

Open Access, Markets, and Missions

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<http://dash.harvard.edu/handle/1/4322590>

Do we want newspapers, TV newsrooms, and online news bureaus to maximize profits, or do we want them to serve a certain function in the community? Someone might object that these goals are compatible, and that a TV news station (for example) with the most profit is the one with the most viewers. Its incentives to maximize viewership are incentives to maximize service to the community. But we don't really know in advance what behavior will maximize profits; if we did, business and investment would be easy, not hard. The abstract confidence that maximizing profits will maximize service to the community will prove false if profit seeking leads the station to devote most of its coverage to crime, sports, celebrities, entertainment, and weather. We can admit that all-celebrities all-the-time meets real demand, serves the community in that particular way, and may be rewarded by revenue and market share. But it doesn't follow that it serves the function in the community that should be served by journalism. On the contrary.

We can ask the same question of education. Do we want schools to maximize profits, or do we want them to serve a certain function in the community? Again, someone might object that these goals are compatible, and that the school with the most profit, or at least the most voluntary enrollments, is the one best serving the community. But, again, this will be false if maximizing profit leads the school to teach creationism as science or expand football at the expense of writing. We can admit that telling students what their parents want them to hear, or promoting sports that the public likes to watch, meets real demand and serves the community in that particular way. But it doesn't follow that it serves the function in the community that should be served by education. On the contrary.

For these reasons, let me call journalism and education “mission-oriented” economic sectors, as opposed to “market-oriented” sectors like hat and hardware manufacturing. These are two ends of a spectrum, not airtight categories. In fact, I’m more interested in the complicated middle ground between the two poles than in the two poles themselves. When a newspaper’s revenues decline, it may have to scale back on investigative stories about health insurance and scale up on stories about new-fledged ducklings at the zoo. When a university’s endowment tanks, it may have to close some low-enrollment programs in favor of high-enrollment programs. Hard choices like these are commonplace in every organization. Tough times can nudge an organization temporarily closer to the market end of the spectrum, and better times can free it to give renewed priority to its mission.

Do we want scholarly journal publishers to maximize profits, or do we want them to serve a certain function in the community? Someone might object that these goals are compatible, and that the publisher with the most profit is the one with the most subscribers and hence the one serving the largest audience and providing the widest access. Its incentives to maximize subscribers are incentives to maximize service to the research community. But as elsewhere, we don’t really know in advance what behavior will maximize profits. The abstract confidence that maximizing profits will maximize service to the community will prove false if profit seeking leads the publisher to:

- (1) make its method of cost recovery function as an access barrier,
- (2) produce fake journals to puff the products of drug companies,
- (3) lobby the legislature to block public access to publicly-funded research,
- (4) retain a business model that scales negatively for users (excluding more and more readers as the volume of published knowledge continues its exponential growth), or
- (5) take advantage of the natural monopolies of individual journals to raise prices out of proportion to journal size, cost, impact, or quality, or to raise them faster than inflation and library budgets (maximizing margins over subscribers).

We can admit that artificial scarcity will protect a revenue stream for the existing array of conventional publishers, and serve the research community in that particular way. But it doesn’t follow that it serves the function in the community that should be served by scholarly publishing. On the contrary.

Financial analysts at Credit Suisse First Boston pointed out that second-rate journals with low rejection rates have higher profit margins than first-rate journals with high rejection rates. Higher rejection rates increase the costs per published paper by requiring journals to perform peer review more times per published paper. This creates incentives for profit maximizers to lower their rejection rates, even if that means lowering standards. At the same time, it creates incentives for profit maximizers to bundle journals together and reduce the freedom of libraries to cancel low-quality titles.

<http://www.earlham.edu/~peters/fos/newsletter/05-03-04.htm#creditsuisse>

Scholarly publishing ought to be a mission-oriented economic sector, just as journalism and education ought to be. But it has evolved into a market-oriented sector. It ought to cluster toward the mission-oriented end of the spectrum, but since WWII has drifted toward the market-oriented end of the spectrum.

Three years ago (February 2007) the American Association of University Presses Statement on Open Access drew a similar conclusion about university presses:

<http://aaupnet.org/aboutup/issues/oa/statement.pdf>

<http://www.earlham.edu/~peters/fos/2007/02/aaup-statement-on-open-access.html>

The core mission of university presses has always been to disseminate knowledge to the widest possible audience. ... For university presses, unlike commercial and society publishers, open access does not necessarily pose a threat to their operation and their pursuit of the mission to “advance knowledge, and to diffuse it ... far and wide.”... But presses have increasingly been required by their parent universities to operate in the market economy. ...

Universities are themselves mission-oriented organizations. But when they face hard choices, they must find ways to shore up revenue in order to continue to serve their missions. One way they have done this is to ask their presses to behave more like market-oriented publishers. This may (or may not) help with institutional mission-goals like funding low-income students or enriching teacher-student ratios, but it subverts the mission-goals of advancing and disseminating research.

Scholarly societies are like universities in this respect. They are mission-oriented organizations confronting hard choices about their future. In the face of these pressures they often decide to shore up the revenues needed for their missions by encouraging their publishing arms to behave more like market-oriented publishers.

Last year (February 2009) four major organizations—the Association of American Universities, Association of Research Libraries, Coalition for Networked Information, and National Association of State Universities and Land Grant Colleges—made their own argument that universities should put missions before markets when thinking about how to share the knowledge they generate:

<http://www.arl.org/bm~doc/disseminating-research-feb09.pdf>

<http://www.earlham.edu/~peters/fos/2009/02/calling-on-universities-to-maximize.html>

The production of new knowledge through the practices of research and scholarship lies at the heart of the university’s mission. Yet, without effective and ongoing dissemination of knowledge, the efforts of researchers and scholars are wasted. Dissemination is thus a core responsibility of the university. ... Dissemination strategies that restrict access are fundamentally at odds with the dissemination imperative inherent in the university mission. ... Dissemination of knowledge is as important to the university mission as its production. ... [T]here is an inherent difficulty with relying on market forces alone to maximize dissemination. ...

Profit maximizing limits access to knowledge, by limiting it to paying customers. If anyone thinks this is just a side-effect of today's market incentives, then we can put the situation differently: Profit maximizing doesn't always limit access to knowledge, but is always ready to do so if it pays better. This proposition has a darker corollary: Profit maximizing doesn't always favor untruth, but is always ready to do so if it would pay better. It's hard to find another explanation for the fake journals Elsevier made for Merck and the dishonest lobbying campaigns against OA policies. (Remember "Public access equals government censorship"? "If the other side is on the defensive, it doesn't matter if they can discredit your statements"?)

<http://www.earlham.edu/~peters/fos/2009/06/elsevier-fake-journal-tally-now-9.html>

<http://www.nature.com/news/2007/070122/full/445347a.html>

<http://www.earlham.edu/~peters/fos/2007/01/siege-mentality-at-aap.html>

I don't exempt OA journals that charge publication fees as if for peer review and then provide little or no peer review. Readiness to put revenue ahead of mission can lead any publisher, OA or TA, or any business of any kind, to take shortcuts with quality or turn to deception.

<http://www.earlham.edu/~peters/fos/2009/06/hoax-exposes-incompetence-or-worse-at.html>

What if low-quality and even fake journals really are more profitable than honestly vetted journals, and disinformation campaigns really do protect the revenue stream? It wouldn't follow that most publishers are dishonest, any more than the existence of temptations means that resisting temptation is rare or futile. It would only mean that a minimal sort of service to mission or community requires a step back from profit maximizing. Most publishers take this step, including most subscription or TA journals, and many take more than this step. Nonprofit society publishers have missions other than profit seeking and generally put their missions ahead of extra revenue. Those with TA journals set their average subscription prices lower than their for-profit counterparts and provide greater quality and impact. And most of them allow author-initiated green OA. Neither for-profit status nor aggressive profit seeking prevent most TA publishers from providing honest peer review, even if it increases the costs per published article. If publishers were never willing to put mission before profit, all but the most profitable—and perhaps even they—would have shifted long ago from academic publishing to pornography.

But steps back from profit maximizing may still leave a publisher closer to the market-oriented end of the spectrum than the mission-oriented end. And that is where the industry remains clustered today, after several decades of migration. Today the mission is suffering far more than the profits.

A market-oriented organization is not a pure type at the far end of the spectrum. It may want to sell fine wine, or fine peer review, even though the margins would be

higher if it reduced quality. The same considerations apply on the other side. A mission-oriented organization is not a pure type at the other end of the spectrum. It's not so lucky or wealthy that it is spared hard choices, and not so callow or idealistic that it is oblivious to their stakes. To be mission-oriented is a matter of degree, measuring an organization's willingness to reduce its take in order to advance its mission, or its determination to decide its hard cases, when it responsibly can, in favor of its mission.

It's wonderful when a company has the resources and resolve to make an expensive hard choice in favor its mission, for example when Google put its Chinese business at risk by deciding to stop censoring its Chinese search engine. But even companies with the resolve can lack the resources to do the same. Hence, it's understandable when, financially pinched, they must take a step back from their mission to insure their survival, for example when the Journal of Visualized Experiments converted from full OA to hybrid OA or Haematologica converted from no-fee OA to fee-based OA.

<http://bit.ly/duprGH>

<http://www.earlham.edu/~peters/fos/2009/04/jove-retreats-from-oa.html>

<http://www.earlham.edu/~peters/fos/2009/06/oa-journal-introduces-publication-fees.html>

The question is not whether a given publisher is pure, or how it can justify impurity. The question is whether we should conceive mission pressures as regrettable interference with market decisions or market pressures as regrettable interference with mission decisions. I don't want to suggest a common priority for all organizations across the economy. On the contrary, I'm arguing that different economic sectors differ in just this respect, and I want to resist the breezy assumption that all problems are best solved by markets. Arguments that journalism, education, and scholarly publishing should solve their problems by behaving like "other businesses" misunderstand how they differ from "other businesses." If their financial viability is sometimes at risk, so is their special service to the community.

The kind of argument I'm criticizing was put most strongly by the Professional & Scholarly Publishing Division of the Association of American Publishers in its press release for the ill-fated PRISM initiative: "The free market of scholarly publishing is responsive to the needs of scholars and scientists and balances the interests of all stakeholders."

<https://mx2.arl.org/Lists/SPARC-OAForum/Message/3934.html>

<http://www.earlham.edu/~peters/fos/2007/08/publishers-launch-anti-oa-lobbying.html>

The same theme has been prominent in the rhetoric of the publishing lobby before and after, including several submissions to the recent public consultation from the White House Office for Science and Technology policy. When the publishing lobby

argues that OA policies interfere with the market, it presupposes that scholarly publishing is a market, or that it was a market before OA policies distorted it. But that position overlooks all the long-standing, mission-oriented modifications to this putative market. It overlooks all the ways in which scholarly publishing is permeated by state action and gift culture. It overlooks the fact that most scientific research is funded by taxpayers, the fact that most researcher salaries are paid by taxpayers, and the fact that most journal subscriptions are paid by taxpayers. It overlooks the fact that authors donate their articles and referees donate their peer-review reports. It overlooks the fact that copyright is a state-created monopoly.

Publishers benefit from all these traditional distortions or modifications of the market and only protest new ones that would benefit researchers. In formulating their objections, they position themselves as champions of the free market, not as beneficiaries of its many distortions and modifications.

Some stakeholders see scholarly publishing as the best of both worlds: a functional hybrid of public funding to produce research and private profit seeking to vet and distribute it. Others see it as the worst of both worlds: a dysfunctional monster in which research funded by taxpayers and donated by authors is funneled to businesses which lock it up and meter it out to paying customers. But there's no doubt that it's a cross of two worlds. To call it a market is like calling mule a horse.

The assumption that scholarly publishing is already a market is one kind of mistake. But the deeper mistake—and my primary concern here—is to argue or assume that it ought to be a market. Or since a “market” can be many things, let me be more precise. The abstract confidence that maximizing profits will maximize service to the community may be warranted in many economic sectors, or even most. But it's not warranted in journalism, education, and scholarly publishing, just as it's not warranted in law enforcement, disaster relief, or emergency medicine. In these sectors incentives to maximize profits can function as incentives to reduce quality and access, not to increase them.

A related mistake is to categorize this argument as socialist or to assume that the only solution is state ownership. Some mission-oriented organizations, like police and fire departments, work best when state-owned and government-run. But others, like schools, work well both ways and most people want a mix of both kinds. For others, like newspapers, state ownership would be a disaster. I don't want the state to control peer review any more than I want it control journalism. When the publishing lobby protested that the NIH policy would “nationalize science,” it didn't go wrong by deploring the prospect of nationalizing science, only by failing to read the policy.

<http://www.earlham.edu/~peters/fos/newsletter/09-02-07.htm#peerreview>

The solution is much less dramatic. Researchers, their employers, and their funders, should act more decisively in their own interests. Publishers should remain free to publish any kind of journal they want and researchers should remain free to submit their

work to the journals of their choice. But when researchers choose to publish in non-OA journals, they should retain the rights needed to authorize OA and they should use those rights to deliver OA. Their employers and funders should adopt policies to assure this.

If someone objects that these policies “interfere with the market,” we can choose from several responses. We can concede the point, and even argue that interfering with the market is part of the purpose. We can argue that there is no market here to interfere with. Or we can argue that when stakeholders act in their own interests, that is the market at work, or that is a start at restoring balance to a one-sided half-market in which only publishers have been acting decisively in their own interests. No matter which response we choose, we needn’t give up support for markets in other sectors.

If publishers object that these policies will undermine their revenues, we can give narrow answers focusing on what the evidence shows. But we can give broader answers as well, rejecting the assumption that the interests of the research community should be subordinated to the business interests of publishers. We can argue that scholarly publishing should never have been outsourced to market-oriented businesses and should gradually be recovered by mission-oriented institutions.

Markets do many things well but don’t do everything well. Hard-core capitalists often defend that proposition unprompted, citing mission-oriented organizations like police and fire departments, the armed forces, the courts, and public schools, even apart from charities and nonprofits. The difficulty is that if we are generally inclined to support market solutions, then we are generally inclined to overlook the exceptions. In the end, my argument is simply that the stakeholders in scholarly communication—researchers, universities, libraries, societies, publishers, foundations, and governments—need to step back for perspective, remember the exceptions or at least remember that there *are* exceptions, and pick up the conversation again in light of that perspective.

Instead of hypnotically granting the primacy of markets in all sectors, as if there were no exceptions, we should remember that many organizations compromise profits or relinquish revenues in order to foster their missions, and that we all benefit from their dedication. Which institutions and sectors ought to do so, and how should we protect and support them to pursue their missions? Instead of smothering these questions for offending the religion of markets, we should open them for wider discussion. Should scholarly publishing, with all of its mixed incentives and hard choices, migrate closer to market-oriented end of the spectrum or to the mission-oriented end of the spectrum? For me the answer depends on a prior question. Do we want scholarly publishing to serve a certain function in the community?

(Note: This essay stands on its own but also serves as a sequel to “Knowledge as a public good” which appeared in the November 2009 issue.)

<http://www.earlham.edu/~peters/fos/newsletter/11-02-09.htm#publicgood>

