

## Current Transformative Agreements Are Not Transformative Position Paper – For Full, Immediate and Transparent Open Access

### Executive summary

In 2019, approximately 69% of journal articles published in the world appeared in journals that charge readers for access [[Piwowar et al. 2019](#)]. However, there is broad recognition of the benefits of Open Access (OA) publication, making the results of scientific research freely available to everyone. That is why many funders, libraries and universities have developed policies and principles to accelerate the transition to OA and increase options for authors seeking to publish in high quality OA venues. One example is Plan S, in which a coalition of funding organizations has come together to push for a transition to OA.

Many publishers have introduced hybrid publishing models, where some articles are published in OA while others are only available to subscribers. These models are often considered to be problematic but tolerated as a transitional pathway towards full OA. Plan S for instance has a clear 'no hybrid' principle, but tolerates hybrid OA models if the publisher puts in place "transformative arrangements" for a full transition to OA within a clearly defined time-frame [[Coalition S 2019](#)].

This is the basis for recent interest in so-called transformative agreements. Based on our assessment of several such agreements, we argue that they are not genuinely transformative and that their transformational potential is actually very low. Such models risk perpetuating current limitations on access, transparency and market competitiveness, while simultaneously facilitating excessive charges on the public purse. While they permit some legacy publishers to increase the fraction of OA content, they also increase the number of articles published in hybrid journals, lock subscribers into their current arrangements with publishers, and do nothing to improve price transparency. If such agreements allow publishers to continue their current pricing behavior, the long-term cost for libraries, higher education and research institutions will be much higher than they expect.

So called Transformative Agreements frequently display the following shortcomings:

- They lack binding commitments to a full transformation to OA.
- Access is limited to selected parts of a publisher's portfolio.
- Conditions vary across national borders.
- They crowd-out pure OA publishers from institutional or national agreement negotiations.

The signatories of this position statement believe that OA that is delivered in a full, immediate and transparent (FIT) way by fully OA publishers offers a high-quality, cost-effective alternative to hybrid models.

We advocate for an "OA first" policy that should make it mandatory to find mechanisms of support for native OA publications and alternative peer-review platforms first, before entering large-scale transformative agreements with legacy publishers providing OA coverage or subsidies of OA APCs.

The signatories therefore recommend that:

- Agreements should not be labeled as Transformative Agreements and accepted as such without scrutiny and clear evidence that they are conducive to the broader transition to OA.
- Public entities should monitor and fully assess the longer-term post-contract outcomes and implications of the models they support and negotiate and avoid any agreements that perpetuate hybrid elements.
- All agreements between publishers and publicly funded institutions should be fully transparent, allowing other institutions and national consortia to compare "deals" and prices, putting pressure on publishers to account for the price of the services they provide, and preventing unfair or singular pricing strategies.
- Libraries and research funders – i.e., those directly concerned by the cost of publication – should strive for conditions that increase competition between all publishers on a level playing field.
- Consortia and institutions should earmark the savings made in subscription deals to support and centrally pay (through the university library and/or consortia) for full OA journals and platforms.

- Libraries and consortia that are entering negotiations with subscription/mixed-model publishers, should simultaneously define “transformative” – or rather pure publish – agreements with publishers and platforms that already provide 100% OA.

**Transformative agreements, if truly transformative, would be an effective instrument to support the transition to OA. But to do so there are key transformative elements that must be present. For an agreement to be considered as “transformative”, it must contain binding conditions or mechanisms that (1) guarantee the full transition to 100% OA within a defined, short timeframe and (2) guarantee that the process cannot be easily reversed or cancelled at the end of the contractual period. The agreement should encompass all the publisher’s titles and include OA to legacy content.**

**We can only applaud publishers who embrace these true transformative elements and we reiterate our full support to policies such as Plan S. We invite all parties to make sure that only agreements that seriously intend to advance the state of OA are considered transformative.**

Signatories:



**Academic Open Access Publishing**  
since 1996



## Current Transformative Agreements Are Not Transformative Position Paper – For Full, Immediate and Transparent Open Access

### 1. Introduction: a 100% OA world is within reach, yet at risk

In 2019, approximately 69% of journal articles published in the world appeared in journals that charge readers for access. Full, Immediate and Transparent (FIT) Open Access (OA), ensures that everyone has immediate, access to the results of scientific research, free of any charge, providing more impact to the research and widely recognized benefits to society [[Council of the EU 2016](#); [Piwowar et al. 2019](#)] [[Council of the EU 2016](#); [Piwowar et al. 2019](#)]. The technology, know-how and funding to achieve this are already in place.

That is why many funders, libraries and universities have developed policies and principles to accelerate the transition to OA and increase options for authors seeking to publish in high quality OA venues. In Europe this is the line taken by Plan S, in which a coalition of funding organizations (cOAlition S) has come together to push for a transition to OA. In the US, the White House Office of Science and Technology Policy (OSTP) is exploring taking a similar approach for federally funded research.

We are now at an important juncture. Budget holders (funders and libraries) are deciding which business models they are going to support. These decisions will determine the speed of the transition to OA and shape the scholarly publishing system for years to come, and thus its effectiveness and cost for the public purse.

One way of supporting the transition to OA is through *Transformative Agreements* - contracts between institutions (libraries, national and regional consortia) and publishers in which publishers commit to transforming their business model from one based on toll access (subscription) to one in which they are remunerated a fair price for their OA publishing services [[ESAC website](#)].

This follows several years during which many publishers had introduced *hybrid publishing models*, where some articles are published in OA while others are only available to subscribers. This option arose to allow authors with mandates to make their publications immediately available to continue to publish in subscription journals, by paying an additional Article Processing Charge (APC). This practice has been referred to as “double dipping” because publishers benefit from an additional APC payment on top of the subscription income. Thus, funder mandates intended to support OA publication channels led to the unintended consequence of increasing the amounts paid to subscription journals; hybrid publishing is both costly and ineffective.

Transformative Agreements often take the form of “read and publish” or “publish and read” (“offsetting”) agreements in which institutions gain licensed access to some or all of a publisher’s content, and publishers allow researchers from these institutions to publish OA in some or all of the publisher’s journals without incurring APCs. Such agreements allow institutions to offset APCs against subscription costs – thereby mitigating the double-charging (“double dipping”) often associated with the hybrid OA model.

Typically this type of agreement between a large legacy or ‘mixed-model’ publisher and national level consortia allows consortia researchers to publish in most of the publisher’s journals for an APC negotiated to be “cost neutral”, i.e. protecting the publishers’ current revenue stream, and therefore usually well above average APCs.

A recent report by Information Power stated that of 27 business models evaluated, Transformative Agreements “emerge as the most promising because they offer a predictable, steady funding stream” [[Wise & Estelle 2019](#)]. Furthermore, many OA advocates who consider Transformative Agreements as problematic, are nonetheless prepared to tolerate them as a transitional pathway towards full OA. Plan S, for instance, has a clear ‘no hybrid’ principle, but allows hybrid models if the publisher puts in place “transformative arrangements” for a full transition to OA within a clearly defined time-frame [[Coalition S 2019](#)].

Here, we argue that this tolerance is misplaced, that current Transformative Agreements are not genuinely transformative and that they will in fact perpetuate limitations on access, transparency and market competitiveness – and over-payment from the public purse. In this paper we offer a series of

recommendations on how to ensure Transformative Agreements are truly transformative and do not prevent other alternatives from moving OA forward.

## 2. Why current Transformative Agreements are not the solution

“Transformative Agreements are meant to enable a swift and irreversible shift away from the subscription model on a global scale, affecting the financial and operational changes required for a fully OA publishing paradigm” [[ESAC website](#)]. In our view, these are the standards - value to society and genuine transformative potential - against which Transformative Agreements should be evaluated. Current Transformative Agreements are a variant of widely criticized ‘Big Deal’ contracts between publishers and universities [[Johnson et al. 2017](#); [Morais et al. EUA 2019](#)]. As such, they represent the latest in a series of commercial, legal and technical strategies and tactics used by legacy publishers to maintain the status quo with regards to revenue (under the guise of budget ‘neutrality’) and market dominance.

Based on arrangements that have emerged in recent months, both in actual signed agreements [see [ESAC registry](#) or [spreadsheet created by Jeroen Bosman](#)] and in policy discussions and recommendations, we argue that these agreements do not incentivize legacy publishers to fully move away from paywall based models and nor do they adequately support learned societies who wish to transition their publishing operations to 100% OA.

Based on our analysis of recent announcements of this type of agreement we are particularly concerned with several issues that in our opinion are counterproductive to the transition to full OA:

- **No binding commitment to full transformation to OA:**

Without explicit guarantees that the deal will indeed lead to a fully OA context, this is nothing more than a hybrid OA publishing deal between the publisher and a Consortium of universities or funders. The ‘Publish and Read’ fee is pegged to current Consortium expenditure on journal subscriptions and the estimated number of OA articles that consortia researchers will publish over the duration of the contract. It thus has no effect on the APC paid by other consortia which could be higher or lower.

- **Access is limited to selected parts of a publisher’s portfolio:**

If, for example, a publisher secures six national agreements in Europe, six national consortia will guarantee OA for a substantial part of their publication output with that publisher. This will be heralded as a success. However, it represents only 20% of all the articles they publish. 80% of their papers will still be paywalled. The overall impact on the content provided through Big Deal Platforms will be very small. Prestige titles can be (and often are) excluded from this kind of agreements or only included for a substantial price increase.

- **Conditions vary across national borders:**

Researchers inside the consortium experience something resembling an OA publishing environment. In contrast, researchers who are outside the consortium – whether in the same country, across Europe or globally – will benefit only marginally. Just as before, they will continue to pay the publisher for subscription-based access and continue to pay APCs to publish OA articles in its hybrid journal. Even in the best case, the agreement only applies to a single publisher. To achieve 100% OA in this way, every institution or consortia would have to negotiate a separate deal with every publisher.

- **Crowding-out of pure OA publishers from institutional or national agreements:**

Despite this limitation, agreements of this type will account for the bulk of university budgets, leaving many institutions with little or no budget to spend on fully OA publications from publishers and platforms that already deliver full and immediate OA. Despite offering an often superior product in terms of access, impact, price and rigorous peer review, OA publishers are left out of institutional or national scale agreements that would introduce simplified processes for authors and libraries.

- **Likely outcomes at the end of the agreement period:**

None of the current Publish and Read agreements being labeled as ‘Transformative’ have run their full course yet, so discussion of their outcomes remains hypothetical. However, past outcomes of other ‘big-deal’ type of arrangements make the following problematic outcomes very likely:

- Having no binding obligation to a full transformation within a specified period, a publisher can ask for indefinite extensions of this type of agreement, prolonging the status quo and further delaying a true transformation.
- Consortia participating in the agreement could insist on significant discounts to compensate for the reduced value of their subscriptions following the increase in the number of articles available in OA. Furthermore, other institutions and consortia that do not benefit from the APC waiver defined in the Agreement could also demand reductions in the price of their subscriptions. Together such pressures could lead the publisher to cancel the Agreement. Such a severance would halt or reverse the ‘transformation’, even for the consortia that signed the agreement. This is a waste of time. Without the agreement it might have been possible to achieve a genuine transformation through other models.
- Even if the deal is truly “transformative”, and the publisher voluntarily flips to OA at the end of the contractual period, it will find itself in an open and competitive marketplace, wherein all its revenue will have to come from its publishing services. In this situation, the level of APCs necessary to maintain subscription-based levels of revenue (and profit) may be untenable. EMBO recently estimated that, if the costs of EMBO Press had to be financed entirely through APCs, the charge for each research paper would be €9,040 [[EMBO 2019](#)].
- Readers would be poorly served by a biased publication model where content from well-funded institutions would be freely available while content from less well-off institutions would remain behind paywalls.
- Learned societies who wish to change to an OA model for the journals they publish and who currently contract publishing services from legacy publishers, may find it hard to do so because of their partner’s reliance on subscription or hybrid models for revenue. Societies are often not able to impose decisions about business models on their publishing service providers – which is problematic enough – and are often not provided details about finances for their own journals. This is neither conducive to transparency nor to OA.

### 3. One possible solution: Fully OA publisher agreements

‘Pure Publish’ agreements between institutions and fully OA publishers covering issues such as APCs and/or centralized billing and reporting are “Transformative Agreements” by the ESAC definition [[ESAC website](#)] – genuinely transforming the business model underlying scholarly publishing; in a permanent and irreversible fashion. Compared with agreements with legacy publishers, they improve transparency and convenience, and lower the overall cost of scholarly publishing.

We believe that agreements between institutions and 100% full OA publishers offer a robust and pragmatic solution for the transition to 100% OA.

APC-based OA:

- Provides a truly transparent mechanism that recognizes the cost and value of publishing services and supports a competitive marketplace.
- Has been demonstrated to be inclusive because it allows to take into account the availability of funding across regions, subject areas and individual institutions.
- Allows flexible pricing, negotiated transparently at the national or institutional level.
- Is associated with APCs that are lower per article than those of hybrid OA journals, and far lower than costs per article under the subscription system.
- Employs one-time APCs to pay for all future access to and reuse of an article by all institutions and individuals globally in perpetuity (i.e. there will never be an upward adjustment for legacy access).

It is often argued that research-intensive universities may see their costs rise under the APC model. However, a recent study by the European Universities Association [[Stoy et al. EUA 2019](#)] shows that subscription prices *already* correlate with publication output at national level. Pure OA Transformative Agreements can take this into account, for example by negotiating with consortia who can make decisions on behalf of its institutions to balance service benefits and cost. Other solutions include re-

allocating savings on subscriptions and adjusting funding to universities and libraries (as also suggested by [OA2020-DE 2019]). Importantly, overall costs across the scholarly publishing system would be lower than those associated with hybrid OA.

We contend that a system in which universities pay for access (via licensed subscriptions) is fundamentally less fair and less balanced than a system where costs are proportional to their publishing activity.

The following illustrates how Transformative Agreements between pure OA publishers and libraries, or consortia could drive a prompt, cost-effective and transparent transition to 100% OA:

- A fully OA publisher signs an agreement with a national consortium to cover OA publishing costs for eligible authors within the consortium.
- All the publisher's content is openly accessible worldwide and in perpetuity. There are no additional fees for reading.
- The costs are annualized based on projections of current usage and are billed to the consortium or its members on a schedule that matches their requirements (i.e. billing is aligned with subscription renewals).
- All articles accepted for publication after peer-review are immediately and fully accessible under an open license (usually CC-BY), without any geographic or other limitation.
- The agreement will typically include services, such as centralized invoicing processes and reporting, that simplify and improve authors' experience and reduce the administrative burden to them and consortium members. Moreover, the publisher has clear policies for APC waivers or discounts that allow authors without sufficient funding to publish OA.
- The full text of the agreements and contracts is publicly available, and pricing is fully transparent.

#### 4. Conclusions and recommendations

The goal of the signatories is to achieve an efficient, fully functional OA market based on competition among publishers large and small, in terms of quality, service and price. The business models and technologies required for a rapid transition to 100% OA already exist, the APC model being just one of them.

Use of public funds to transform legacy, subscription-based publishers to OA could be a complementary – albeit less efficient – way to transition to a 100% OA future. However, the current trend towards Transformative Agreements is not the solution.

Although these agreements provide convenience and continuity for some stakeholders, the implications for a successful transition have not been adequately assessed. In reality, Transformative Agreements fail to guarantee a swift, irreversible shift away from the subscription model on a global scale, or to deliver the financial and operational changes required for a fully OA publishing paradigm. In sum, their transformational potential is very low.

While they may permit legacy publishers and some learned societies to increase the proportion of OA content in their journals, this would be achieved by increasing the number of hybrid articles published, and by locking subscribers into current business models for years to come, with no genuine transition to OA and no improvement in price competition between publishers. If such agreements allow legacy publishers to maintain their current pricing behavior, the OA transformation will come at a much higher cost than libraries, and universities currently expect.

We advocate for an "OA first" policy that should make it mandatory to find mechanisms of support for native OA publications and alternative peer-review platforms first, before entering large-scale transformative agreements with legacy publishers providing OA coverage or subsidies of OA APCs.

#### **We therefore formulate the following recommendations:**

- As sponsors for OA publication charges, scientific libraries and research funders should strive for conditions that enhance the substitutability of journals and increase competition between publishers.



- All public entities involved in setting publishing policies or concluding publishing agreements should fully assess the longer-term post-contract outcomes and implications of the models they support (as funders) and negotiate (as libraries), as well as the conditions that will apply at the end of the contract period.
- Public entities involved in setting publishing policies or concluding publishing agreements should monitor the evolution of the share of non-hybrid OA outputs as well as the price levels.
- Public entities should avoid any agreements that perpetuate hybrid elements.
- In order for an agreement to be considered as “transformative”, it should contain binding conditions or mechanisms that (1) guarantee the full transition to 100% OA within a defined, short timeframe and (2) guarantee that the terms of the agreement cannot be easily reversed or cancelled at the end of the contractual period. The agreement should encompass all the publisher’s titles and include OA to the legacy content.
- The terms of agreements between publishers and publicly funded institutions should be fully transparent, allowing other institutions and national consortia to compare “deals” and prices, putting pressure on publishers to account for the services they provide and preventing unfair pricing strategies.
- Libraries and consortia should engage and negotiate ‘Pure Publish Agreements’ with publishers and platforms that already provide or commit to 100% OA before or at the same time as they enter negotiations with subscription/mixed model publishers.
- Apply an ‘OA first’ policy and set up budget mechanisms to support full OA journals and platforms and centralize their payments through university libraries and/or consortia.