

Financial transparency and the political influence of commercial publishing

Stuart Lawson

The growth of open access has been driven by a range of different ideas, but the specific rise of APC-funded open access in the UK over the last few years is an outcome of neoliberal policy. Gold open access is not inherently market-driven and does not necessarily involve the payment of APCs, but versions of it can be consistent with market-based variants of the scholarly communication process. So if we want to understand the influence of policy on the publication and accreditation of research first we need to understand the flows of money within the scholarly communication system.

In order to do this it's necessary to know the cost of journal subscriptions and APCs. When I started this work APCs were more transparent than subscriptions largely because of research funder accountability requirements where they are tracking expenditure, which has led to a number of higher education institutions (at the last count over 45 in the UK) to release at least some of their expenditure data on APCs at the article level. That's all openly available online on figshare, the research repository, largely generated through work I'm involved with at Jisc. Journal subscription expenditure was less transparent. I found that problematic because if any area of scholarly publishing should be subjected to intense scrutiny, it's the area where most of the money is going, and that's commercial subscription publishing.

The 'big deal' is the name that's been given to large bundles of journals which publishers sell access to, rather than libraries paying for individual journal titles. The exact amounts that libraries pay to publishers for big deals was unknown, largely just because there's no tradition of libraries making this level of financial spending data public, and it cannot be accurately estimated from list prices of journals. But as we were seeing how the costs of publishing are related to political decisions about which kinds of scholarly publishing to support, this lack of information was becoming untenable.

There is a bit of a myth that all big deal contracts are subject to non-disclosure and confidentiality clauses which prevent anyone from talking about the costs; some contracts certainly are, but here in the UK at least Jisc Collections has strongly fought against them so in actual fact there is only one publisher who currently includes a clause in their license that is intended to restrict institutions from releasing expenditure data even if they receive a Freedom of Information request – that's Elsevier. This clause has failed. Tim Gowers, the Cambridge mathematician who started the Cost of Knowledge boycott against Elsevier in protest of the ways they behave which are too numerous to go into here, was the first person to successfully use Freedom of Information (FOI) requests to ask UK academic libraries how much they were spending with Elsevier.

Since FOI law only applies to public bodies, to increase financial transparency in the sector it had to come from the library side rather than the publisher side. Under neoliberal regimes the direction is towards light touch regulation for corporations and increased scrutiny for public bodies in the name of accountability. So directing the gaze back at private enterprise by utilising legal instruments to enforce transparency on the behaviour of corporations is rather satisfying, although unfortunately the burden of compliance in this instance falls on librarians rather than publishers.

Tim Gowers gained information on how much the 24 institutions in the Russell Group spend with Elsevier in one year. Myself and others extended these requests through the website whatdotheyknow.com to all 150 higher education institutions in the UK, to expenditure with ten of the largest publishers, and covering five years from 2010-14. So that's gone from 24 datapoints to over 6,000, totalling over £420m. I believe that further secrecy in the costs of subscription journals is now pointless because all this data is out there.

But the data only covers the UK, which is about 5% of the global journal subscriptions market, and over 100 countries have FOI laws now. People have tried similar things in New Zealand and Switzerland, both countries which only have a few universities, but in Switzerland only one university provided expenditure data and in New Zealand no-one would for Elsevier, with the institutions claiming an FOI exemption of 'commercial confidentiality'; presumably at the behest of Elsevier. The big one is of course the US, which makes up around half of the global journal subscriptions market. I'd be more than happy to talk to any US citizens who want to pursue it over there, although I imagine the more privatised system of higher education will make it more complicated; I'm not sure what proportion of institutions will be subject to FOI law.

I'm hoping that the scale of data that's now open will mean I won't have to bother doing this every year and we can create a voluntary community practice of sharing. What I'm interested in next is pursuing other areas where scholarly publishing is tied up in the political system and subject to manipulation in the interests of corporate profit. For example, highlighting the lobbying activities of publishers in the UK and the EU. The EU transparency register lists which corporations pay which lobbyists to lobby on particular issues, but it's easy for them to find loopholes to get out of inclusion and it isn't very granular so it's a start but it is not perfect.

As an initial query into this in the UK, I sent an FOI request to BIS asking them for details on meetings between BIS officials and academic publishers. They provided a list of meetings with Elsevier, Wiley, and the Publishers Association, but almost no information about what was discussed. Some of them stated 'open access to research' as the agenda item, but they all had 'no formal notes kept'. The UK and EU competition authorities have both looked into the dysfunctional nature of the academic publishing market; I think it's high time that happened again in more depth, which highlights the imperative for more transparency in the relationship between those publishers and authorities.

Corporate tax law is not a topic I normally get involved with but I'm curious about some of the rather low figures paid by some companies. As an example of why this is important: in 2014 Wiley reported a \$10.6m tax saving principally due to changes in the UK corporation tax law introduced by the coalition government. The change was a general one applying to all companies by lowering certain rates, but that's £6m going to the shareholders of a US-listed company rather than to the UK public sector. That £6m was on tax which was deferred from previous years rather than being paid in the year when it was first accrued, and then the discount applied on that tax which had been carried over. So the money was saved because of deferring tax payments until a more opportune time. Presumably accounting practices like this are considered to be normal and common among these companies, but I think it's worth looking into further to find out just how much publishers are benefiting from this kind of practice. To put that £6m figure in perspective, the entire spend of UK universities on Wiley journals that year was around £17m, although of course a lot more is spent on books as well.

I'm not interested in understanding the financial aspect of publishing for its own sake, or for showing how the payment structures can be rearranged so that we can have a fully open access version of the current scholarly communications system which can continue to generate enough revenue to keep doing what it's doing and facilitate a competitive market. And I'm not claiming that what I've done so far is anything other than trying to clear the ground so we can understand the current situation more fully. Making power visible is simply a first step in understanding how it works and how it might be challenged (Giroux 2014, p. 36); so I'm interested in foregrounding the power relations between different stakeholders in the system and questioning whether they are appropriate and to what extent different scholarly communication practices serve the needs of those stakeholders. There's the question of whether they serve the needs of corporations rather than researchers – the Impact Factor being a case in point, which I'd argue benefits the ability of Elsevier, Springer, and Wiley to generate revenues more than it benefits the creation and transmission of knowledge. But I also think we need to move this debate beyond this publisher-researcher nexus.

A couple of examples: along with the usual banks and energy companies, Reed Elsevier is in the top 25 equity investments of the USS pension scheme. Is that appropriate? And with research funders, questions about how much governments should be able to control the direction that research takes by pushing funding into specific areas and withholding it from others is also tied up in questions of how the publication of research should be funded; should APCs be chosen as the preferred method for making work open access, something which further disadvantages the humanities? And if so should they be funded through individual research grants, in order to make authors more price-sensitive, playing into the competitive market logic; or through the current system of block grants to universities which are then administered on behalf of academics; or – and this would be publishers' preferred solution – top-slicing of BIS higher education funding for large annual payments directly to the publisher, who in return would make all UK-authored articles open access, but locking the UK government into directly supporting particular established commercial publishers, thus minimising the ability of researchers and librarians to direct that money to alternative ventures. Research funders are now key stakeholders in determining the future direction of academic publishing.

To conclude: my ideal would be for the profit motive to be entirely removed from scholarly communications. So I consider offsetting mechanisms – which offset the costs of APCs and subscriptions against each other, to reduce the overall cost for universities – as being fairly successfully pursued by my employer, to be suboptimal because they address the symptoms not the cause. The current form of APC-funded open access tries to fix a dysfunctional market by pushing it as far as it can towards a free market, rather than seeking solutions to lessen the influence of market logic. Which of course can't wholly be achieved without concurrent changes to other things like academic hiring practices. I'm a part of Radical Librarians Collective, but maybe a Radical Human Resources Collective would have greater effect.

Those of us working for open access because we believe it can be an effective tool towards greater social justice need to constantly remind ourselves that in other open movements – open data, open source – openness has always had a complex relationship with neoliberalism, via right libertarianism. Open access isn't inherently in opposition to marketised and commodified forms of knowledge and academic labour but I do believe it has the potential to form part of a resistance to these, if its reclaimed and pushed in certain directions as part of wider social and economic shifts within the academic system.

