

Capitalism and the Evolution of the Library Marketplace

From Philanthropy to Platforms

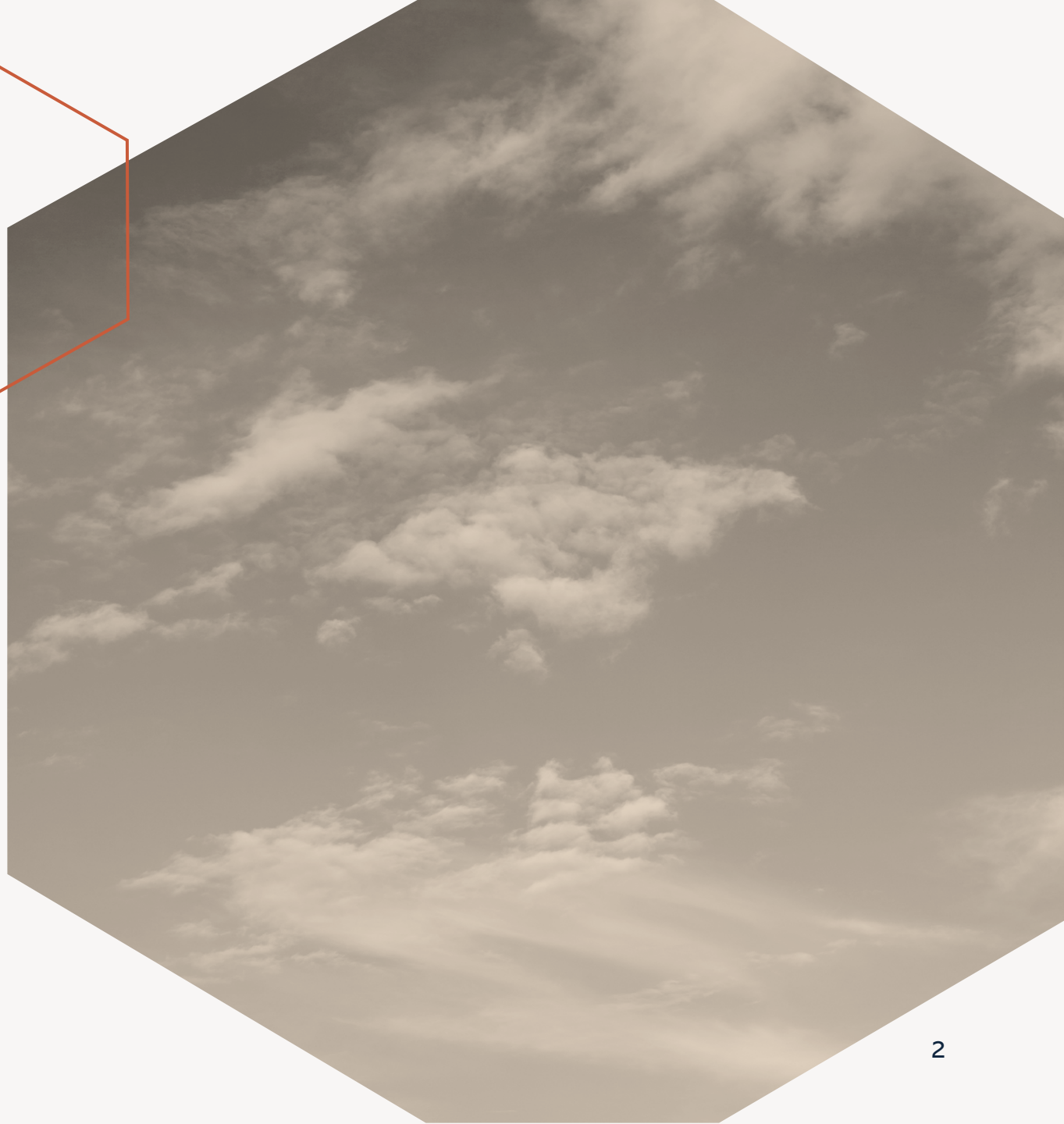
Julie Gaida, MLIS | ILA/ACRL 2026



Thesis

Libraries exist within economic, political, and technological structures which have changed over time and shaped how libraries operate within their specific marketplace. By tracing libraries and their marketplaces through time, we can see an increasing structural mismatch between the core values of librarianship and the market logistics under which libraries are forced to operate.

Capitalist values are increasingly antithetical to library values.





Agenda

Presentation Title



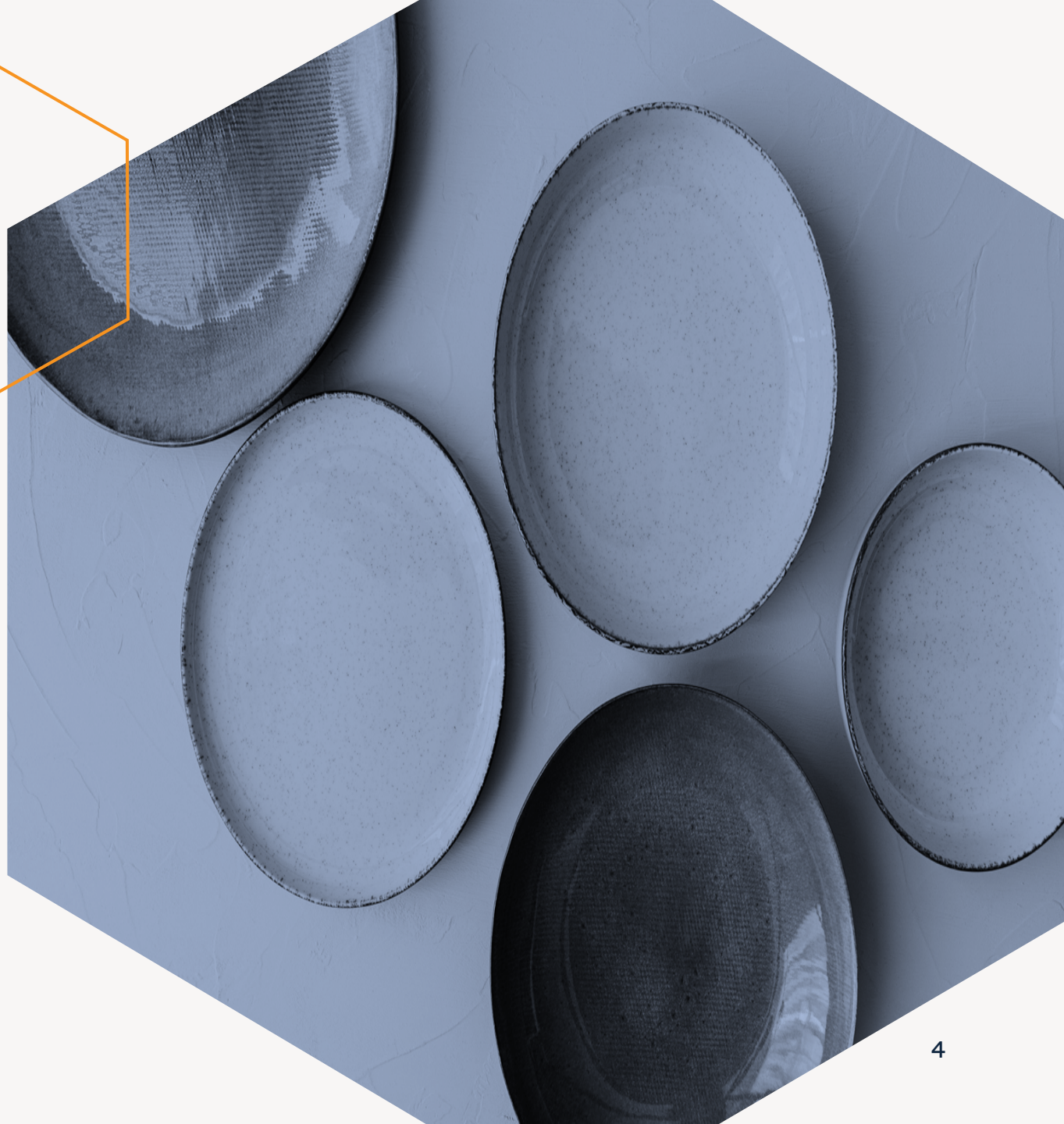
Disclaimers & Disclosures

Any opinions expressed in this presentation are my own and do not necessarily reflect those of the institution at which I work.

I am an acquisitions/electronic resources librarian, not a critical theorist, economist, historian, or public policy expert. All mistakes are my own.

This presentation was primarily created by a human with some AI assistance, particularly using goblin.tools.

My original presentation was way longer than 50 minutes, so much has been cut from the script, but not necessarily the slides.



Some Perspective

“To put the numbers in perspective, the total construction cost of the Large Hadron Collider at CERN – the largest scientific experiment in the history of humanity – was around 5 billion euros.... The cost of science publishing would cover the construction of 10 to 20 top-of-the-line successor experiments to the LHC.”

Syksy Räsänen, “The future of journal publishing here today” (2019)

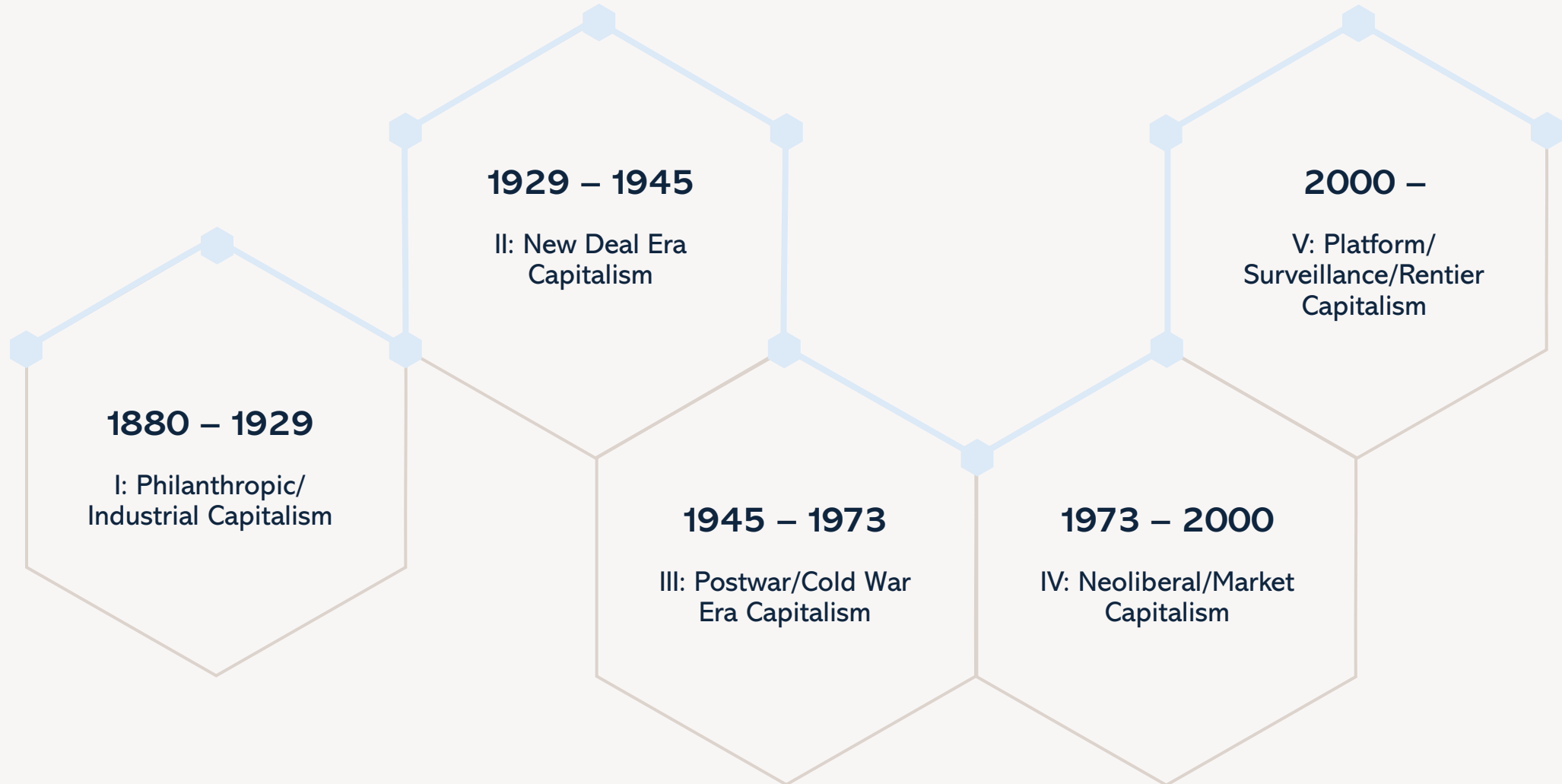
Economic Terms & Definitions

- **Capitalism:** An economic system where private owners control production and aim for profit; markets organize prices, production, and distribution
- **Commodification:** Turning goods/services (including knowledge) into market products with prices, licenses, and restrictions
- **Financialization:** The rise of primacy of finance in the economy, where making money from money eclipses making money from production; a system where money itself is the commodity used for profit
- **Neoliberalism:** A policy ideology favoring market competition through privatization, deregulation, austerity, and a reduced welfare state
- **Oligopoly:** A market dominated by a few firms with outsized pricing and negotiating power
- **Shareholder Primacy:** The concept that corporations have a fiduciary responsibility to maximize shareholders' long-term value, with other interests only considered if they support that aim
- **Vertical Integration:** A business strategy where a company owns or controls multiple stages of its supply chain, instead of relying on external suppliers

Library Marketplace Terms & Definitions

- **Big Four:** The trade publishers oligopoly: Penguin Random House, Macmillan, Hachette Book Group, and HarperCollins
- **Big Five:** The academic publisher oligopoly: Elsevier, Springer Nature, Taylor & Francis, SAGE, and Wiley
- **Big Deal:** A multiyear bundled journal or ebook package, typically marketed as cheaper than buying the same titles a la carte; characterized by limited title-level flexibility and, in some cases, confidentiality clauses which obscure prices that vary significantly by institution
- **Open Access (OA):** The free, immediate, online availability of research articles coupled with the rights to use these articles fully (SPARC)
- **Read & Publish Agreement:** Also called a “transformative agreement”, a contract negotiated between institutions and publishers meant to transform the business model from subscription read access toward open access publishing
- **Serials Crisis:** Long-term trend of journal prices rising faster than both the Consumer Price Index (CPI) and the Higher Education Price Index (HEPI) -- not to mention library budgets -- forcing cancellations and tradeoffs

Capitalism Eras/Library Marketplace Timeline



Eras of Capitalism

- **Philanthropic/Industrial Capitalism (1880-1929):** Raw, unregulated capitalism that concentrated wealth at an unprecedented scale, then effected selective philanthropy to legitimize inequality rather than remedy it.
- **New Deal Era Capitalism (1929-1945):** A capitalism in crisis that accepts state intervention as the price of its own survival, temporarily subordinating market logic to democratic governance and social stability.
- **Postwar/Cold War Era Capitalism (1945-1973):** A managed capitalism built out of an historical compromise between labor, capital, and the state, supercharged by military spending and ideological competition with the Soviet Union into the most broadly prosperous period in American economic history.
- **Neoliberal/Market Capitalism (1973-2000):** A deliberate ideological project to dismantle the postwar compromise, reassert the primacy of markets over governments, and redirect wealth upward through deregulation, privatization, and the systematic defunding of public institutions through austerity measures.
- **Platform/Surveillance/Rentier Capitalism (2000-):** A capitalism that has moved beyond producing goods and now extracts value/rents by owning the infrastructure through which all economic and social life flows, monetizing access, behavior, and attention itself; the human experience has become the commodity.

ALA Core Values of Librarianship, current



Access

Equity

**Intellectual
Freedom & Privacy**

Public Good

Sustainability

ALA Core Values of Librarianship, pre-2024



**Education &
Lifelong
Learning**

Democracy

**Social
Responsibility**



1880

-

1929

I: Philanthropic/ Industrial Capitalism

Era Characteristics I

- Gilded Age (1870s-90s) and the Progressive Era (1900-1929)
- Carnegie is a “robber baron” who accrued wealth from his steel production monopoly
- Income taxes ruled unconstitutional (1895) and then the 16th amendment made them permanent (1913)
- No meaningful antitrust enforcement, despite Sherman Antitrust Act (1890), until Teddy Roosevelt’s trust-busting presidency (1901-1909)
- Failed labor strikes of 1919 and the First Red Scare characterized unions as “un-American”
- *Dodge v. Ford Motor Co.* (1919) ruling is early articulation of shareholder primacy
- “Social Darwinism” ideology is influential, and led to pressures on the wealthy to give back in the form of gifts
- Panics of 1893, 1896, and 1907 reveal library funding vulnerabilities

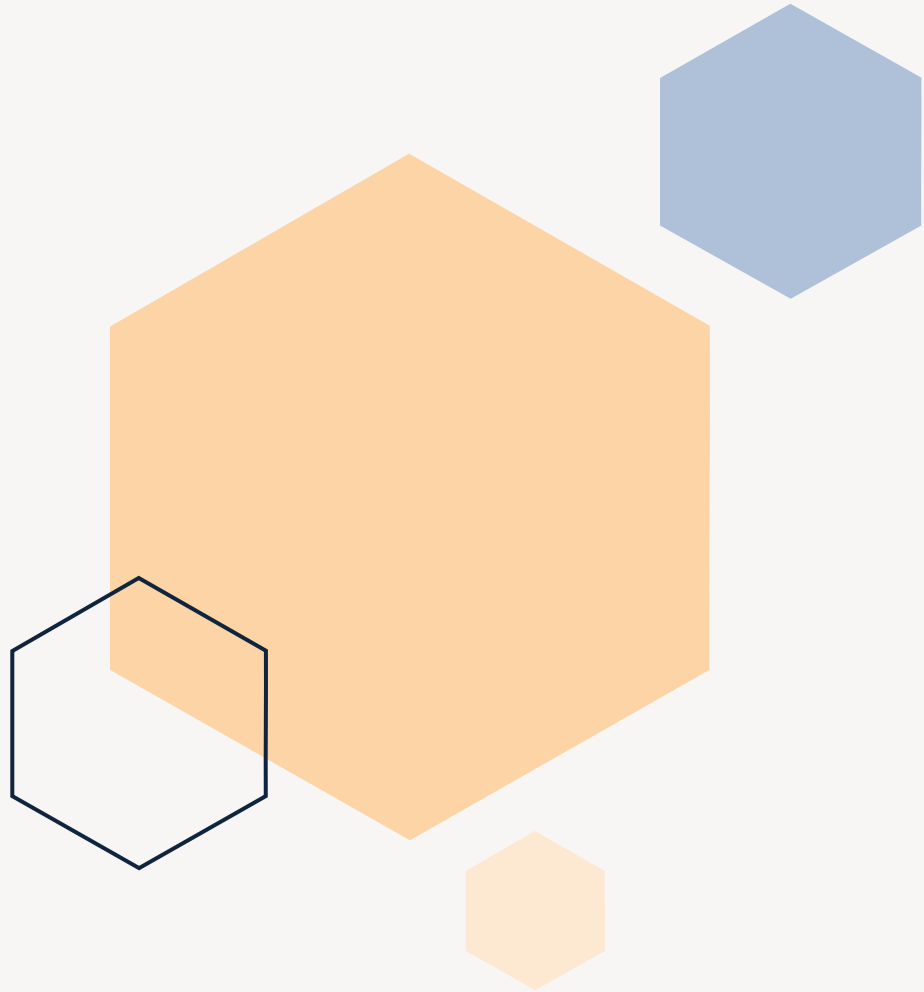


Photo source: <https://carnegielibrariesiowa.org/library/waverly/>

Carnegie Libraries

- Andrew Carnegie built approx. 2,500 worldwide, with approx. 1,700 in the U.S. (1883-1917)
- Carnegie only built the building; municipalities provided land, were responsible for operations/collections, and maintained the building
- The gift of the building created an obligation and a dependency on municipal tax revenue
- Libraries as instruments for:
 - social mobility in an industrial capitalist economy
 - producing a disciplined, literate workforce
- Power dynamics: philanthropists set conditions for public infrastructure and municipalities are left holding the bag



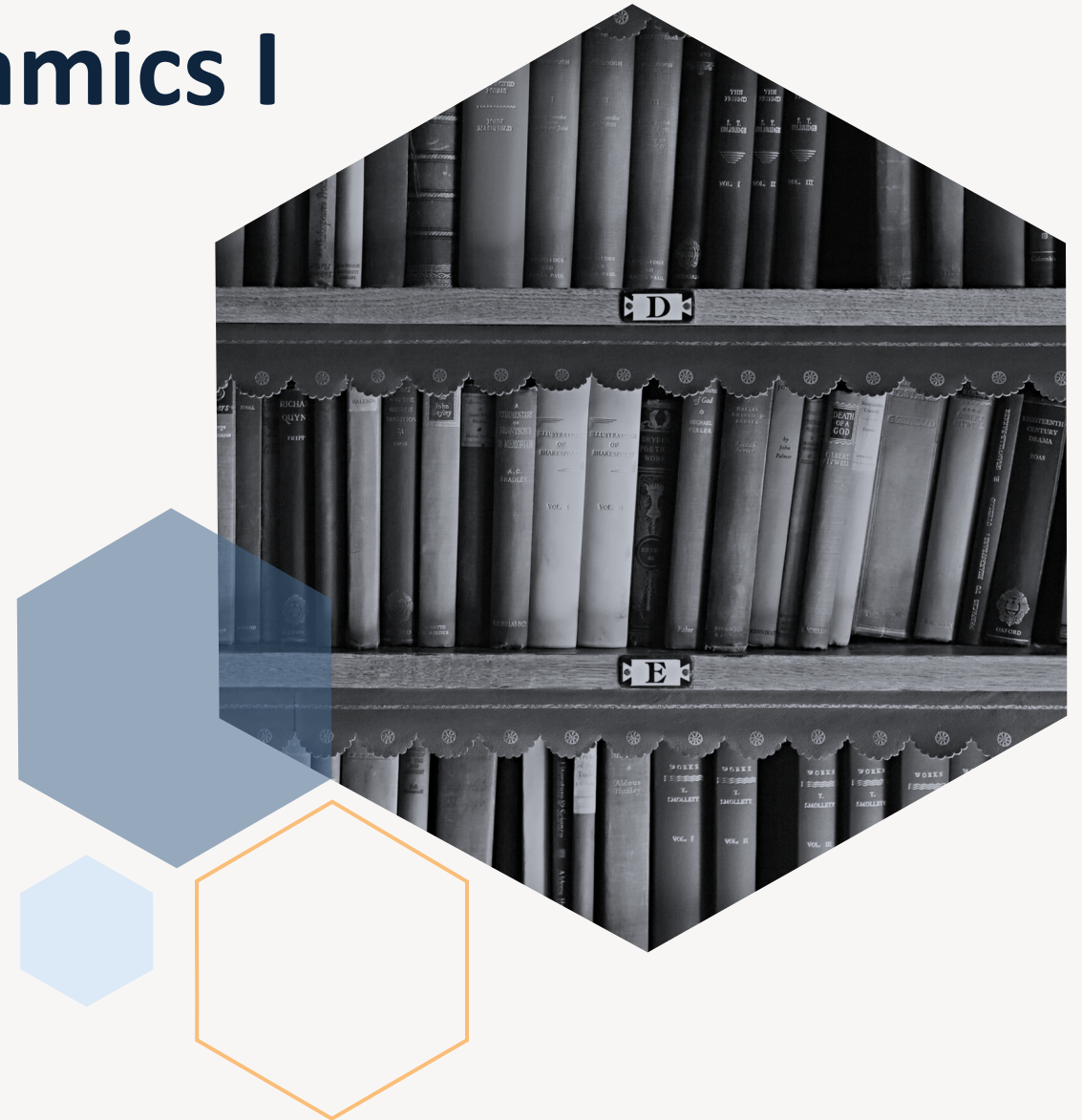


“...the millionaire will be but a trustee for the poor; entrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself.”

Andrew Carnegie, The Gospel of Wealth (1889)

Library Marketplace Dynamics I

- “The best reading for the largest number, at the least cost”
Dewey, c. 1892
- Marketplace is fragmented, no dominate commercial infrastructure
- Print marketplace is competitive and booming, increasing capacity to meet newfound demand
- Academic libraries’ prestige collections differ from public library collections
- Serials market in its infancy, journals published by learned societies
- Libraries own print materials, first sale doctrine (first recognized by SCOTUS in 1908) and interlibrary loan support (ALA code est. in 1917) promote free sharing
- No asymmetrical power dynamics between library and publisher yet

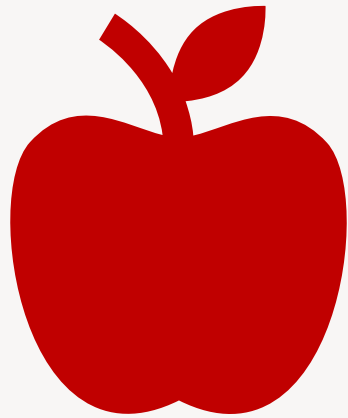


Core Values Alignment/Tensions I



Access

Materially expanded



Education and Lifelong Learning

Championed



Public Good

Nominally served



Democracy

Rhetorically served, but contradictory



Social Responsibility

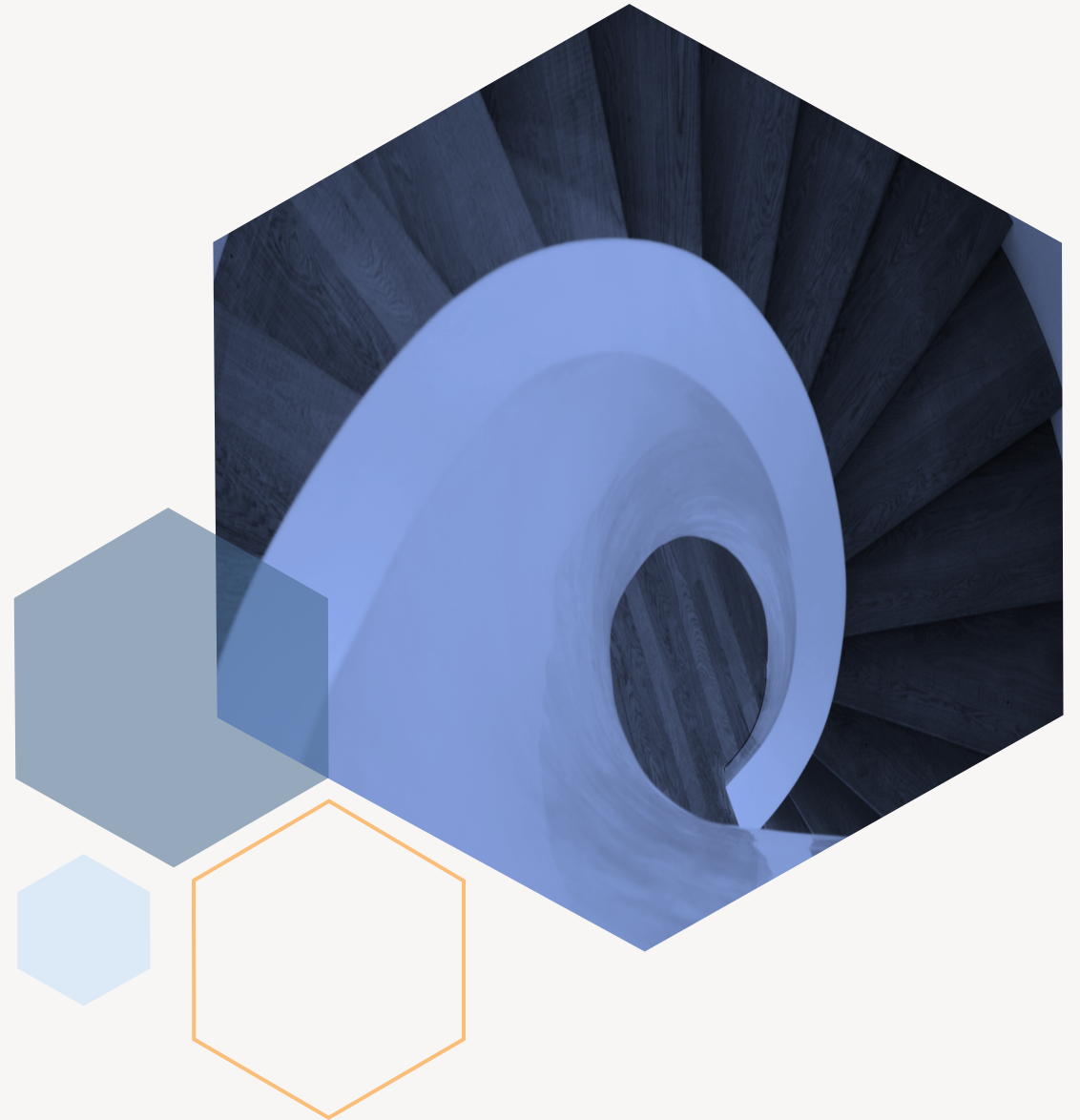
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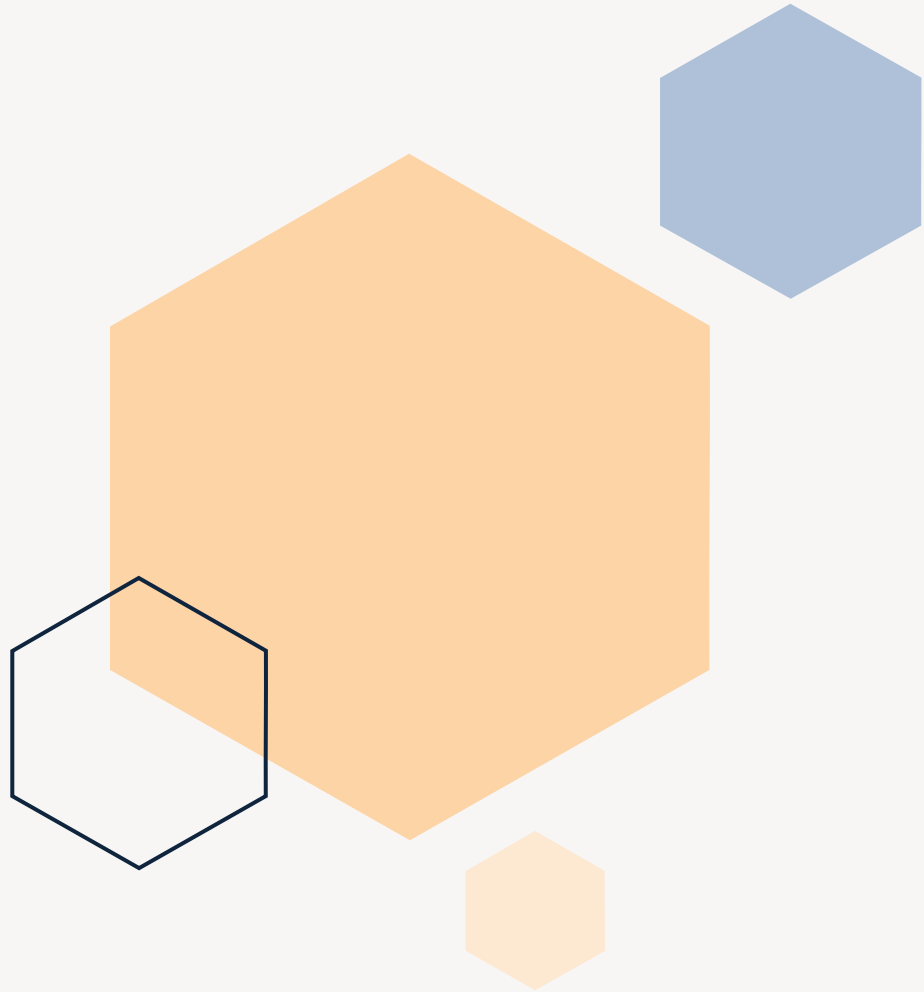


II: New Deal Era Capitalism

Era Characteristics II

- The Great Depression; laissez-faire failure
- Franklin D. Roosevelt & the New Deal (1933-1938)
 - Social security
 - Unemployment insurance
 - The Works Progress Administration (WPA)
 - Banking regulations
 - Labor protections via Wagner Act (1935)
- Lawyers Adolf Berle and Merrick Dodd debate the merits of shareholder primacy; they agree that corporations should work for the public interest
- Saving capitalism by government involvement in the economy





“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

Franklin D. Roosevelt, *Second Inaugural Address*, 1937

Core Values Alignment/Tensions II



Access

Greatly expanded



**Intellectual
Freedom**

Recognized as
professional value



Public Good

Actually served



Sustainability

Invested in



1945

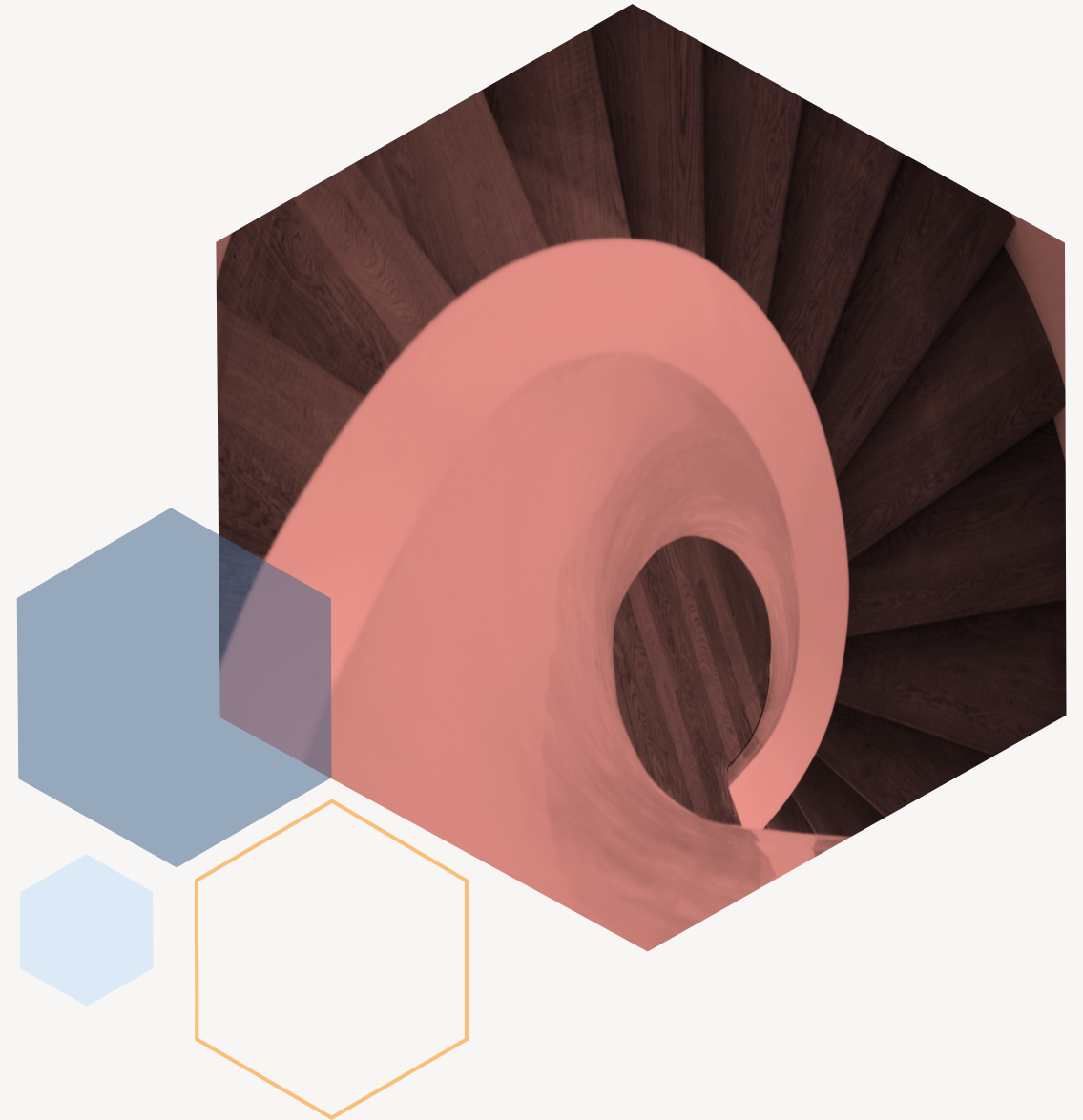
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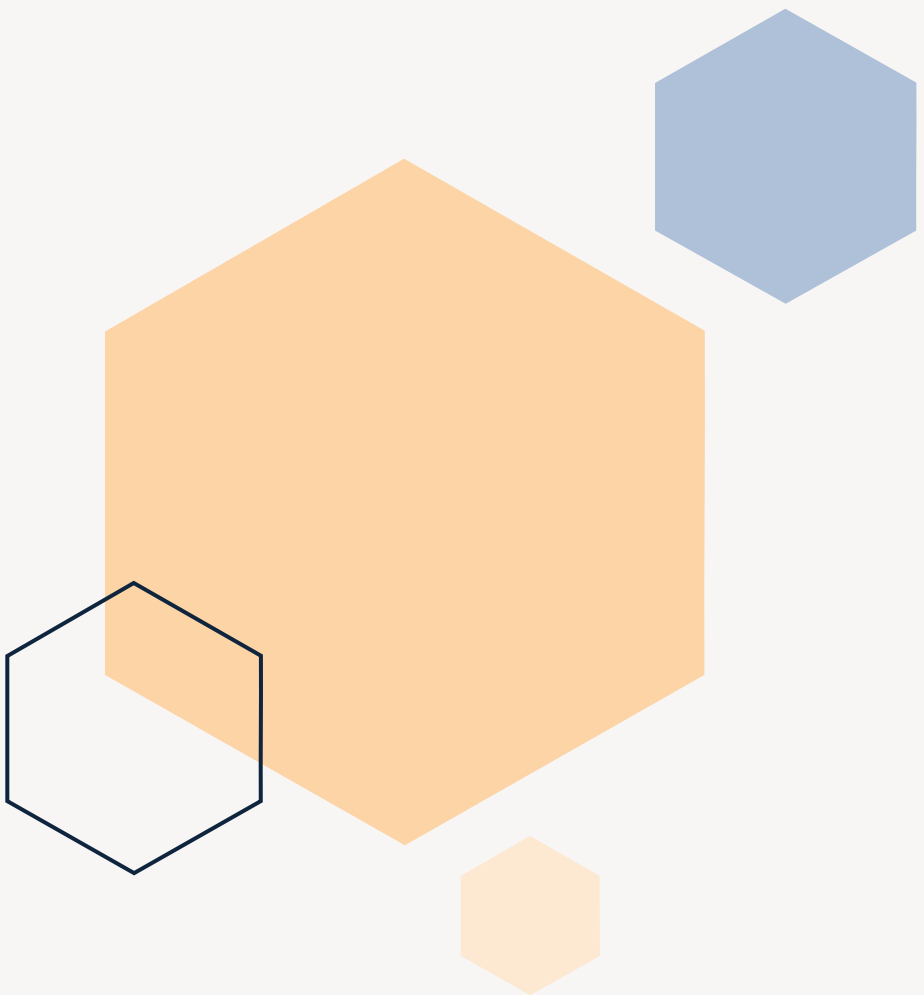
1973

III: Postwar/Cold War Era Capitalism

Era Characteristics III

- Postwar consensus = alignment of goals
- McCarthyism and the Second Red Scare led to censorship challenges; ALA adopts “Freedom to Read” statement (1953)
- Cold War means competition with USSR
- Sputnik (1957) leads to National Defense Education Act (1958) leads to substantial funding
- Great Society programs of the 60s saw education and information access as social responsibilities
- Early 1970s saw collapse of postwar consensus
 - Milton Friedman promotes shareholder primacy by arguing that the social responsibility of businesses is to increase profits.
 - End of the gold standard and Bretton Woods monetary system (1971)
 - Oil shock of 1973 led to stagflation



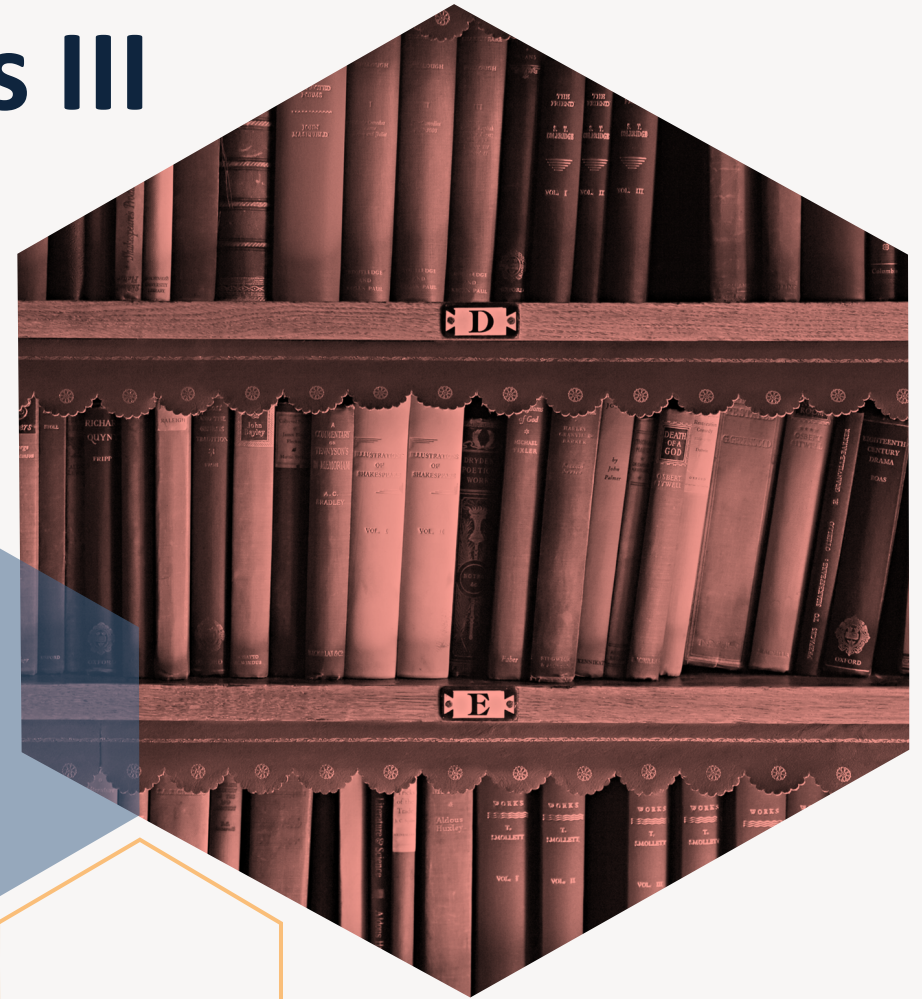


“Scientists are not as price-conscious as other professionals, mainly because they are not spending their own money ... [the results is] a perpetual financing machine.”

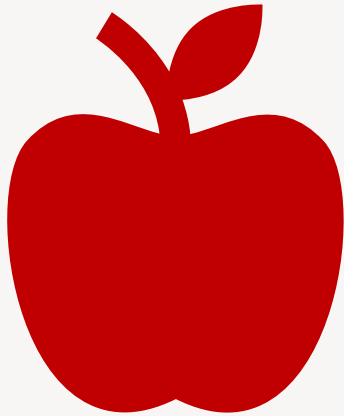
Robert Maxwell, Global Business (1988)

Library Marketplace Dynamics III

- Library Services Act (1956) & Library Services and Construction Act (1964) provide federal funding to libraries
- Higher Education Act (1965) & Title II
- Serials marketplace began to see structure and consolidation, away from non-profit learned societies to for-profit publishers
- Foundation for serials crisis establishing itself, but not a concern during this era
- Subscription agents become significant intermediaries (EBSCO founded in 1944)
- Commercial photocopier invented (1959); *Williams & Wilkins Co. v. United States* (1973) held that it is fair use for libraries to photocopy articles for patrons
- OCLC (non-profit) founded in 1967; significant library infrastructure to support rising costs of cataloging



Core Values Alignment/Tensions III



Education and Lifelong Learning

Supported with federal policy and funds



Intellectual Freedom & Privacy

Tested and defended by profession



Democracy

Explicitly invoked as justification for gov't investment



1973

-

2000

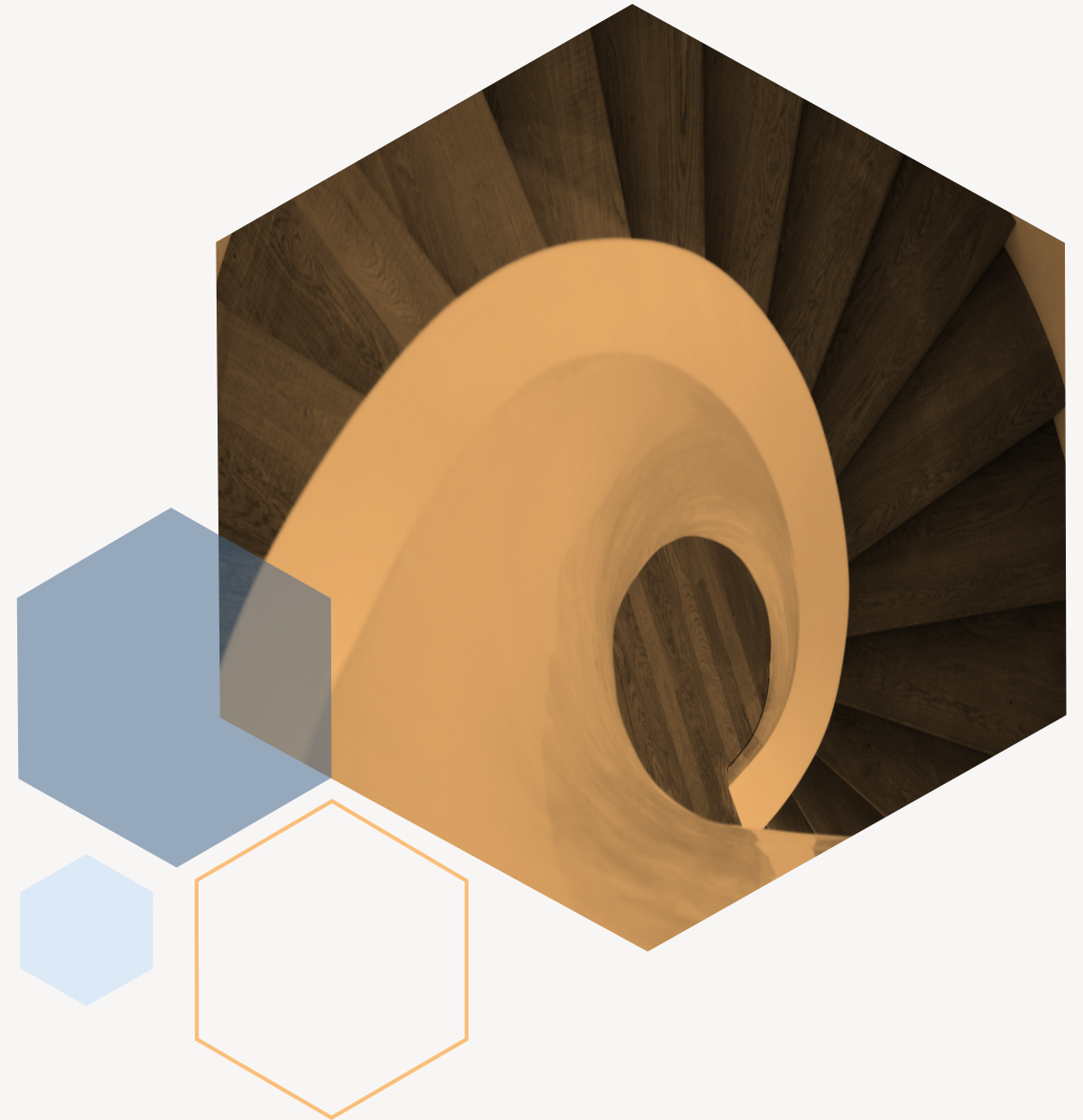
IV: Neoliberal/ Market Capitalism

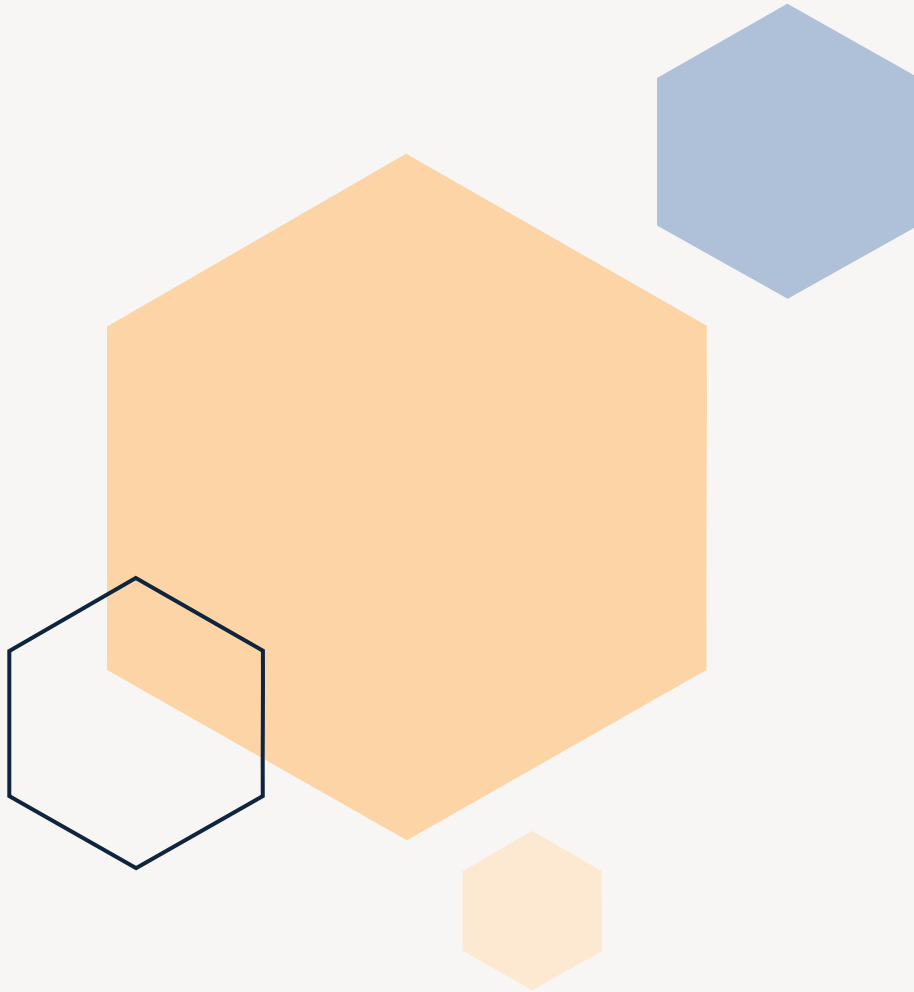
Technological Terms & Definitions

- **Digital Rights Management (DRM):** Technical systems that control how digital content can be accessed, copied, or shared; enforces licensing terms through code rather than law and can prevent uses that would otherwise be permitted under copyright by fair use.
- **Enshittification:** Coined by Cory Doctorow in 2023, a term to describe a four-step process platforms employ to lock users in before making the platform more extractive for the benefit of the platform at the expense of user satisfaction and usability
- **Lock-In:** A situation in which a customer cannot practically leave a vendor, regardless of whether they want to
- **Network Effects:** A dynamic in which a product or service becomes more valuable to each user as more people use it; a reason platforms tend toward consolidation
- **Platform:** A digital infrastructure that set the terms under which users may interact; platforms do not necessarily produce goods or services, but control the environment in which others do and extract value and data from their middleman position
- **Switching Costs:** All the expenses involved in changing from one platform or vendor to another.

Era Characteristics IV

- Neoliberalism:
 - Deregulation
 - Privatization
 - Tax cuts
 - Weakened labor
 - Everything is a marketplace
- Powell Memo (titled “Attack on American Free Enterprise System”, 1971) manufactured consent for market domination
- Globalization and financialization accelerated
- The Internet emerges; the World Wide Web became available in 1991
- Dot-com bust led to more consolidated platform companies
- Friedman’s essay became increasingly influential and resulted in a shift from the stakeholder to the shareholder model; Business Roundtable (1997) formally endorses shareholder primacy and turns it into a fiduciary duty



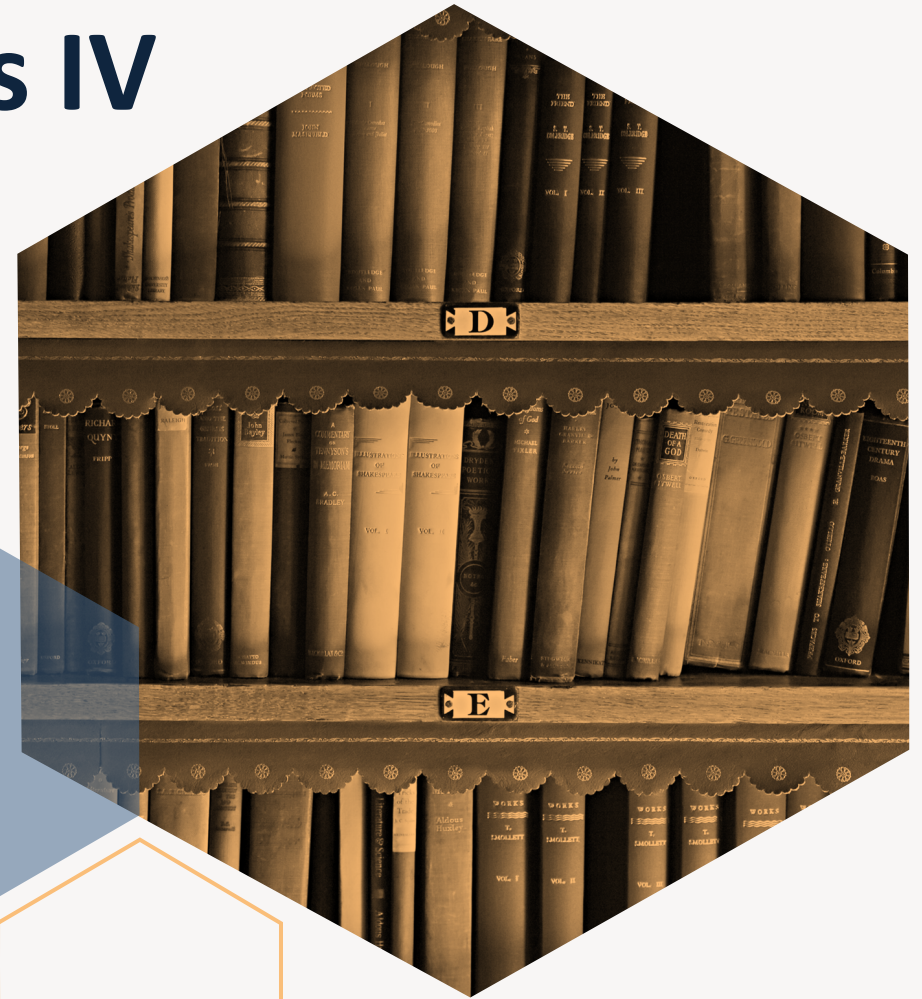


“Information wants to be free. Information also wants to be expensive. It has become so cheap to distribute, copy, and recombine.... It wants to be expensive because it can be immeasurably valuable to the recipient. That tension will not go away. It leads to the endless wrenching debate about price, copyright, ‘intellectual property’, the moral rightness of casual distribution, because each round of new devices makes the tension worse, not better.”

Stewart Brand, [The Media Lab: Inventing the Future at MIT](#) (1987)

Library Marketplace Dynamics IV

- Federal funding stagnated and declined, property tax revolts reduced funding base = increasing emphasis on private fundraising to meet needs
- Library Services and Technology Act (1996) moved library funding to IMLS
- Serials crisis: journal subscription prices increased more than inflation
- Document delivery and ILL expanded in response to increasing unaffordability of materials
- Accelerated consolidation of scholarly publishing through acquisition of smaller publishers
- ROI emerged as a metric for funding justification
- Electronic resources emerged and OPACs/integrated library systems replaced card catalogs
- New vendor ecosystem meant high switching costs; the Big Deal became dominant licensing model that was hard to exit
- Digital Millennium Copyright Act, DMCA (1998) established framework for DRM; greatly affects future library usage of digital materials



Core Values Alignment/Tensions IV



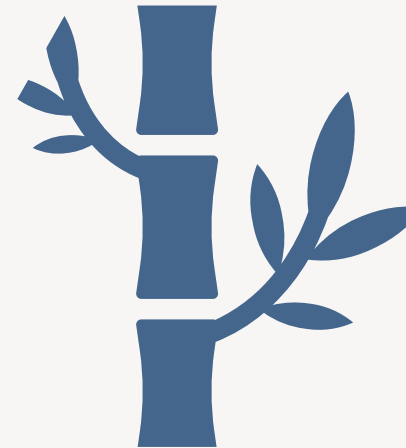
Access

Reduced due to loss of purchasing power and new licensing models



Public Good

Challenged by privatization policy



Sustainability

Concerning trends affect library budgets



Social Responsibility

More visible advocacy

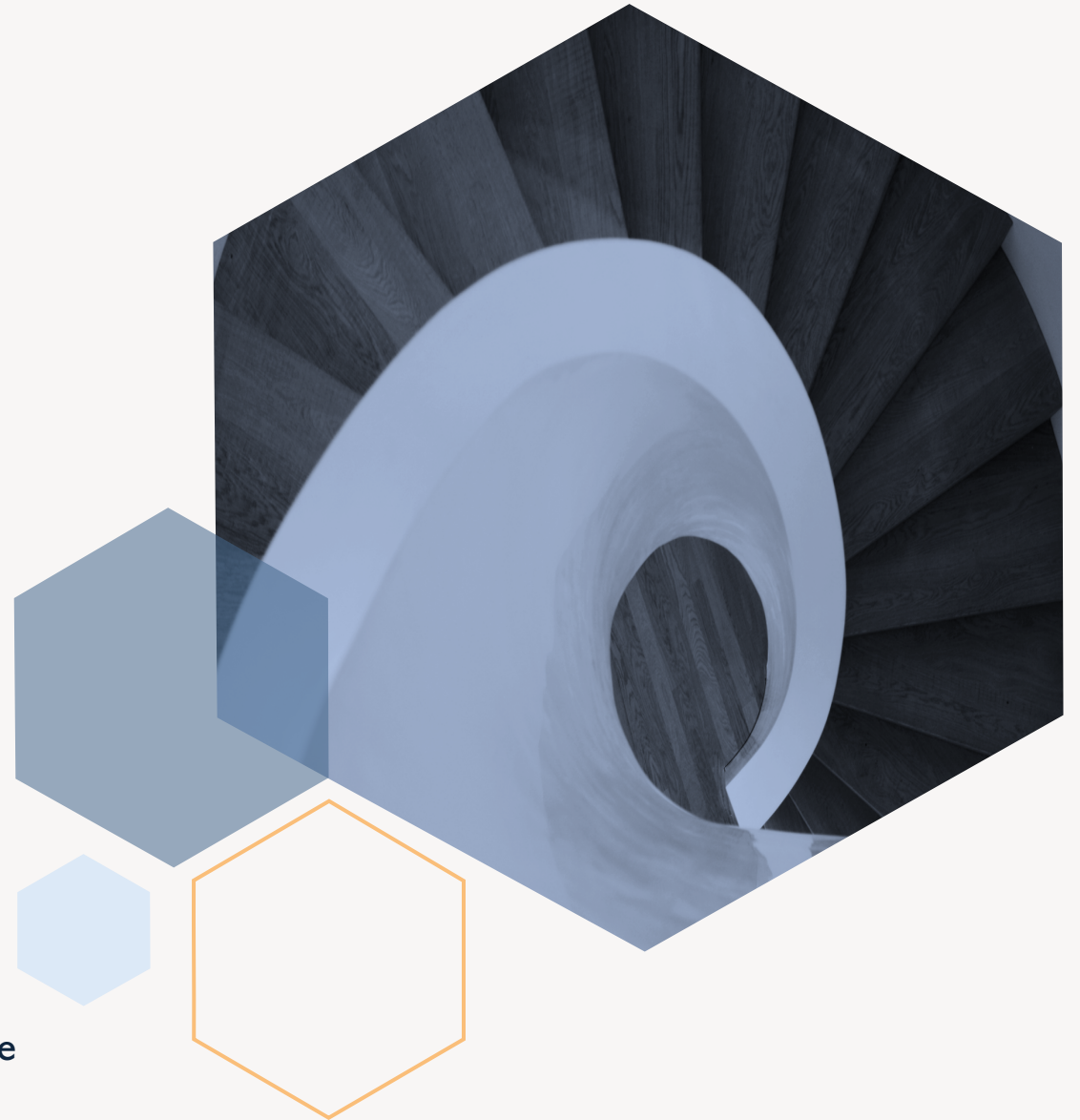


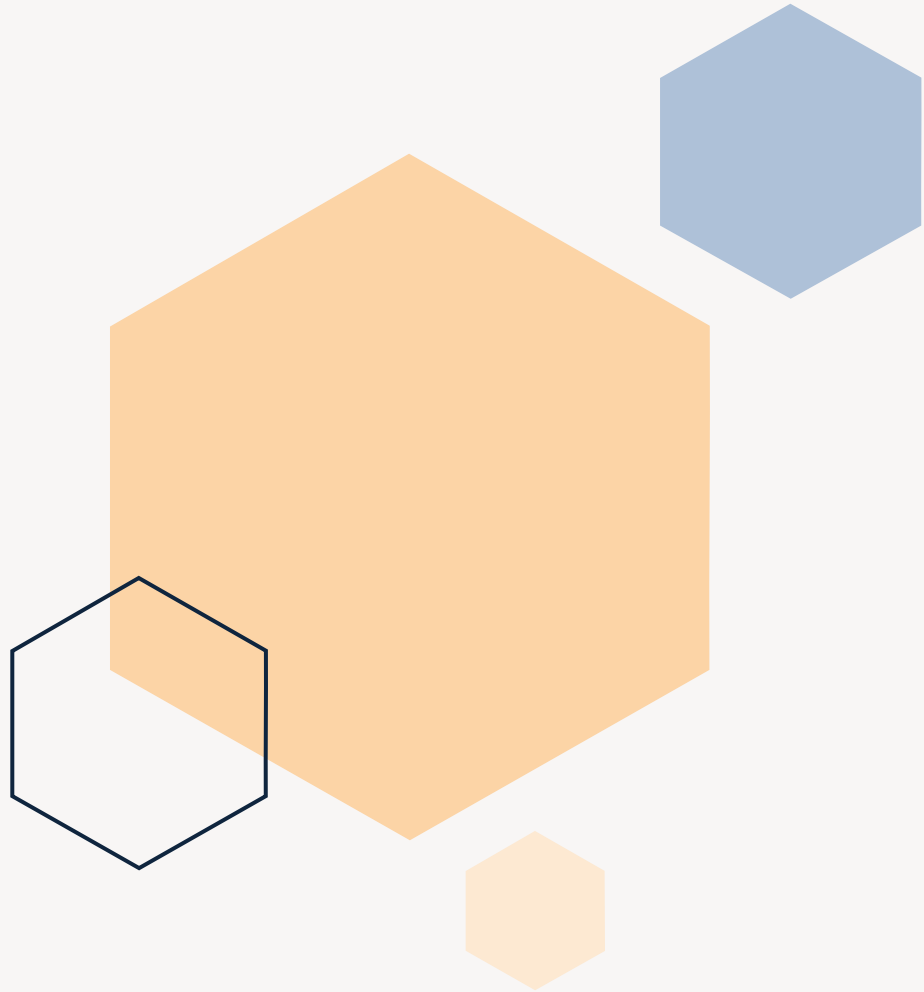
2000
-
PRESENT

V: Platform/ Surveillance/ Rentier Capitalism

Era Characteristics V

- Platform-based business models begin to occupy central positions in economic and social activity post dot-com bust
- Platforms:
 - Collect and monetize behavioral data
 - Use surveillance and data extraction
- Surveillance and rentier capitalism affect data privacy and budget sustainability, respectively
- 9/11 leads to USA PATRIOT Act (2001), one beginning of surveillance capitalism; Section 215 affects library records
- Financial crisis of 2008 affected library budgets significantly
- Mergers & acquisitions consolidate and vertically integrate platforms
- Business Roundtable rhetorically backed down on shareholder primacy (2019), but intensified operationally
- COVID-19 pandemic moved libraries further online
- Generative AI/LLMs lead to large economic bubble(?) and help set the stage for brand new kinds of surveillance... the start of a new era?



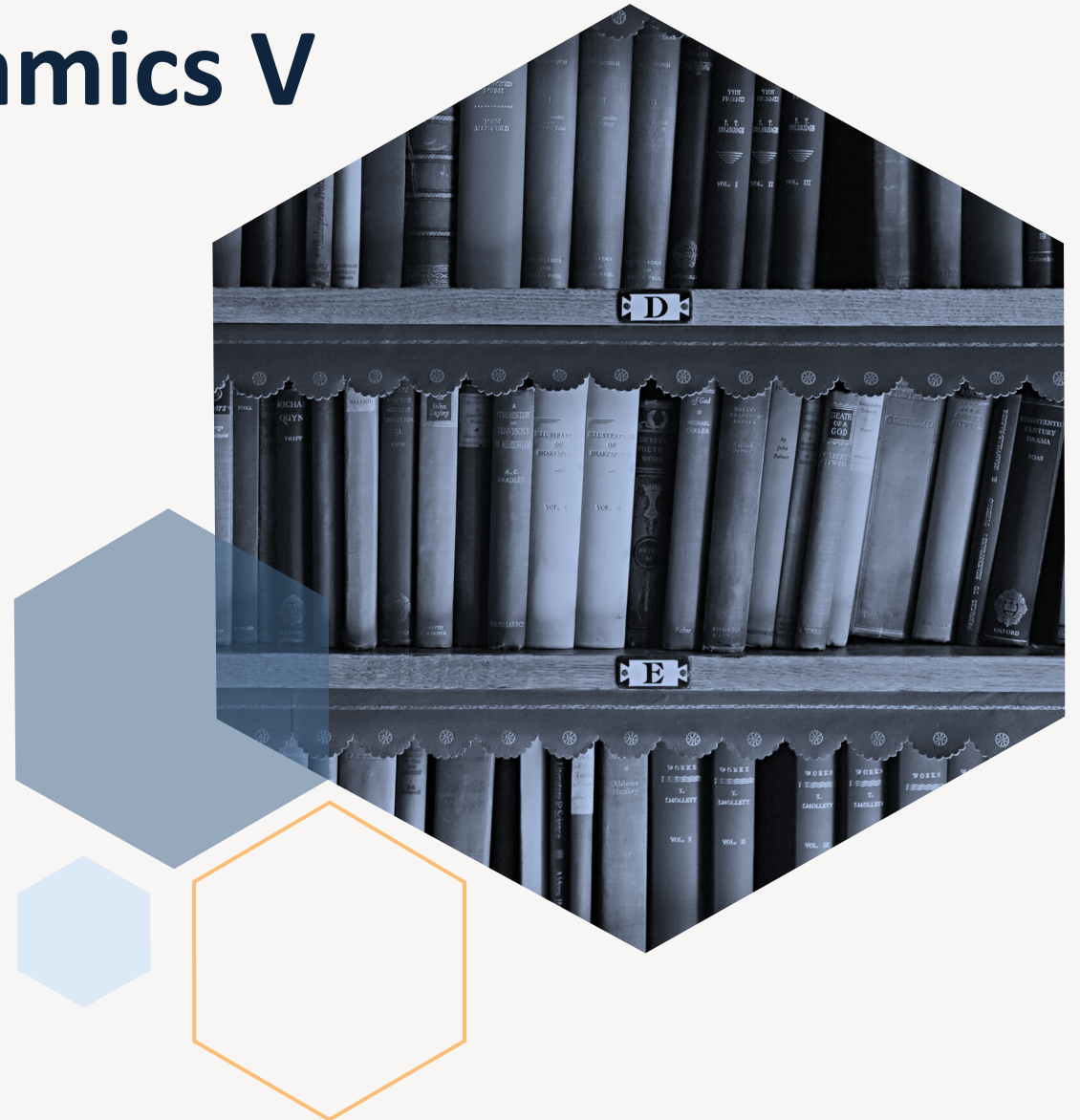


“In our digital world, data is power. Information hoarding businesses reign supreme, using intimidation, aggression, and force to maintain influence and control.”

Sarah Lamdan, Data Cartels (2022)

Library Marketplace Dynamics V

- Publisher consolidation leads to the Big Four and the Big Five, and Clarivate vertically integrates the research workflow primarily through acquisitions
- Ebook models use artificial scarcity tactics to limit use in a way that unnecessarily tries to mimic print book limitations like check out and material deterioration from extensive use
- Patron privacy: underlying tensions emerge and remain unresolved
- Open Access (OA) as movement and marketplace strategy; Read and Publish agreements crop up, but corporate profit margins remain large
- Sci-Hub founded (2011); widely used, legally contested, indicative of a gap between the legal access marketplace and user demand
- Big Deals continue (although libraries are exiting these agreements)
- OverDrive acquired by KKR (2020), a private equity firm; enshittification
- Internet Archive sued (2020), Controlled Digital Lending (CDL) legally constrained
- Clarivate switches to subscription-only business model in 2025
- Vendor AI products integrate into existing platforms; sometimes sold separately from the resource into which they are integrated



Core Values Alignment/Tensions V



Access

Determined by
diminishing institutional
purchasing power



Intellectual Freedom & Privacy

Negatively affected by
extractive business
models



Public Good

In tension with profit
motive & shareholder
primacy



Democracy

In tension with the
marketplace oligopoly



Sustainability

Increasingly challenged
by subscription inflation



Synthesis

Observations of Structural Mismatch



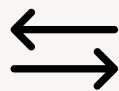
First Observation: Tensions

- Shifting but ever-present throughout the defined period between libraries and marketplace
- Economic frameworks shape conditions, not libraries
- Material conditions produce friction with values



Second Observation: Shifts

- Power: Donor > State > Market > Platforms
- The powerful are increasingly distant from communities
- Funding: Private gift > Public investment > Market indifference
- Library Rights: Ownership > Licensing



Third Observation: Library Values

- Relatively stable across time for libraries, despite ever-changing marketplace conditions
- ALA Library Bill of Rights (1939) to today's values
- Library values increasingly difficult to realize



The Core Contradictions of Today

Libraries

“Free” access as a public good
Non-profit
Service to community
Patron privacy
Licensor of digital goods
Ever-tightening budgets
Subscription inflation
Preservation focus
Unwanted AI integrations

Capitalism

Walled garden of commodities
For-profit
Obligation to shareholders
Data extraction/commodification
Owner of digital goods
Greater-than-average profit margins
Rent extraction
Contractual title removal
AI-first investment strategies



NOW WHAT?

Values-Based Goals

What Can Librarians Do About It?



Individual Practice

- Name the structural problems
- Educate patrons & fellow library workers
- Engage leadership
- Critically conscientize



Institutional Practice

- Consistent price negotiation
- Transparent data
- Cooperative purchasing/licensing
- Center equity in decision-making



Collective Professional Engagement

- Advocate or support advocacy efforts
- Collective action via licensing standardization
- Build coalitions beyond libraries
- Investment in open infrastructure

Closing Statements



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Thank you

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