



Financial Flows and Cost Scenarios for an Open Future

OA2020 Working Group Case Study

B17 Open Access Conference

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Celeste Feather, Lyrasis (USA)

Mathew Willmott, California Digital Library (USA)

The project

Examine the differences between:

The **current flow of funds** from subscribing institutions to publishers

...as best as we're able to understand them

...based on data we're able to gather from publishers or each other

AND

What we might expect for the **future flow of funds** from subscribing institutions to publishers

...based on publication patterns

...based on metrics of "fairness" and other measures

The project, alternately stated

“There is currently already enough money in the system. A large-scale transformation from subscription to open access publishing is possible without added expense.”

- MPDL OA White Paper, 2015

But:

- Where in the system is it allocated?
- How do those allocations need to change to make this transformation happen?

Working group members

- Colleen Campbell – Open Access 2020 Initiative
- *Susanne Aerni – SLSP*
- Angus Cook - CAUL Consortium of Australian University Libraries
- *Ádám Dér – Max Planck Digital Library*
- Celeste Feather – Lyrasis
- Jiří Jirat - CzechELib
- Nina Karlstrøm – SIKT
- Brigitte Kromp - University of Vienna
- Ignasi Labastida – University of Barcelona
- Kamran Naim – CERN
- Joana Novais – B-on, FCCN
- César Pallares - Consortia Colombia
- Rita Pinhasi - University of Vienna
- *Eric Schares – Iowa State University*
- *Glenn Truran – SANLiC*
- Arja Tuuliniemi – FinELib
- Anna Vernon – Jisc
- Niklas Willén – Bibsam
- Mathew Willmott – University of California, California Digital Library
- Maurice York - Big Ten Academic Alliance

17 of 20 members in attendance at B17

Work conducted to present – data gathering and review

- Global publication analysis of specific publishers that are willing to share information
 - Data gathered from Dimensions and Open Alex to determine country affiliation of 1st author for articles published in 2023
 - Identified country affiliation for 91 % of articles in case study for Publisher A (a non-profit)
- Reviewed detailed summary data from Publisher B (also a non-profit) who did not share specific revenue figures

Work conducted to present, analysis

- Wanted to answer the question of how much publishing is coming from authors in specific countries
- Received revenue data by country from Publisher A for 2023, showing subscription, Read and Publish, and individual APC revenue
- Applied cOAlition S Equitable Pricing Framework to data
- Reviewed to see if outcome seems to align with what countries can reasonably be asked to contribute, or fairness in pricing

“We view this framework as a catalyst for discussion and evolving practices in more equitable open access publishing. We recognise that many stakeholders prefer a scholarly publication ecosystem without author-facing charges for open access publishing. But as long as APCs are part of the landscape, we strongly feel that open and transparent data should be used to calculate more equitable prices that reflect local purchasing power. While no single dataset or approach can satisfy all stakeholders, this thorough analysis provides a solid foundation for global discussions. We invite all stakeholders to engage with this framework to work towards a more equitable scholarly communication system.”

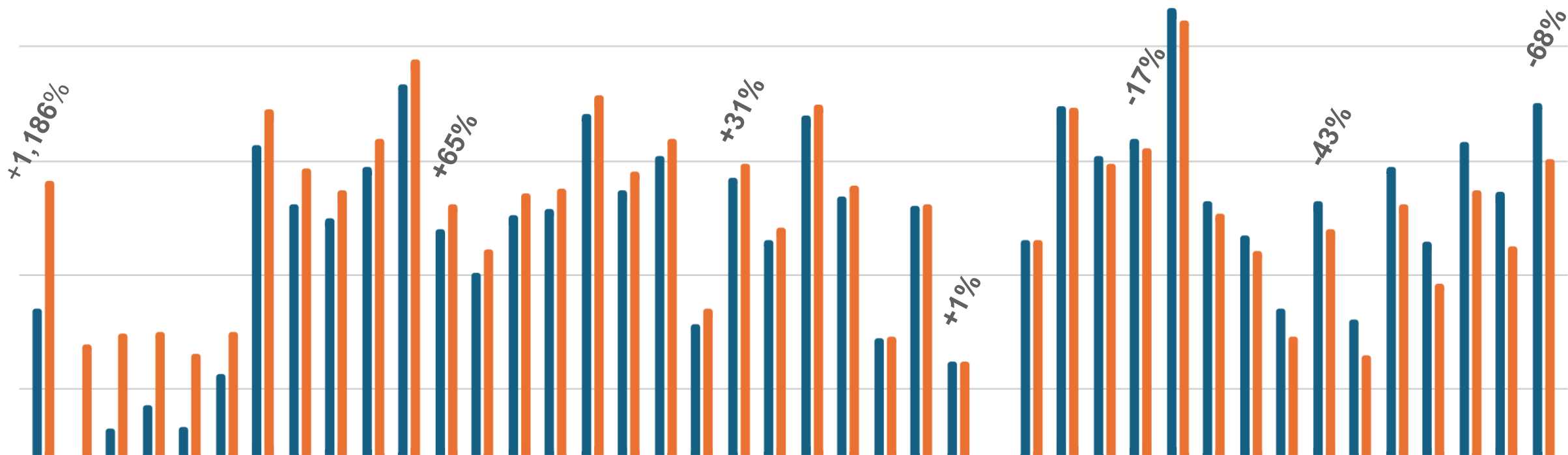
Johan Rooryck, Executive Director of cOAlition S



Equitable pricing framework analysis

- Applied World Bank economic tiers to countries that provide revenue and/or published articles to Publisher A
- Calculated the average APC rate needed to maintain revenue flow for Publisher A
- Applied APC rate to countries and calculated the equitable share (under this framework) based on their publishing output
- Compared the equitable shares to the total revenue received from each country by Publisher A

Comparison: 2023 spend vs. equitable pricing share (Publisher A)



All countries in attendance at B17 represented in chart

[unlabeled for anonymity; log scale for easier comparison across countries]

What we have learned so far

- Some countries out of balance between **current revenue** and **publication patterns**
- **USA**: often responsible for a higher percentage of current revenue than its percentage of articles published
- **Other countries**: depending on the publisher: responsible for a lower percentage of current revenue than its percentage of articles published
- **Why?** Some hypotheses:
 - Current subscription pricing rooted in historic print spend - from an era of significant growth in higher ed and R&D in the US
 - Significant number of subscribing institutions with minimal publications in the US: corporations, gov't organizations, etc.
 - Subscription pricing model not flexible enough to keep up with changes in scientific output and shifting economic circumstances in countries around the world in the past several decades

What we have learned so far

- Publisher-specific characteristics create substantial variation and impact their opportunities to advance OA and equitable pricing
- Even in countries with national group deals with Publisher A, the total revenue from that country tends to be higher with funds coming from other sources
- Developing countries can have significant annual variability in publishing output
- Currency fluctuations have major impacts on true costs for some countries
- Significant unknowns around additional support for other models of OA (Green, Diamond, etc.) at each country level, providing more questions for inquiry about total investments in OA that could be used in global comparisons

What we have learned so far

- Elephant in the room: **profit margins.**
- Funding flows can move, but most publishers are still extracting a profit/surplus from their publishing operation:
 - To enrich their stakeholders
 - To fund society operations
- **Path to global sustainability and equity may involve limiting those profits.**
- A full OA world may mean that some revenue exits the total investment with legacy subscription publishers.
- **Publishers cannot assume they will recreate that revenue on the backs of the publishing institutions.**

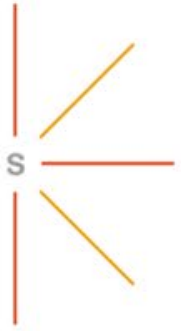
What is next

- Exploring opportunities for more granular analysis
 - Holistic analysis of participation in publishing activities from different types of institutions
 - Applying different equitable pricing frameworks for comparisons
 - Making framework adaptations and adding new factors that might bring us closer to fairer pricing, equity, and inclusion
- Identify more publishing partners to share data and explore questions
- Sharing what we learn to encourage more conversation in the future



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Thank you!

<https://oa2020.org/>