

Offsetting: no big deal?

By *Jörgen Eriksson**

Abstract

In this paper, I will discuss offsetting deals from their impact on accessibility, affordability to research results and on the possible development of scientific communication towards new modes and methods. I will look at the Swedish National Consortia's ([Bibsamkonsortiet](#)) offsetting deals as a specific case study.

Keywords:

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BACKGROUND

When looking at the development of the open access movement the following drivers stand out as main motivators, with different stakeholders attaching different weight to them.

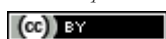
1. The affordability issue¹

This is what is known in the library world as the “journal crisis”. The inability of library budgets to keep pace with the growth of scientific publishing and the steep rise in journal subscription and “big deal” prices created a situation where a growing number of university libraries could afford only a shrinking part of the scientific and scholarly research output. The solution to this problem, if you asked the major for-profit publishers, was simple. You have to increase the library budgets, stupid.² Since this was

* Corresponding author: jorgen.eriksson@ub.lu.se For more author information, see end of article. The views expressed are those of the author and do not reflect the views of Lund University Library.

¹ Panitch, Judith M., and Sarah Michalak. 2005. "The serials crisis: a white paper for the UNC-Chapel Hill Scholarly Communications Convocation." University of North Carolina. <http://www.unc.edu/scholcomdig/whitepapers/panitch-michalak.html> A good summing up from a university point of view.

² “Consider that on average, the total library budget (including staff) is less than 4% of a university's budget. Of that 4%, less than one quarter (or 1%) is spent on serials. And, if you were to squeeze all the profit out of that 1%, you could reduce that by perhaps one quarter of 1%. In other words, all of the complaining about journals pricing comes down to less than one quarter of 1% of a university's budget. The question that should be addressed is, where is the rest of the money being spent, and why do libraries have such a low priority on campus?”—K. Hunter (Elsevier), quote from [Journals online: PubMed Central and Beyond \[a debate\]](#) BioMedNet, issue 61 (3 Sep 1999).



not an obvious option for many universities, open access was looked upon as a model that could be both more efficient and less costly than the existing system Albert (2006)³ Thus university libraries often became pioneers and strong advocates for open access solutions.

2. The accessibility issue

With the spread of Internet connectivity and the WWW the possibilities to disseminate publications globally at a very low cost were revolutionized compared to the dissemination of print journals. This was seen as a boost especially to universities in the developing world. Open access was seen as a potential equalizer regarding access to scientific and scholarly progress (Suber and Arunachalam 2005). Other strong and commonly used accessibility arguments are that publicly funded research should be publicly available for free and that open access to research supports societal development, innovation and job creation in general. The response from the for-profit publishers to this issue was to join initiatives⁴ that give low-income countries discounted or free access to publications. On the other hand the rise of article processing charges (APCs) as an economic model for open access publishing was seen as a model that could exclude poor scientists and institutions from disseminating their research results in these journals (Papin-Ramcharan and Dawe 2007). Some publishers have countered that by implementing a waiver system that let submitters from low-income countries, or in general those without enough funds to pay the APC, publish for free. Based on the societal good and efficiency arguments funders and governments are increasingly adopting open access mandates⁵. The trend is that gold open access is becoming more and more favored, with large funders like Wellcome Trust, Bill and Melinda Gates Foundation and the European Union establishing their own publishing services⁶. The green road, self-archiving in institutional repositories, is increasingly viewed as a dead end, dependent as it is on the goodwill of the publishers⁷. An example of publishers adaption of their self-archiving policies to changes in the open access landscape is when the RCUK and HEFCE OA policies were implemented. When there was substantial money available at the UK universities through the block grants that were introduced in 2012 to

³ An overview covering the journal crises and the hope of change that the oa movement should bring. Fairly typical of its time. With an extensive reference section.

⁴ E.g. [HINARI](#), [INASP](#)

⁵ Sherpa Juliet: [Research Funders' Open Access Policies](#)

⁶ [eLife](#), [Gates Open Research](#), [Information note: towards a Horizon 2020 platform for open access](#), 2017

⁷ Opinions on future role of the institutional repository are found in R. Poynder: [Q&A with CNI's Clifford Lynch: Time to re-think the institutional repository?](#) Blog: Open and Shut? Thursday, September 22, 2016

support the transition to open access⁸, and those policies accepted hybrid publishing, most major publishers made sure that their self-archiving embargo periods stretched beyond the RCUK and HEFCE open access mandate requirements and also made a majority of their journals available for hybrid options, steering authors toward gold, hybrid publishing (e.g. Springer changes their embargo from six to twelve months in early 2013)⁹.

3. New modes of scientific communication

From early on there were voices that envisioned new ways of disseminating and collaborating research and its results. Instead of hanging on to the journal and its different conflated roles (dissemination, prestige, priority and quality stamp), a model that has gone through few changes since its beginnings in the late 17th century, new ways based on the possibilities that the internet and the WWW have created should be adopted. Early examples of this are Andrew M. Odlyzko's paper from 1995 "Tragic loss or good riddance? The impending demise of traditional scholarly journals" and Stephen Harnad "On-line Journals and Financial Firewalls" from 1998. As of writing this in March 2018 alternative ways of communicating and collaborating science are still very much fringe alternatives compared to the traditional publishing model, which most of the new open access-only publishers also are adhering to. The rise of mega-journals (Wakeling et al. 2017a; Wakeling et al. 2017b) and recently, the development of a preprint culture in research areas where it would have been unthinkable just a couple of years ago are changes that are perhaps the most substantial¹⁰. Much of the reason for this inertia, despite the technical possibilities available, is blamed on the existing evaluation and reward systems for researchers, systems that often strongly favor publishing in established, prestigious journals, with high impact factors, and thus are a powerful force in conserving the existing system. The misleading authority of the impact factor in the research reward system has been discussed for quite a long time but little has happened since Seglen's persuasive paper¹¹, published twenty years ago. There are initiatives, like DORA¹² and recently

⁸ [RCUK block grant announcement](#), 2012

⁹ [Springer changes its self-archiving policy](#)

¹⁰ A recent visionary paper that includes the preprint development is Bosman, Jeroen, Ian Bruno, Chris Chapman, Bastian Greshake Tzovaras, Nate Jacobs, Bianca Kramer, Maryann Martone, Fiona Murphy, Daniel Paul O'Donnell, Michael Bar-Sinai, Stephanie Hagstrom, Josh Utley, and Lusia Veksler. 2017. "The Scholarly Commons - principles and practices to guide research communication." Open Science Framework. <https://dx.doi.org/10.17605/OSF.IO/6C2XT>. accessed 15.05.2018

¹¹ Seglen, P. O. 1997. "Why the impact factor of journals should not be used for evaluating research." *British Medical Journal* 314:498-502. is an important early paper.

¹² [DORA](#)

a decision by the RCUK¹³, signaling change, but we have to wait and see what the practical outcome will be.

OFFSETTING DEALS

Offsetting deals are deals between a publisher and a national consortium or possibly an individual institution, similar to the subscription access “big deals”. The difference is that it bundles together access to the subscription-based content with a cost for making publications open access where the corresponding author is affiliated to a participating institution. They are seen as a less disruptive road to open access by “flipping” the traditional subscription-based journals to an open access model when enough content in a journal is open access. From a researcher’s point of view offsetting deals increases the possibility to continue to publish in the journal he/she is used to and prefer and still be able to honour a funder’s open access mandate. There is also a considerable administrative relief in most offsetting deals compared to handling individual APC invoices. This relief applies to all stakeholders, the university (often the library), the researcher and the publisher. In the best of worlds, the offsetting deal can be viewed as an open access transition model where the interests of publishers, libraries, researchers and funders’ converge in a win-win situation. There is no standard offsetting deal, each publisher have their own variation. So consortia and institutions are trying to create sets of principles that a deal should fulfil to be acceptable¹⁴.

The main proponent for offsetting agreements is the Max Planck Digital Library in Germany and it has been taken up in other countries in Europe, e.g. Austria, Netherlands, Finland, United Kingdom (the pioneer, really(Earney 2017)), Sweden, ...

Max Planck Digital Library have published a roadmap, OA2020¹⁵, where the following principles are prominent:

- The bundled offsetting deals are to exist in a temporally relatively short period of time after which all publications will be open access.
- The shift from subscription to publication costs should be transparent and cost neutral and in a longer term the APC is expected to get substantially lower.

¹³ [RCUK statement on the responsible use of metrics in research assessment](#), 2018

¹⁴ E.g. JISC: [Principles for offset agreements](#)

¹⁵ [OA2020 initiative](#)

- In parallel, there should be resources available to support emerging alternative initiatives to develop scientific communication.

The OA2020 road map stresses that there is enough money in the scientific communication system already to make this shift from subscription to publication without unduly increased cost. It should also be transparent and cost neutral and in a longer term the APC is expected to get substantially lower.

From Sweden the Royal Library and the Swedish Research Council have signed an “Expression of interest” for the OA2020 roadmap.

THE SWEDISH OFFSETTING DEALS SO FAR

Here are the Swedish national offsetting deals so far, their scope and their cost neutrality for Lund University. I have left out subscription deals which give individual researchers a discount if their institution is subscribing as I don’t see them as offsetting package deals. When looking at cost neutrality I base that on the OA2020 road map definition that it should be a shift from subscription to APC that should keep the cost at its earlier level.

Counting APC costs based on the number of articles published and compare the offsetting deal cost per article with the, more or less arbitrarily calculated, official APC cost from the publisher is outside the cost neutrality issue. E.g. even if Lund University have published so many articles under the Springer Compact agreement that the cost per article is below Springer’s flat rate EUR 2,200 that does not affect the cost neutrality of the agreement.

The agreements are negotiated by the Bibsam consortium¹⁶ staff at the Royal Library. After finished negotiations, each consortia member decides if they are joining an agreement or not. A steering committee consisting of library directors and one vice-chancellor are responsible for deciding on strategic issues and overall principles.

Springer Compact 2016-2018¹⁷

- Scope: Covers all journals that offers the Open Choice option, i.e. hybrid journals only. Nature Publishing Group titles are not included

¹⁶ [Bibsam Consortium](#)

¹⁷ <https://www.springer.com/gp/open-access/springer-open-choice/springer-compact/agreements-swedish-authors>

in the deal. There is a limit to the number of articles (4162 articles for the whole period and all members of the consortia) that is covered by the deal. When that limit is reached the offsetting part of the deal ends. The limit is not expected to be reached.

- Cost neutrality: Price increase 32 % in 2017. Price increase 2018: 10 %. In addition, the Royal Library and the Swedish Research Council subsidized the deal centrally by 8,4 million SEK (ca EUR 825,000).

There is an evaluation of the Springer Compact agreement¹⁸

Taylor & Francis 2018–2020

- Scope: Covers hybrid journals only. A limit is set to the number of articles that is covered by the deal to 1450 articles. According to T&F there were about twice that many publications with a corresponding author from Sweden in 2017 so it is likely that this limit will be reached.
- Cost neutrality: Price increase 9,5 % 2018. Unknown for 2019.

Royal Society of Chemistry Read & Publish 2018–2019

- Scope: All hybrid journals. 100 % discount in fully oa Chemical Science and a 33 % discount when publishing in RSC Advances during 2018. Full price in 2019.
- Cost neutrality: Price increase 3 %

CONCERNS ABOUT THE OFFSETTING MODEL

Offsetting deals have some weaknesses that are inherent in this model as an open access transition model.

- What is considered as a “relatively short time”? I do not find the time horizon implied in the name of the roadmap “OA2020” a realistic estimate of when the flip is expected to have happened.
- Will the older non-oa publications still be held behind a paywall by the publishers and be a continuing, even if diminishing, part of their revenue even after a flip?
- If the deals are cost neutral (at best) what will the choices be for HEIs that can’t afford all the big deals and who cancels them today? Keep on publishing papers that are accessible by subscription only, thus prolonging the life of the hybrid model?¹⁹

¹⁸ Kronman, U, [Evaluation of offset agreements – report 3: Springer Compact](#), 2018

¹⁹ SPARC: [Big Deal Cancellation Tracking](#)

- Where will the extra resources needed to support oa alternatives outside the offsetting deals come from? At least at Lund University that would be a very difficult bargain to negotiate and I do not think that we are unique in that.

Affordability issues

A key issue regarding the offsetting deals is that they should be cost neutral. None of the Swedish deals with T&F and Springer are. Funding should be shifted from subscription costs to APC costs without any total cost increase, except for general cost increases, compared to the big deal cost with the publisher the year before. Both Swedish deals with for-profit publishers have limitations. There is a cap to the number of articles that can be published under the deal and when the cap is reached the open access publishing option ends. The deals only cover hybrid journals, not the publishers open access publications. Since hybrid publishing in general seem to be almost twice as costly as publishing in a fully oa journal this limitation mean that an institution get less published open access articles for their money than if the publishers fully oa journals where included (or in other fully oa journals). They might be cheaper to publish in, just as good, but money have to be found outside the deals, by the researcher.

Even if cost neutral deals are reached it still mean that the idea that open access could be a part of the solution to the affordability issue is more or less abandoned. It is difficult to imagine a development where the major for-profit publishers would feel any pressure to become more efficient and/or lower their profit margins if these deals will keep or increase their revenues (e.g. the Swedish Springer Compact pilot increased total costs with 60 % compared to the earlier subscription big deal²⁰) and act as a support in conserving the monopolistic structure that exists in scientific journal publishing by favouring the existing journals and publishers.

It is interesting to see that funders with the longest experience of hybrid publishing support, Wellcome Trust and RCUK-HEFCE, are reviewing their open access mandates, one of the reasons being the escalating cost. Wellcome report that 2015–16 71 % of their APC funding was spent on hybrid publishing and the average APC cost for hybrids were 34 % higher than for an article in a fully oa journal²¹.

²⁰ U. Kronman; [Utvärdering av offset-avtal – delrapport 2: Springer, Compact och Institute of Physics](#), 2017

²¹ R. Kiley; [Wellcome is going to review its open access policy](#) March, 2018

Accessibility

Offsetting deals obviously increase the volume of open access publications. On the other hand, there is a risk that those institutions that found it harder and harder to afford the subscription-only deals, in this new development will be the ones that cannot afford to make their publications available as open access. If they turn out to be numerous enough, a tipping point may never be reached with this kind of deal and we can only hope for a very partial success in reaching the accessibility goal.

Support for alternative developments

By actively steering resources toward the most expensive mode of open access publishing (for-profit publishers hybrid options) resources available to support alternative developments have to be found elsewhere, which will be a challenge where some institutions will succeed and others not. E.g. here at Lund University there are signals that this is the last year that we will have a central APC-fund, which we have had since 2008, and one of the arguments heard for ending the fund are the offsetting deals. In practice this would mean that from 2019 we will only support hybrid publishing through offsetting deals and that the added incentive (50% of the APC in fully OA journals funded by the central fund and no support for hybrids) for researchers to publish in PLoS, Hindawi, PeerJ, BioMed Central journals etc. will disappear. Support for the visionary goal of transforming the scientific communication will clearly be in danger of getting squeezed out, threatening membership based services like Knowledge Unlatched and others.

Legacy archives

Regarding the retroactive publications and open access there is an interesting attempt by Taylor & Francis to put all publications older than 20 year behind a “moving wall”, separated from the “big deal” they are negotiating in the UK, and sell that material as a package of its own²². Is this a testing of the waters how the for-profit publishers will try to capitalize on their legacy material in an open access future? T&F backtracked on this proposal after massive criticism from UK University libraries. But the issue will surely come back in different shapes, based on the key argument from T&F that the cost of keeping an archive must be funded. “Provision of this

²² [Libraries reject Taylor & Francis opportunistic change of contract](#) - Tue, 13 Feb 2018

courtesy access bears a cost and ongoing liability, a continuation of which we believed to be unsustainable in the long-term.”²³ This will bring in an additional revenue stream beside APC to the publishers and an additional expense for institutions who want access to or use legacy publications for data mining. So, the access issue will most likely not go away even when/if the offsetting deals have been successful.

Summing up

To new modes of scientific communication and to conventional alternative open access publishers, offsetting deals are working hand in hand with the conventional reward system. Without a real change in the research evaluation and award system publishing in prestigious journals with high impact factor will continue to be the preferred and necessary option for a majority of researchers. Combined with OA-mandates from funders and institutions that include and in some cases also support hybrid publishing financially make offsetting deals an attractive, but conserving, option.

As the two offsetting deals that the Swedish national consortia have signed with for-profit publishers are far from cost neutral, limited to hybrid journals only and also limited by a cap to the number of papers allowed under the deal, the affordability problem will remain and even increase if more deals of that kind will be accepted.

If cost neutrality or a lowering of costs cannot be achieved, accessibility will be affected when institutions who cannot afford the offsetting deals will have no choice but to publish closed access papers in their preferred journals or, if funder pressure is strong enough, publish in low-impact oa journals with an affordable, or no APC.

If already tight library budgets are spent on offsetting deals that are at best cost neutral fresh money must be found within the universities to support publishers and initiatives outside the traditional for-profit publishers.

The OA2020 road map considers all three goals as important, (affordability, accessibility and exploration of new ways) but the Swedish offsetting deals made so far are mainly considering the accessibility goal.

²³ Taylor & Francis Group responds to the open letter from SCONUL

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ABOUT THE AUTHOR

Jörgen Eriksson <http://orcid.org/0000-0001-6433-733X>

Librarian at Lund University Library (Sweden)

Eriksson has worked with the development of Internet-based information services at the Lund University Library, Sweden and the Danish Electronic Research Library since ca 1995. In 2002 Eriksson became involved in the Open Access movement professionally when he became responsible for the set-up and running of an institutional repository and publication registration service at Lund University. Not only working with the “soft” OA-issues Eriksson was also active in the development of a repository software at Lund University which today is jointly developed at the universities at Ghent and Bielefeld and available as open source. He was also involved in the early development of DOAJ. 2008–13 Eriksson was head of the Department of Scientific Communication at Lund University Library. Among other things the department supports the university open access policy by promoting open access through advocacy and by supporting self-archiving in the local repository and gold OA-publishing through a central fund for article processing costs. 2014– onwards Eriksson has mainly worked with publication registration, data quality and interoperability issues related to local CRIS and repository services. He has also been much involved in the management of the local APC fund.

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