

**Stellungnahme des Deutschen Bibliotheksverbandes
e.V. (DBV) zur
Kommissionsstudie über wissenschaftliche
Veröffentlichungen in Europa (IP/06/414)**



**DBV response to the EC-Report on the economic and technical
evolution of the scientific publication markets in Europe**

DBV, the German Library Association, warmly welcomes the report ‘Study on the economic and technical evolution of the scientific publication markets in Europe’ (http://ec.europa.eu/research/science-society/pdf/scientific-publication-study_en.pdf). This independent and thorough analysis of the environment for scholarly communication gives a lot of valuable insights into how and why the current system fails to meet the needs of researchers as well as readers. It points the way, through a series of balanced recommendations, to addressing many aspects of a dysfunctional market.

The Report identifies significant dysfunctions in the current market (lack of access, barriers to entry, etc.), that lead to inefficiencies in scholarly communications, hindering to maximise the benefits from R&D spending.

DBV congratulates the authors of the Report on a perceptive and sensitive paper. Recommendations (A1-A5) follow logically from the discussion in the Report, particularly A1. DBV strongly endorses the key conclusions of the Report that ‘policies should make sure that the market is sufficiently competitive and “dissemination-friendly”’.

DBV endorses the assertion on p. 8 that higher citation counts (and so higher levels of use) of journals should be associated with lower average publishing costs. Whereas the opposite is true in practice as publishers engage in value-based pricing when they set prices at what they assert the market can bear.

Recommendation A1 - ‘Guaranteed public access to publicly-funded research results shortly after publication’.

Although it might be difficult in some areas of applied research, DBV underlines that research funding agencies within Europe should make it a condition of grant that researchers place copies of their final peer-reviewed papers in suitable open access repositories.

We agree with the recommendation that this should be a European policy for all articles resulting from EC-funded research and we endorse the call for the EC to work with Member States to implement such a policy at the national level. It would be insufficient for the Commission simply to issue a mandate for deposit of EC-funded research. There need to be tools to help researchers do this – such as streamlined workflows and ingest mechanisms for repositories so that end-user deposit by academics is feasible and easy.

DBV recommends that the Commission consider making funding available to allow experimentation and the development of tools and services to facilitate such work harmonizing and standardising the current practices in different European countries.

Recommendation A2 – ‘Encourage to ‘aim at a ‘level-playing field’ in terms of business models in publishing’.

As the Report makes clear, there are significant barriers to entry implicit in the current system and to ensure that experiments with new models of dissemination have a fair chance to succeed education and research funding bodies need to be aware that decisions on funding, research assessment, promotion and tenure, etc. all affect the way in which researchers wish to disseminate their research outputs. Care must be taken to ensure that these conditions do not unfairly favour the status quo. DBV endorses the assertion on p. 8 that higher citation counts (and so higher levels of use) of journals should be associated with lower average publishing costs. Whereas the opposite is true in practice as publishers engage in value-based pricing when the set prices at what they assert the market can bear. Such an economic model does not provide value-for-money for the public purse, **and the Commission should be concerned about this.**

The internet revolution over the past 15 years has materially affected the dissemination of scholarly research outputs. It is certainly true that the reduction of marginal distribution costs of electronic resources to almost zero has allowed many libraries to offer access to a greater number of titles than ever before. However, even this increase has not brought us to the stage where the typical researchers have access to all of the research that they need. The average German university library, for example, takes about half of the total number of peer-reviewed journals published world-wide.

The Report makes clear ‘...the societal cost linked to high journal prices, in financial terms for public budgets, but also in terms of the limit on the dissemination of knowledge and therefore of further scientific progress’ (p. 87). Lack of access decreases the utility of the research and diminishes the return on the investment made to produce the research. The report should give more emphasis on the connection between research spending and economic growth. Reducing access and dissemination reduces the potential for increased economic benefits.

Dysfunctions in the Current Market

The insightful economic analysis of the Report highlights a number of dysfunctions in the current market. In particular, it is shown convincingly that the very large price increases observed over the past 30 years cannot be justified by increases in costs. In contrary publishers have been able to ‘...take advantage of the relative price insensitivity of buyers, and especially for their most popular journals.’ (p. 41) The Report provides further evidence that journals published by commercial organisations are more expensive than those produced by not-for-profit organisations and we agree with the authors’ suggestion that these price differences indicate significant market power.

Traditional journals, either in print or electronic format, have strong brands at title level. Academics regard it as essential to publish in high impact journals, and for their University Libraries to purchase them as ‘must have’ titles. These patterns of behaviour leave libraries either to cancel lower-use journals, often published by Learned Societies, or to transfer money from book budgets to support their serials spend. This itself harms authors and readers in the Arts, Humanities and Social Sciences, as these disciplines are traditionally monograph-based. Commercial publishers are able to do this because of the power they have in the market place. Competition should act to keep prices low, but the publishing market does not currently behave like this. Each journal title has its own brand, prices remain high and for-profit- publishers set value-based prices.

Another price policy of strong for-profit-publishers is bundling. Bundling or ‘big deals’ allow a customer to have electronic access to all or a large proportion of a publisher’s portfolio for a premium over the customer’s current spend with that publisher. Many librarians initially welcomed bundling as it gave them increased access to journals. However, there has been growing unease at some aspects of bundling, many of which are identified.

The Report makes it clear that this type of pricing favours the large, monopolistic suppliers (in this case the commercial publishers) and allows them to extract the most surplus from their customers. (p 49) The point is also made that bundles act as a deterrent to entry for new players and products, reducing the diffusion of knowledge.

It may be helpful for the Commission to provide a framework in which all stakeholders could come together to discuss a way forward on online pricing.

Recommendation A4 – ‘Guarantee perennial access to scholarly journal digital archives

The international library community is very concerned at the shift in preservation practice that has occurred as we move into the electronic environment. Libraries no longer pay for physical copies of journals that they can preserve, but they license time-limited access to electronic content. **DBV encourages the Commission in addition to make funding available to assist authors, publishers and libraries to experiment with new modes of dissemination and their accompanying business models. DBV recommends specially support for the development and harmonization of national programs for Repositories and Digital Preservation.** Responsibility for the long-term preservation of this content is ill-defined, with some publishers taking on the task (but perhaps only for as long as there is a commercial justification to do so). **DBV welcomes the Report’s recommendation (A4) that attention is paid to the issue of long-term access and that actions are taken to ensure perennial access to digital archives. We agree that a fundamental review of pricing policies should be undertaken,** producing a model that is fairer for the libraries while still ensuring the viability of publishers. **National and leading research libraries should be strongly supported to solve these problems at the European level.**

In addition, national activities like Digizeitschriften, looking for an European counter part to JSTOR, have to be harmonized at the European level. Experiences of the European projects like DIEPER have to be taken into account.

Recommendation A5 - Standards and Interoperability

DBV fully agrees with the importance that the Report places on standards and interoperability within the scholarly publishing environment and **fully supports the recommendation (A5) that calls for the support of research and development on interoperability issues and the promotion of wide implementation of linking technologies and interoperable standards.**

For the improvement of visibility, accessibility and dissemination, the development of new usage metrics is of special interest. DINI, Deutsche Initiative fuer Netzwerkinformation - a partner organisation of DBV - is assessing the work of Dr Johan Bollen of the Los Alamos Laboratory,

who has developed an alternative metrics-based system for measuring the impact and use of scholarly journals, using the logs from SFX linking servers and data mining techniques. Dr Bollen has shown that such a methodology gives markedly different results for the ranking and significance of scientific journals, compared to the more traditional Impact Factors for scientific journal titles produced by the ISI (Institute for Scientific Information). Research of this kind should be strongly supported at the European level.

Recommendation B1 – Promote pro-competitive pricing strategies

We agree that a fundamental review of pricing policies should be undertaken, producing a model that is fairer for the libraries while still ensuring the viability of publishers and business competition.

The recommendation identifies alternative pricing models. Basically, it makes a number of points: (a) subscriptions should not depend on historic print spend, (b) price should be linked to transparent indicators like user numbers of staff and students, (c) journals in a bundle should be priced individually, (d) prices should not rise as use rises.

DBV accepts most of these points. (a) It is absurd, in an environment where libraries and users will wish to have only e-access to resources that prices should be determined by a historic print spend. (b) **DBV does not accept that prices should be linked to levels of use. This is against the basic philosophy of Open Access. In addition, the Internet encourages users to use resources. It is inevitable that levels of use will rise, and it is unfair that libraries should pay publishers for increased levels of use in this way.** It would be wrong to adopt financial ‘penalties’ for the use of the research literature. It is better if future pricing models are based on the number of staff and students in a university. (c) DBV agrees that libraries should retain maximum flexibility of choice over the journals they purchase. (d) **DBV agrees with this statement.**

Recommendation B2 - - Scrutinize future significant mergers

The Report makes a strong case for the negative effect of market-concentration and the resultant increases in price following mergers and acquisitions. **We agree with Recommendation B2 that further acquisitions should be scrutinized closely.**

Recommendation B3 – Promote the development of electronic publications; VAT Issues

The Report outlines the brake that the current taxation regime is having on the rate of transfer to the electronic environment. Differential VAT rates within Europe for print and electronic versions of the same content mean that it can be more expensive for the library to take the electronic version on its own. The VAT rules are artificially protecting the market for print journals at the expense of efficiencies in moving to electronic-only provision and causing harm to the environment (with unwanted and unread print journals being printed, shipped internationally and either stored or dumped). **We join with the authors of the Report in calling for a resolution of this problem (Recommendation B3) –by amending Annex H of the EC VAT Directive as well as by encouraging the adoption of a tax refund mechanism.**

DBV endorses both VAT remedies proposed in the Report and urges the Commission to act with speed to remove a major obstacle to the creation of a pervasive Information landscape, in digital form, in the EU.

Recommendation C1 – Setting up an advisory committee

DBV welcomes the proposal to set up an Advisory Board, composed of representatives from all stakeholders, to review activity and to report regularly to the Research DG of the Commission. The Frankfurt group as a similar group joining all stakeholders could be helpful. But this Committee should not become a talking shop, which is a substitute for action. The Report reveals the need for action to be taken and DBV urges the Commission to take action **immediately**.

Recommendation C2 – Further investigation

C2 overlaps partly with A4. There are many activities in this field in Germany, specially nestor and kopal. But **DBV urges the Commission to make more funding available for digital preservation activity in Europe**. In addition it is necessary to standardize and harmonize the national activities on the European level.

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