

# Responding to Unsustainable Journal Costs

## A CARL Brief

FEBRUARY 2018

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# Table of Contents

- Current Situation** .....2
- Major Causes**.....2
- Direct Responses: Working within the existing system**.....3
  - 1. Redistributing the library budget..... 4
  - 2. Re-negotiating for a better deal..... 4
  - 3. Unbundling the big deal ..... 4
  - Presenting a united front..... 6
- Indirect Responses: Addressing the systemic issues**.....7
- Recommendations for action** .....8

This brief provides an overview for Canadian university administrators of the current problematic state of scholarly journal costs, and proposes some recommendations to address the situation.

## Current Situation

Over the past several years, a convergence of escalating subscription costs, unfavourable exchange rates, and tightening budgets at Canadian universities has put a spotlight on the unsustainable economic environment of scholarly journals. In 2015, the Ontario Council of University Libraries outlined the problem in a letter to vendors. “We are currently facing significant cumulative negative impacts through the combined effects of flat funding for the sector, increasing inflationary costs, and projected lower student enrollments. Moreover, many institutions are undertaking system-wide budget cuts that include targeted reductions for libraries’ collections budgets. This situation is significantly aggravated by a major weakening of the Canadian dollar against the US dollar.”<sup>1</sup> In 2016, CARL issued a similar statement, asserting that we are in a perfect storm of factors.<sup>2</sup> Many Canadian library acquisition budgets cannot stretch any further — bringing us to a point where we must consider new strategies and responses.

## Major Causes

While the weakening Canadian dollar and stagnating budgets have contributed to the situation, the main source of the problem is inflationary journal prices, resulting from the growing consolidation and lack of competition in the international journals market. For years, the cost of journal subscriptions has risen steadily, far beyond rates of inflation:

- Globally, from 2011 to 2015, the prices of academic journals rose about 5-7% per year, approximately 25% over the 4-year period, with similar increases experienced in 2016 and 2017.<sup>3</sup> This reflects the culmination of a trend of excessive price increases that has been going on for three decades.
- The Canadian Consumer Price Index rose less than 2% per year during this same period.
- In Canada, the 29 academic research libraries that are members of CARL paid about \$167 million Canadian collectively in 2011 for subscriptions to electronic

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<sup>1</sup> <http://ocul.on.ca/sites/default/files/2015-05-11%20OCUL%20Vendor%20Renewal%20Communication%20Statement.pdf>

<sup>2</sup> <http://www.carl-abrc.ca/news/journal-costs/>

<sup>3</sup> <http://www.carl-abrc.ca/news/journal-costs/>

content (a large part of which is journals); \$215 million in 2014; and approximately \$260 million in 2016.<sup>4</sup>

- The top five publishers, who control over 50% of the market and above 70% in some disciplines, have profit margins in the order of 28-38.9%.<sup>5</sup>

Journal prices set by many of the large international publishers are substantially higher than the true cost of publishing and the largest commercial publishers are collecting enormous profits. As explained by Université de Montréal researchers Dr. Vincent Larivière et al, these publishers reap huge profits because of the peculiarity of the economics of scholarly publishing. Unlike most client relationships, authors provide their goods without financial compensation, and the vast majority of consumers (i.e. readers who access institutional subscriptions) are isolated from the purchases. In this situation, price fluctuations do not influence demand and libraries cannot easily cut down on purchases, because each journal title is perceived as unique and irreplaceable by researchers.<sup>6</sup>

The problem has been somewhat allayed by consortial negotiation for content. Over the last decade, consortial negotiations for journals and other databases (through the Canadian Research Knowledge Network (CRKN) and other regional consortia) have increased access to research content, decreased overall costs, and enabled smaller institutions access to resources they could not otherwise afford. This has been made possible through the adoption of the "big deal" — an all-in price for unlimited access to everything a publisher offers. However, the big deal has also had negative consequences. The nature of big deal large packages is that they increase in size and cost with every new negotiation period. Libraries become locked-in because publishers will offer them a much smaller number of titles for only slightly less than the entire package, making it very difficult for them to reduce their spending.<sup>7</sup> And while the big deal has increased the amount of content available, it has also empowered the large publishers, encouraged consolidation in the marketplace, and demanded redirection of spending by libraries from other resources.

## **Direct Responses: Working within the existing system**

Currently, there are three strategies employed by libraries and institutions to help manage increasing journal acquisition costs:

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<sup>4</sup> <http://www.carl-abrc.ca/news/journal-costs/>

<sup>5</sup> <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0127502>

<sup>6</sup> <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0127502>

<sup>7</sup> [https://www.crkn-rcdr.ca/sites/crkn/files/2016-08/5-imtj-sustainability\\_challenges\\_en\\_final.pdf](https://www.crkn-rcdr.ca/sites/crkn/files/2016-08/5-imtj-sustainability_challenges_en_final.pdf)

## 1. Redistributing the library budget

Many libraries initially responded to funding shortfalls by moving money from elsewhere in their budgets towards big deal subscriptions. They have cut back on services in other areas, redistributed funds from other information resources such as monographs, cancelled serials subscriptions that are not part of the big deals, and stopped making new purchases. Despite this, a number of libraries are now at a point where they cannot squeeze any more funding from other parts of their budgets and they need to take more drastic measures to address escalating costs of journals.

## 2. Re-negotiating for a better deal

Canadian academic libraries have been working collectively through national and regional licensing consortia, and have been able to mitigate price increases to about 3-5% annually. However, this is not sufficient for many institutions that are facing deep budget cuts. For CRKN, the most important negotiation objective for all licenses in 2016-2017 has been to hold cost increases to a maximum of 2% annually. They have also been working to offer increased flexibility in their licenses for members. Several licenses now include an annual “opt-out” clause, which allows institutions to withdraw mid-license. CRKN is also negotiating smaller discounted sub-collections for institutions who can no longer afford the full big deal.

While CRKN has been successful in achieving these objectives with some publishers, it has not been able to secure a 2% maximum (and other conditions) in negotiations with all of them. Outside of Canada, where there are similar concerns about escalating subscription costs, the Germans, and until recently the Finnish licensing consortium, have been at a stalemate in their negotiations with Elsevier, one of the largest providers of science, technology and medical (STM) journals. In both countries, university negotiators have been aiming to improve pricing as well as to transition to open access.<sup>8</sup>

## 3. Unbundling the big deal

Significant efforts are being undertaken to address the negative consequences of the big deal described earlier. Several institutions in Canada have withdrawn from big deal licenses in the past several years, including: Memorial University of

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<sup>8</sup> In Finland, the two parties have reached a three-year agreement which includes a 50% reduction on APC fees paid by Finnish researchers, but it is not clear if they were able to achieve the objectives related to subscription prices. In Germany, the DEAL project, which is being led by the German Rectors' Conference, has also been negotiating a nationwide license agreement with Elsevier, without success. This has resulted in several German institutions being cut off from Elsevier journals in January 2017, only to have access returned again by Elsevier as negotiations continue.

Newfoundland, Université Laval, and Université de Montréal, while other institutions are reviewing and considering their options.

The Université de Montréal (UdeM) has been the most active university in Canada in this regard. In partnership with Larivière and his research team, they combined usage data and citations analysis with the results of an extensive survey to determine which journals are really essential for the UdeM community.<sup>9</sup>

This information has led to a paradigm shift in their negotiation process: it's no longer based on the publishers' asking price but on what UdeM considers a fair price, taking into account both the publishers' pricing for individual subscriptions and the real needs of the UdeM community.<sup>10</sup> Currently, three major publishers have accepted UdeM Libraries' offer and two big deals were unbundled because agreement was not possible. While this has resulted in a significant decrease in the number of journals to which they subscribe, the study established which journals are most important to retain and has also reduced UdeM Libraries' acquisition costs substantially.<sup>11</sup>

When cancelling journal titles, institutions need to have a better understanding of what content is important to their faculty and students. Building upon work at UdeM, the recent CRKN Journal Usage Project (JUP) assessed journal citations, faculty perceptions and current usage of journal titles. This exercise, again undertaken by Dr. Larivière, was an extension of an earlier study analyzing usage at four Quebec universities that found that, over a 5 year period, close to 80% of the titles subscribed to through big deals had not been accessed by affiliated researchers. The project was designed to help provide libraries with a better understanding of which journals are essential and highly used by Canadian researchers; and which ones are not. Twenty eight universities participated in the JUP and the results have provided individual institutions insight into usage and citations on their own campuses as compared with faculty perceptions of journal value.

Institutions leaving the big deal must have individual discussions with publishers about pricing and about maintaining perpetual access, and they risk losing the power of working collectively. To address this, CRKN has formed a License

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<sup>9</sup>Through this exercise UdeM found that only 11,6% to 36,9% of the big deal journals were deemed essential.

<sup>10</sup> According to UdeM, the difference between the UdeM and publisher offers sometimes exceeds 50%.

<sup>11</sup> As an illustration, when UdeM Libraries cut back on Springer journals in 2016, they kept only 150 of the collection's 2,266 journals (6.6% of the titles). According to usage analysis undertaken by the the library in collaboration with Vincent Larivière's research team, the 150 titles covered 42% of UdeM's downloads from Springer. Although the cancelled journals are no longer available to the UdeM community directly, they are still accessible through interlibrary loans.

<http://www.bib.umontreal.ca/communiqués/20160506-DC-annulation-springer-va.htm>

Transition Task Group, the objective of which is to determine how CRKN can best assist and support members through two approaches: proposing alternative options to the full big deal to explore in CRKN negotiations, and suggesting how CRKN can support those members who choose to exit big deal agreements.

There are significant implications for CRKN and other regional consortia in a scenario where universities begin to systematically pull out of these licenses. In particular, this could result in higher prices for smaller institutions in Canada that receive the greatest benefit from consortia. It may also weaken collective negotiating power, resulting in higher prices for less content for all institutions.

## Presenting a united front

For each of these strategies, it is imperative that libraries' (and consortia's) negotiation goals be supported by the broader academic community, and that we collectively accept the potential risk of losing access to the full package of journal titles in cases where publishers do not agree with our conditions. In both Finland and Germany, for example, the research community and the universities' administration have strongly backed their libraries' consortial negotiating stance. Finland's scientific community launched a petition in support of their licensing consortia (FinELib), committing to abstain from refereeing and editorial duties for the journals until they come to agreement. The petition received over 2800 signatures.<sup>12</sup> In Germany, where the negotiations are being led by the German Rectors' Conference, the research community has also been in support of the negotiations. A unified approach at the national level in Canada will put greater pressure on the publishers and help us attain our objectives in terms of greater flexibility, price reductions and other conditions.

Another complicating factor when negotiating with publishers is that there is very little transparency in the pricing of scholarly resources in the current environment, often due to non-disclosure clauses in publisher licenses. Due to consortial differences, agreement variability, and confidentiality constraints, comparing pricing efficiency across institutions or consortia is extremely difficult. No institution or consortium really knows if it is paying a fair price, resulting in large price discrepancies across institutions and countries.<sup>13</sup> To gain a better understanding of the current pricing environment in Canada, CARL has launched an initiative to begin publishing licensing costs across institutions. Working together to share licensing information in Canada will contribute to a level playing field in the market and also increase the visibility of high journal expenditures to all stakeholders across campus.

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<sup>12</sup> <http://tiedonhintta.fi/en/english/>

<sup>13</sup> <http://escholarship.org/uc/item/4xf9h43j>

## Indirect Responses: Addressing the systemic issues

Each of the strategies discussed above can be effective, and result in cost reductions over the short term. However, journal prices will likely continue to rise over the long term. To truly tackle this problem, the Canadian (and international community) must address the underlying causes.

A key contributing factor to the problem of subscription costs is our reliance on journal metrics as the main means for assessing research quality and impact. The research community tends to focus on publishing in prestige journals because of the widespread use of journal and article-based metrics for research evaluation, especially in the context of promotion and tenure decisions. The authority afforded to journal-based metrics, however, has given rise to a number of systemic problems within the scholarly publishing marketplace, including the ability of the large publishers to demand extremely high prices for their content.

There will be no long-term relief from price increases unless we collectively promote a transition towards a more open scholarly communication system, and invest in infrastructure and services that are more sustainable. Platforms such as Érudit, Open Library of Humanities, and Knowledge Unlatched all represent new alternatives to existing commercial publisher big deal scenarios. In addition, expanding the role of institutions in managing and providing access to locally produced content, with appropriate assessment mechanisms attached, will help take back some control of the system from the commercial sector.

In 2015-16, CARL issued a white paper, *Canadian Universities and Sustainable Publishing* (CUSP), with the aim of initiating conversations with key stakeholders about the challenges and opportunities in the current scholarly publishing landscape. The interest expressed by senior university administrators was encouraging and suggested that a more detailed strategy would be very useful. In 2016, CARL published a *Scholarly Communications Roadmap*, which outlined a number of activities to help stimulate positive change towards an open, sustainable, effective and innovative scholarly communication system. The roadmap positioned objectives and activities in the context of a cohesive rationale and identifies activities aimed at reducing the costs of scholarly journals, and developing alternative routes for the dissemination of scholarly outputs.<sup>14</sup>

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<sup>14</sup> [http://www.carl-abrc.ca/wp-content/uploads/2017/03/CARL\\_ScholComm\\_Roadmap\\_EN.pdf](http://www.carl-abrc.ca/wp-content/uploads/2017/03/CARL_ScholComm_Roadmap_EN.pdf)

## Recommendations for action

There is an urgent need to address this situation and a coordinated approach across Canadian universities towards systematic change is essential. Earlier this year the U15 declared their support for a sustainable publishing environment for scholarly and research communications. The statement asserts, “[a]ccess to research and scholarly outputs is essential for scientific discovery, innovation, and education. To maximize knowledge transfer and impact, our researchers’ work must be made readily available around the globe. Research-intensive universities also require timely and continuing access to international research results and scholarship in order to advance and disseminate knowledge, and to develop the next generation of researchers. This research life cycle depends upon a healthy communication ecosystem.”<sup>15</sup>

The entire scholarly community is highly invested in the scholarly publishing system, and therefore it is our collective duty to ensure it is functioning effectively, and that we are using public funds in a responsible manner. Working together on these issues across institutions and communities, with a coordinated national approach and international engagement, will be critical if we are to be effective in creating positive change. To that end, we suggest several actions to Canadian universities to help address the problem of unsustainable prices of scholarly journals:

1. Support libraries and consortia in taking a strong stance against unreasonable price increases and publisher lock-in.
2. Raise awareness of the issues with the broader academic community. When researchers and administrators support solutions, libraries are in a stronger position.
3. Raise awareness with other stakeholders about the inherent limitations of impact measures such as journal impact factor, and work with them to define a broader range of assessment measures that more accurately reflect research quality, impact and value.
4. Invest in sustainable scholarly publishing platforms, services and infrastructure that support the needs of researchers and provide practical alternatives to the existing system. Libraries are already working nationally and internationally to develop this infrastructure, but will need support for redistributing funds towards new models.

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<sup>15</sup> [http://u15.ca/sites/default/files/u15\\_statement\\_on\\_sustainable\\_publishing\\_final.pdf](http://u15.ca/sites/default/files/u15_statement_on_sustainable_publishing_final.pdf)