



Evidence Summary

A National Survey of the Perceived Monetary Value of Public Library Service for Norwegians: Contingent Valuation Approach Reveals a 1:4 Cost-Benefit Ratio

A review of:

Aabø, Svanhild. "Are Public Libraries Worth Their Price?" *New Library World* 106.11/12 (2005): 487-95.

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Abstract

Objective – To determine the perceived monetary value of public library service to Norwegians (both library users and non-users).

Design – Four sets of 2 questions were included in a bi-monthly omnibus telephone survey conducted by a private agency.

Setting – Norway.

Subjects – A representative sample of Norwegian citizens (999 respondents). The mode of selection used for the survey is described by Aabø as follows:

(1) municipalities were randomly drawn from clusters based on

economic and industrial structure, demographic structure and geography; (2) starting addresses in the municipalities were randomly pulled from the national telephone directory database; and (3) the individual to be interviewed as representative of the household was the person above 15 years of age with the most recent birthday. (491)

Method – The contingent valuation method was used, with questions assessing both willingness to pay (WTP) and willingness to accept compensation for loss of the service (WTA). Four sets of 2 valuation questions were asked via telephone. The second question was an open-ended question with “principally the same wording” in each set (492). The first question was worded

differently in each set, with two of the sets assessing WTP and two assessing WTA. The questions were framed in the context of a “pressed economic situation where the local politicians discussed reallocation of the funding of several public services, including the public library” (492).

Main results – Three major findings were reported:

1. The average value placed on library service by the sub samples varied between 400-2000 Norwegian Kroner (NOK) per household. This can be compared to the actual amount paid for library service – 420 NOK per household. In general, the lower bound (400 NOK) reflects the WTP scenario, while the upper bound (2000 NOK) reflects the WTA scenario.
2. 94% of the Norwegian population perceives that they have property rights to their local library.
3. Because of the strong sense of rights with regard to libraries, a stronger weighting was given to the WTA scenario, with a final cost-benefit ratio reported as 1:4.

Conclusions – The 1:4 cost-benefit ratio provides a rationale for continued government funding of the public library in Norway as a cost-effective and much-valued service at the national level. Because funding of public libraries also comes from local government sources, the author recommends further cost-benefit research at the municipal level (494).

Commentary

An increasing number of studies are using contingent valuation as a way to determine the value of public libraries to communities (for a convenient list of valuation studies see Abram). This methodology is often used to evaluate non-market products and services,

but is considered by many to be somewhat unreliable, relying as it does on stated preferences rather than revealed behaviour. Particularly at issue is the WTA measure, which is generally found to elicit higher valuations than WTP.

In the current study, the reliance on the less conservative WTA measure is somewhat mitigated by the tactic of framing the questions in the context of fiscal restraint. Also, the exercise of weighing library service against other government services (for example elder care or schools) may have helped to provide some perspective as respondents attempted to arrive at a dollar value in the hypothetical market. Nonetheless, given the lack of unanimity on the use of contingent valuation as a methodology, the study would likely have benefited from some form of triangulation.

The paper is based on Aabø's 2005 PhD thesis, and does an admirable job of condensing the material into 9 pages. However, additional length would have been welcome in exchange for a more detailed discussion of the method and findings, including question wording and a breakdown of responses for the four subsamples.

For public libraries, the research trend to evaluate the impact of library service in a monetary sense is a very useful tool for advocacy, as well as for internal reassessment. As Aabø and her scholarly colleagues continue their work in this area, it is to be hoped that best practices for credible valuations of library service will emerge, simplifying the task of replicating this valuable research.

Works Cited

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