

The Economics of Open Access Publishing

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A Decade of Exponential Growth

According to the *Directory of Open Access Journals* (DOAJ), at present, there are over 10,000 fully open access (OA) [peer-reviewed scholarly journals](#) from 135 countries, offering 1.7 million searchable articles.

The above numbers reflect that in less than a decade, almost one-third of the world's scholarly journals are now open to everyone with an Internet connection. In this context, OA is a great success.

The mechanism of open access was originally envisioned for helping scientists and students acquire academic work and also benefit from it and put it to the best use. It was actually directed at the sclerotic pace of the [traditional publishing model](#) for academic journals.

Researchers often complained that journals held near-monopolistic control over their specific niches, with ranking factors based on citation volume. What Open Access has tried to do is to minimize the impact of this "citation" factor that so far acted as a high barrier to entry for any new journal concepts.

Is It Still About Money?

Enabled by the adoption of the Creative Commons License model in 2005, OA has succeeded in bringing vast troves of academic research to a global audience. So much so, that the users and consumers of such material start viewing that access as being "free." But is open access free? The reality of how the OA financial model works is actually quite different.

While technological advances facilitated the 'access' component of OA, much of the momentum in the mid-2000's came from a period of punitively high increases in subscription fees – increases that far outpaced the budgets for the libraries purchasing those subscriptions.

According to the Association of Research Libraries (ARL), this “serials pricing crisis” led to an average price increase of 315% from 1989 to 2003. Clearly the response from traditional journal publishers to the increased availability offered by the Internet was not to lower prices, but to circle their wagons and leverage their niche dominance by raising prices, even if that lifted their subscription rates beyond the capability of many library budgets. The selfishness of such action was represented by the loss of subscription revenues by the less-prestigious journals that libraries were forced to cut in order to pay the higher prices of the ‘must-have’ prestigious journals.

Somewhere, Someone Has to Pay

OA switches the revenue source from subscribers to the authors who are willing to pay article processing fees (APFs) or article processing charges (APCs) to make their research as widely available as possible.

As the stability of the OA model has grown, institutions have started to fund the APCs from a general budget line rather than expecting their individual researchers to pick up the tab from individual project or even personal budgets. This has been wonderful news for the poorly paid academics or starving students who were struggling with exorbitant subscription fees for top journals in their field.

However, this does not leave the new OA industry without some questions to answer about their pricing models.

All Pricing is Relative...

The early involvement of non-profit organizations in setting up OA repositories and underwriting some of the technical work to leverage the Creative Commons License model has led to a general perception that OA is primarily non-profit, with all the perceived benevolence that such a status conveys.

On the contrary, there is a lot of money to be made in OA.

[Open Access journals](#) still have overhead costs to cover, and they now use an author pay model as opposed to a subscription fee model to do that. What gets less attention is how much is left after those overhead costs are covered from those APCs. For example, the *Public Library of Science* (PLoS) was able to post a 23% revenue surplus in 2013, while keeping APCs flat for the year, while some of the contemporaries raised APCs by as much as 25%.

The [mission of open access](#) to make information available to as large of an audience as possible, is an honorable one. However, when the gap between high subscription fees and much lower APCs starts to decrease over time just because the opportunity is available, that mission starts to look a little tarnished.

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