exterior of library buildings, more customer friendliness (e.g. Provinciebreed, 2007). Market research is a useful tool for cultural entrepreneurs, but unfortunately most of these recommendations to improve services will cost more money. In times of recession and budget reductions it isn't one of the top priorities to improve services which are already judged as very satisfactory.

Allocating the budget

Most libraries in the Netherlands are ill prepared for these extraordinary circumstances and most of them have no contingency plans. The local council, the board of trustees and the management go often for quick solutions and decide on the basis of incomplete information (quantitative as well as qualitative) to close branches, reduce opening hours and make staff redundant (temporary and younger staff are often the first victims in this process) to balance the next year's budget. Staff reductions is in the view of many decision makers the most efficient measure, because the personnel costs are the biggest chunk of the budget (70-80%). The most frequent decisions in the United States to reduce operating costs are: staff reductions, closing library branches completely or reduce opening hours and offer fewer library activities to the public. The special website of the ALA about library funding provides a good overview of recent budget decisions taken by libraries in the States (Funding, 2009). The decisions taken in the Netherlands are not so much different from the States, but drastic staff reductions is in the Dutch social system not possible and will be costly in the short term.

These budget decisions are often taken without properly assessing each of the library services and activities. Why branch A will be closed and not B? Why reduce opening hours in some branches with 25% and not reduce the opening hours of the Central Library from twelve to eleven hours a day (8%)? Why keep an innovative expensive reference service running which

is hardly used? If the management does have clear goals and objectives and performs cost/benefit analyses of the library services on a regular basis one can expect a more objective decision making process for next year's budget. The decisions taken are often full of distorted information, politically motivated, influenced by library advocacy groups ('friends of the library'), labour unions and other stakeholders. Sometimes even the court overrules budget decisions to close branches (Judge, 2009). In these circumstances a library with a cultural entrepreneur at the helm is probably better off with an excellent political entrepreneur.

Across-the-board cut

Another method often used in the decision making process is the so called 'across-the-board cut'. It is the easy way out. The management declares e.g. all departments and branches will reduce 10% of their next year's budget in light of the current economic recession. You wonder, why all departments and all branches, and why all the same percentage? Why not increase the budget of department A and branch D with 5% and close or cut the budget for branch C with 50%? 'Across-the-board cut' is very popular in the profit and not-for-profit sector. It is so much easier to share the burden and it doesn't really hurt. However, no strategic decisions will be taken. In a way it is a kind of irresponsible behaviour towards the library in the long term and if you pretend to run the library as a cultural entrepreneur, it is not done!

Activity Based Costing (ABC)

If you have to cut costs during the recession, do it in such a way that it will improve the performance of the library. It will separate the winners from the losers. One method to become a winner is using ABC. This management tool was developed by Cooper & Kaplan (1988) and started in the manufacturing sector to provide more accurate information about production and support activities and product costs. Management can focus its attention on the products with the most leverage for measuring profits (p.103). Cooper has written extensively on the shortcomings of traditional cost accounting systems and since the publication it has gained many supporters in practice, including the not-for-profit sector.

ABC can assist library managers to better understand their actions and decisions by focusing attention on those activities that help them achieve their goals, through a structured and methodical process (Activity, 2001). ABC is a useful tool that provides accurate costing of library activities. It delivers information about the costs of activities, products and services and provides an understanding of what drives library costs and making them visible for cost-benefit analyses. It shows the output and output measure and is very helpful in the evaluating library processes and activities (Activity, 2001; Ellis-Newman, 2003). ABC enables the library to make informed decisions concerning the optimal allocation of resources. Activities that are non value-adding can be discontinued and resources shifted to activities that provide the most value to the organisation (Ellis-Newman, 2003).

Conclusion

If you assess the importance and function of each of the library services one has to take into consideration the costs, use and satisfaction of users for these services. ABC is a useful management tool for cultural entrepreneurs to allocate limited resources to relevant library services and activities in an appropriate way. ABC will help to manage the budget and have resources available for innovation. In the meantime look also for new opportunities, new partners for library services and activities and possibly acquiring income in new ways. At the end of the recession: your library will be a winner, not a loser. Cultural entrepreneurship will make the difference in steering through this difficult times.

Literature

Abel, David (2009). Welcome to the library. Say goodbye to the books. *The Boston Globe*, Sept. 4.

http://www.boston.com/news/local/massachusetts/articles/2009/09/04/a_library_without_the_books/

Activity Based Costing. A Study to develop a costing methodology for Library and Information Technology Activities for the Australian Higher Education Sector (2001). Information and Education Services Division The University of Newcastle, Higher Education Division.

<http://www.dest.gov.au/NR/rdonlyres/2E695832-4B00-47D9-8C6B-52D0F1AC557F/4653/libraries.pdf>

Applegate, Lisa (2009). Libraries hit hard by recession; Funding cuts hampers efforts as more people take advantage of services. *Chicago Parent*, Oct 26 2009.

<http://www.chicagoparent.com/magazines/chicago-parent/2009-november/libraries-hit-hard-by-recession>

Berger, Joseph (2009). Times Are Tough, Libraries Are Thriving, *New York Times*, March 11.

http://www.nytimes.com/2009/03/15/nyregion/long-island/15libraryli.html?_r=1

Block, Dorian & Frank Lombardi (2009). Economy sets stage for service cuts, layoffs at New York's city library systems. *The Boston Globe*, March 18th.

http://www.boston.com/news/local/articles/2009/03/29/library_director_turns_a_new_page/

Budget cutbacks announced in Libraries, Center for Professional Development. *Stanford Report*, June 10, 2009.

<http://news.stanford.edu/news/2009/june17/layoffs-061709.html>

Carlton, Jim (2009). Folks Are Flocking to the Library, a Cozy Place to Look for a Job. *Wall Street Journal*, Jan. 15. <http://online.wsj.com/article/SB123197709459483585.html>

Cook, Nancy (2009). Library director turns a new page; economy offers huge challenge. *The Boston Globe*, March 29.

http://www.boston.com/news/local/articles/2009/03/29/library_director_turns_a_new_page/

Cooper, R. & Kaplan, R. S. (1988). Measure costs right: Make the right decisions. *Harvard Business Review*, 66, Sept./Oct., 96-103.

Economic and financial indicators (2009). *The Economist*, Nov. 14, 110.

Effects of the Economic Recession on the Folk & Traditional Arts (2009).

<http://www.actaonline.org/content/effects-economic-recession-folk-traditional-arts>

Funding News@your library. News and information for librarians and library supporters regarding library funding from the ALA Public Information Office.

<http://www.ala.org/ala/issuesadvocacy/libfunding/index.cfm>, accessed Dec.30 2009.

Global Study of CIOs on Drivers of Enterprise Efficiency (2009).

http://www.earthtimes.org/articles/show/dell-and-london-school-of_1050962.shtml

Ellis-Newman, Jennifer (2003). Activity-based costing in user services of an academic library. *Library Trends*, 51, 3, Winter, 333-348.

Hughes, Sandra (2009). In Recession, Libraries Are Booming. *CBS Evening News*, Febr. 2 2009.

http://www.cbsnews.com/stories/2009/02/02/eveningnews/main4770599.shtml?source=RSSattr=HOME_4770599

Judge Overrules Philadelphia Branch Closings (2009). *American Libraries*, Jan.

<http://www.ala.org/ala/online/currentnews/newsarchive/2009/january2009/phillyclosingsoverruled.cfm>

Laan, Marc (2009). Bedrijf kan fors besparen op IT. *Het Parool*, Nov.18, 27.

Meer geld voor bibliotheken (2009). *Webmagazine*, Aug.24. www.cbs.nl

Mijnsbergen, Edwin (2009). Crisis? *ZB Digitaal*, March 15.

<http://www.zbdigitaal.nl/2009/03/crisis.html>

A new concept: the experience library (2003). Retrieved from: <http://www.debibliotheken.nl>

Nijboer, Jelke (2006). Cultural entrepreneurship in libraries. *New library world*, 107, 9/10, Sept./Oct., 434 – 443.

Pine, Joseph B. and Gilmore, James H. (1999). *The Experience Economy: work is theatre & every business a stage*. Boston: Harvard Business School Press.

Preimesberger, Chris (2009). Survey of CIOs Reveals Key Drivers of IT Efficiency. *eWeek.com*, Nov. 24.

<http://www.eweek.com/c/a/Data-Storage/Survey-of-CIOs-Reveals-Key-Drivers-of-IT-Efficiency-280164/>

Provinciebreed klanttevredenheidsonderzoek in Overijssel (2007). *Bibliotheekblad*, 8/9, May 14.

The Seattle Public Library system to close Aug. 31 through Sept. 7 (June 3, 2009)

http://www.spl.org/default.asp?pageID=about_news_detail&cid=1244048416877

Wieldraaijer, Eimer (2009). Zegenrijke ramp? *Bibliotheekblad*, 16/17, August 27, 3.

CV:

**Mr. Jelke Nijboer, Manager Section Information & Media.
School of Design and Communication, Amsterdam University of Applied Sciences.
Jelke Nijboer has been involved in the setting up of BOBCATSSS from the very
beginning. He organized with the founding father of BOBCATSSS, dr. Ruud Bruyns,
the first symposia in Budapest. He is a regular contributor of papers or workshops at
BOBCATSSS (1993-1996 and 2003-2009).**