

THE PUBLISHERS ASSOCIATION

Study on the economic and technical evolution of the scientific publication markets in Europe [Final Report – January 2006]

Commissioned by DG Research, European Commission

Response by The (UK) Publishers Association

1. The Publishers Association is the leading trade association serving book, journal and electronic publishers based in the UK. We have read with considerable interest the *Study on the economic and technical evolution of the scientific publication markets in Europe* commissioned by DG-Research of the European Commission and carried out by a consortium led by the ECARES unit at Université libre de Bruxelles. We offer our comments below as a contribution to the consultation on the Study called by the Commission.
2. We share fully the vision of the Lisbon agenda and the contribution to be made by cost-effective quality-assured scientific journals in maximising the return on research investment and fuelling further European research. We support the spirit of many of the recommendations made by the Study, although we point to some misunderstandings and some misjudgements in our detailed comments below. A useful survey of the literature is used to support some theories at the expense of others. The primary research conducted during the Survey offers inadequate evidence to support some of the conclusions. It is clear that a great deal more primary evidence and experience is needed to inform the sustainable publishing models of the future.
3. Scholarly publishers have been investing heavily in online platforms, databases and discovery technology to enable effective electronic dissemination of research outputs to scholars and researchers in the global research community. The industry is at the forefront of digital publishing and is one of the most dynamic in embracing e-commerce opportunities. Processes have been completely and successfully transformed from paper-based delivery to almost universal electronic dissemination through investment and innovation over the last ten years. The journals publishing industry in Europe employs 35,000 people and is a significant net contributor to the balance of trade.
4. Publishers manage, administer and fund (on a global basis through networked systems) the process whereby scholarly research outputs undergo rigorous peer review prior to publication and they ensure that outputs conform to the highest editorial standards. A vigorous, efficient and healthy publishing industry is

essential to maintaining effective dissemination of quality research outputs, which represent a certified record of the legacy of investment in primary research.

5. It is important to understand that publishers offer essential added-value to published research outputs once the content has been determined and certified through peer review. The published version of a paper may or may not contain the same content as the approved author manuscript – this depends on the amount of copy-editing that has been undertaken, which may be substantial. Even if the copy-editing has been limited to ‘house-styling’, the article will still have been designed and laid out into pages, been formatted to rigorous production standards (which is not insignificant with displayed mathematical and chemical equations and reactions, or text involving complex character sets), been tagged and had metadata added to facilitate search and discovery, had cross-linkages incorporated to cited research or data sources, and been made available through discovery tools or aggregated A&I databases. The net effect is that the great majority of researchers already have access to all the literature in their field, and recent research [see ‘Journals and Scientific Productivity – a case study in immunology and microbiology’, Ian Rowlands and René Olivieri (May 2006) available from www.publishingresearch.org.uk] suggests that lack of access to journals is far from being a primary inhibitor of research productivity.
6. By investing in quality and building the ‘brand value’ of a journal, publishers support the need for a system to register the contributions of individual research authors and to promote recognition among their peers in the research community. A reputation for quality and prestige in a journal takes years, even decades to establish. Successful journals may cross-subsidise other journals serving smaller or more tightly differentiated communities. As innovations in scholarly communication emerge to complement the traditional journal system, there nevertheless remain concrete requirements for registration, recognition, dissemination, quality control, certification and maintenance of the archival record, and the function and continuing investment of publishers in this regard should not be underestimated.
7. We are neutral about appropriate models for commercial publication. As the Study suggests, it is too early to draw conclusions about evolving author-pays models, in particular their sustainability, but a number of experiments are running which are the subject of considerable research interest, and a body of evidence will accrue in due course to inform future investment. In the meantime, the reader-pays/ library-pays model remains the norm. It is well known that library budgets have not kept pace with the volume of research outputs, but business model innovation involving bundling of offers from publishers, in tandem with consortial buying by libraries, has delivered very significant advances in access without extra cost to the system. Article downloads are rising exponentially year on year. The number of serials subscriptions available to UK libraries alone has doubled to 1.167m in the five years from 1999 to 2004, while acquisitions spending on periodicals has risen by only 50% in the same period. (See ‘University Library Spending on Books,

Journals and Electronic Resources – 2006 update’ (Sowden), available from www.publishers.org.uk)

8. It is important to differentiate the funding of research from the funding of the publication of that research, which is an entirely different matter. As suggested pithily in a recent analogy, public funding of an event such as the Olympic Games in London in 2010 does not imply free access to all spectators. Similarly, the costs associated with the process of formal publication have to be recovered somehow, the system has to be sustainable, and has to deliver a reasonable surplus to fund future innovations, not to mention the stewardship of the legacy of past outputs, which in the scholarly world also need to be preserved and made available in perpetuity in order to continue the process of “standing on the shoulders of giants”.

In response to the specific recommendations deriving from the Study, we would make the following comments:

Recommendation A1: Guarantee public access to publicly funded research results shortly after publication

- i. A critical balance is needed in establishing a public access policy, between on the one hand making research outputs openly available, and on the other hand maintaining the benefits of the process of formal publication, including stability in the process of peer review, and sustaining investment and innovation by scholarly publishers. There is no clear evidence of the impact of mandated open access on the established publication system, and a period of experimentation and consultation is necessary in order to achieve a sustainable solution. It seems clear that a ‘one size fits all’ prescription should be avoided, since research suggests that cultures and dynamics differ markedly subject by subject. The debate around the policy deriving from the Research Councils in the UK seems close to acknowledging this position.
- ii. As publishers we believe it is critical that if any public access policy imposed by fund holders on their grantees requires the deposit of a research article, this should be the accepted author manuscript post peer review with associated metadata and a link to the published journal article on the publisher’s site. This will align with the existing practice of the majority of publishers. Publishers should not be expected to authorise deposit of the published journal article, which will include all the value-added features associated with the article by publishers and invested in by publishers at their own risk, although some may choose to do so depending on the perceived impact on their business model.
- iii. It is also critical that a public access policy must require both authors and their institutions to respect the publisher’s copyright and licensing policy, in particular any embargo periods and provisions limiting use of deposited content to non-commercial archival purposes. If the full benefit of investment and innovation is to be sustained, then publisher confidence in any such policy must be maintained.

Recommendation A2: Aim at a level playing field in terms of business models in publishing

As stated above, we are neutral as to the choice of business model to be made by publishers. Authors should be left free to choose where to place their articles for publication, and institutions as to whether to divert research funding into publication costs associated with open access journals or repositories. A system is needed that is sustainable and self-financing, while delivering the maximum possible access across the widest constituency. We believe that scholarly publishers have substantially enhanced their valued-added proposition over the last ten years and have extended access within the research community to the point where access to research outputs is rarely an issue. They will continue to invest to meet their customers' needs unless undermined by unfunded mandates of uncertain impact.

Recommendation A3: 'Extended quality' rankings of scientific journals

Much of what is implied here will already apply to most journals, and we are sceptical of any such new measure being effective in defining a new concept of 'extended quality'. The established journal quality instrument, 'impact factor', is well known and has been the subject of extended debate. There is also advocacy for a measure based on usage (reader downloads), and it should be remembered that publishers were directly instrumental in establishing the COUNTER (www.projectCounter.org) initiative that makes such debates feasible.

Recommendation A4: Guarantee perennial access to scholarly journal digital archives

Publishers already participate in a variety of initiatives to guarantee preservation of their journal articles, ranging from legal deposit arrangements to voluntary arrangements with deposit libraries, Portico (www.portico.org), LOCKSS and CLOCKSS (www.lockss.org/clockss). In the UK, publishers are working closely with the legal deposit libraries to establish procedures for the deposit of electronic material. These initiatives however, and the archives that derive from them, are principally designed to guarantee **preservation** of the national heritage, and the willing collaboration of publishers is predicated on access to the preservation and legal deposit archives being restricted to serious, scholarly and archival research within the institutions that hold them so as not to undermine the primary market. It is, after all, the publishers whose significant investment largely underpins the primary commercial market, so to suggest unrestricted perennial access to provide libraries with their own 'return on investments' would be extraordinary. For legal deposit libraries to use these archives as the basis for commercial business models of their own based on **remote** online access is wholly inappropriate and misunderstands the limited purpose for which the archives were established and the basis on which publishers agree to make their material available to them. To establish a central access portal to these legal deposit archives would be a major breach of faith.

Recommendation A5: Foster interoperable tools

Much of what is suggested here is already happening. The market already demands interoperability, and publishers have been working in collaboration with librarians, academics and funders for many years to establish standards and protocols in this area. CrossRef (www.crossref.org), a not for profit organisation funded solely by publishers, is playing a leading role. Another good example is the ONIX for Serials and ONIX for Licensing Terms initiative led by EDItEUR (www.editeur.org).

[Incidentally, it is simply not true, as stated on page 83 of the Study, that CrossRef is directed by the main commercial scientific publishers. The Chairman is from a not for profit organisation, and the majority of members, who elect the board, are also from not for profit organisations.]

Recommendation B1: Promote pro-competitive pricing strategies

As a trade association, it is difficult for us to comment on the matter of pricing, which relates directly to mutual competition between publishers. We would however point out the following:

- i. It is doubtful whether many institutions subscribing to scientific journals are actually paying the ‘masthead’ prices on which Section 3 of the Study appears to be based. Bundling offers and consortia buying have led to very significant discounting and flexible trading in the market. Far from being imposed on the market, bundling is very much in demand from subscribers. We believe that the concept was developed by the Higher Education Funding Council for England, who funded a trial with three publishers that became NESLi (www.nesli2.ac.uk), and the idea has since spread around the global market. [It is simply incorrect as stated on page 49 to say that large US universities like Harvard, Cornell and Michigan “have decided not to sign such contracts and rather pay journals on an individual basis”. This may be true in a specific case or cases, but certainly does not apply across the board. We know for certain that these libraries have signed big deal contracts with several publishers.] We have not conducted a definitive study of our own on these matters (which we believe would be eminently possible, as called for in the Study), but we believe that many publishers will have up to one third of their subscription business deriving from consortia arrangements, and that bundling offers can involve discounts of up to 75% on single subscription ‘published prices’. So the cost to the market is likely to be up to 25% less than would be supposed from an analysis based on published prices alone. As we have stated above, the total number of subscriptions available to libraries and institutions in the UK has doubled in the last five years, but the cost to the system has risen by just 50%.
- ii. Suggestions of price capping are unlikely to work. Publishers' prices are related not only to their costs (including investment), but also to perceptions of risk and market demand. The relationship to costs is more complex than might be superficially supposed. Our perception of the Study’s conclusions is that little allowance is made for the actual size of individual journals, which has a direct impact on costs. Successful journals in demand from authors and readers will tend to grow in size. As the reputation of a journal builds, and perceptions of quality rise, submissions will rise and so must the rejection rate, thereby increasing the cost of managing and administering peer review in order to sustain the quality standard. The highest ranked journals will operate a rejection rate of over 90%. Some allowance needs also to be made for added-value features beyond the content of the published articles themselves, such as letters, editorials, features and reviews.
- iii. Finally, we are surprised and concerned that the Study makes little reference to the absolutely central role of peer review in the process of publication of research outputs. Attempts to cut corners with new models could lower standards [see for

instance the Royal Society position statement on ‘open access’ at <http://www.royalsoc.ac.uk/page.asp?id=3882>]. As stated above, publishers incur very substantial costs in managing, administering and funding peer review. It is a misconception that peer review is provided by volunteer experts at no cost to publishers. On the contrary, although reviewers are not paid for their inputs (a necessary and established practice in order to ensure that there is no bias in the evaluation process), publishers fund the staffing needed to manage the system and the operational and systems support necessary to ensure networked communication between a global network of reviewers. Decision support systems enable journal editors to track document flow and balance workflow among reviewers, and authors to benefit from web-enabled submission systems which reduce the time to publication.

Recommendation B2: Scrutinise future significant mergers

Clearly this has always happened, and will always happen. To date all such mergers have been approved by the competition authorities in the UK.

Recommendation B3: Promote the development of electronic publication

Scholarly publishers are in the vanguard of developments in electronic publishing. Virtually all STM journals, and the great majority of all journals, are already available in electronic form. No other text-based industry has evolved so far so quickly in transferring from paper to digital delivery.

We have ourselves argued for some time that VAT rates on electronic journals should be reduced in order to stimulate take up and to complete the migration away from print, with all the benefits this will bring in terms of cost savings in the system. We believe however that a reduced rate is not possible within the current framework of European legislation, so a policy based on rebates for research institutions should be supported.

Recommendation C1: Setting up an advisory committee

Here in the UK we have supported and participated in several such initiatives that bring together the stakeholders concerned with scholarly publications. The Research Information Network has an active scholarly communications group looking to assist in the development of public policy in the UK. The Department of Trade and Industry convenes a Research Communications Forum which works for understanding of current issues from the perspective of all the stakeholders engaged with extending access to research outputs. For some years we have convened a Publishers and Library/ Learning Solutions group along with the JISC, working collaboratively on concrete outcomes that can enhance the capacity for electronic publication of research outputs, with particular emphasis on matters such as metadata and interoperability standards.

Recommendation C2: Further investigation

Although copyright law has only recently been updated and harmonised in the EU, and UK author contracts are comparatively clear, we will always support any reasonable and viable solution designed to maintain legal certainty for authors, and have in fact discussed just such an initiative with RCUK.

A number of studies are already in hand over the sustainability of author-pays models, and we would be interested in the results of any experiment designed to test unbundling of certification and dissemination. As we have stated above, we believe that the publishers' contribution to the sustainability of the research process has been undervalued and underestimated. Perhaps an experiment in unbundling will demonstrate the true costs involved.

Much work is already in hand on interoperability and preservation issues in the UK, with which most publishers are already closely associated. More will surely follow.

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