

## More letters

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### **Separate bill for teachers' texts not the answer**

The recent dispute between the Education Bureau and textbook publishers is largely unfounded. The bureau has urged publishers to decouple instructor materials from textbooks and separately charge school teachers for them. But it has omitted an important function of these free instructor materials: they encourage teachers to explore new textbooks.

Suppose that teachers had to pay out of their own pockets (or their schools' pockets) to buy these instructor materials. Chances are, they would not buy them. Instead, teachers may choose to use whatever textbooks that they already have. In the long run, students may suffer because they do not get a chance to switch to better textbooks or reference materials.

Decoupling may pose another big problem: if teachers do not have incentives to explore textbooks from other publishers, then their students are effectively locked into the textbooks that they have chosen. The textbook market may become monopolistic, with each major publisher serving its own segment of consumers and enjoying significant monopoly rent. Such monopoly pricing power may cause textbook prices to rise further.

So, decoupling is not the solution to suppressing textbook prices. The textbook business involves high fixed costs but low variable costs, which tends to nurture a natural monopoly. As a result, the market is highly concentrated; usually, few publishers will produce textbooks for the same subject. This lack of competition allows publishers to raise prices without hampering demand. The key is to introduce competition. One possibility is for the bureau to publish core content and allow authors to peruse it freely to create their own versions of textbooks. This helps relieve the initial costs incurred to enter the textbook market. With more entrants, the price of textbooks will naturally decrease.

Finally, we need to align the incentives of teachers/schools (who choose textbooks for students) and students/parents (who actually foot the bill).

The bureau should deliberate on ways to hold teachers accountable for the textbooks they choose for students.

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