Report of the EPSA Reform Working Group and Council Motion

ERWG Members:

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EPSA exists because of the initiative of its three founding members, Ken Benoit, Ray Duch, and Thomas Plümper, who saw the potential for a new European political science association focused on rigorous political science research. These three founding members created EPS Academic, Ltd ("EPSAL"), investing personal funds, and through EPSAL established EPSA and managed its major activities. By organizing a series of highly successful annual conferences and by establishing – together with Vera Tröger – the highly-ranked academic journal Political Science Research and Methods (PSRM), they have provided an enormous service to the political science community in Europe.

The relationship between EPSA and EPSAL has, however, given rise to widespread concerns regarding EPSA governance. In response to these concerns, the EPSA Council established the EPSA Reform Working Group.

EPSA is a member-based organization without a clear legal status. It has its own constitution as well as fee-based individual membership and a Council that has been operating continuously since its founding. The name "European Political Science Association" is, however, the property of the private, for-profit business, EPSAL, set up by its three founders and sole shareholders. The current EPSA bylaws give special rights to EPSAL in appointing key members of the EPSA Council. Historically all payments, including EPSA membership payments, have been made to EPSAL, which has also retained all profits from EPSA activities.

Over the past six years, it has become increasingly clear that this complex relationship between EPSA and EPSAL carries considerable risks for EPSA. EPSAL's for-profit structure plausibly incentivized the three founders to invest time, money and effort into making EPSA a success. At the same time, EPSA activities have over time also greatly benefitted from considerable pro bono work by many academics, not all of whom were aware of EPSAL's for-profit nature. This structure poses problems for the governance, legitimacy and functioning of the organization that in the judgment of many stakeholders and of this committee now puts the successful continuance of the association in jeopardy.

In this report, we explain the problem of the current ownership structure, recount previous and recent attempts to come to a reform agreement with the EPSAL owners, lay out the advantages that a not-for-profit structure would offer and discuss potential changes to the governance structures of the organization. We conclude with a motion for the EPSA Council to undertake a transition of EPSA to a not-for-profit status.

(A) The EPSAL problem

EPSA has many of the institutional trappings of a professional academic association. Individuals pay for memberships, there is a Council that is elected by these members, an Ombudsperson and a President chosen by the Council. But the officers of EPSA, in fact, have circumscribed authority to make decisions for the association, given its relationship with EPSAL, a private body. This structure limits the ability of the organization to decide and enforce rules and, at the highest level, to hold any of the owners of EPSAL accountable to any rules. There is also a lack of transparency in the current structure, especially with regards to the finances of EPSAL.

No less importantly, the ownership structure muddles the incentives of the owners to invest revenues, most of which come from membership and conference fees, into the organization. Not only must taxes be paid to the jurisdiction in which the annual conference is held but the owners must decide between reinvestment and drawing dividends. Recent filings report that \notin 95,700 and \notin 110,000 were paid in dividends in 2022 and 2023 respectively. Assets are valued at just \notin 162.

The number of new initiatives that EPSA has undertaken since its founding has been correspondingly modest. EPSA has adopted notably few policy reforms that would benefit the academic community but diminish profits, such as offering needs-based memberships, discounting conference fees for doctoral students, or taking actions to support political scientists under threat.

Private ownership also damages the legitimacy of the organization and, in turn, its success. EPSA, like most professional academic organizations, depends on volunteers to organize conference programmes, run groups within the association and serve in official roles. Members have been paying membership fees for years, sometimes under the mistaken belief that they are contributing to an association wholly dedicated to the community interest rather than making payments to a for-profit company. Perhaps the most notable case of unremunerated investments of time and effort is the establishment of PSRM, the association's journal. PSRM relies entirely on voluntary labour with the exception of modest compensation for the editor.

Now that members are increasingly aware of the private ownership structure, it is likely that they will be less willing to invest their time for free for others to profit. Some members, including some prominent senior people in European political science, have spoken of boycotts and have signalled a willingness to campaign against EPSA. Such sentiment and activities not only jeopardize the continued levels of attendance at the annual meetings but the for-profit status could also jeopardize reimbursement of conference expenses by some universities.¹

¹ The private association cannot be a <u>registered association with the HMRC</u>, meaning that for many universities, membership fees cannot be reimbursed. As a charity, EPSA could be registered.

Risks for the continuance of EPSA also come from the current structure itself. Under the current ownership and governance model, each of the three owners of EPSAL rotate in organizing the annual conference. There are no oversight mechanisms. Should one of the three owners lose interest or the ability to organize the annual conference or fail in the attempt to organize one, it is not clear how the organizational burden would be covered. How this model will continue is not an academic question, given that one of the three owners recently moved to Southeast Asia.

Moreover, the corporate governance of EPSAL is also rudimentary with no oversight by a corporate board or other structures that could necessitate long-term planning. One obvious issue for long-term planning is replacement and succession. There is no provision to remove an owner who freerides, nor is it likely that an heir who inherited the ownership share of one of the owners would be a political scientist and interested in or able to organize a conference. A disinterested owner could sell their shares, but given the resistance of the membership to private ownership and the low barriers to entry for any rival organization, the most likely result of a share transfer to an outside owner would be organizational failure and the collapse of EPSA. The present ownership structure and governance model is not sustainable.

(B) Previous attempts to find a solution

Since 2019, there have been continuous calls at Council meetings (and in the wider membership) to consider alternatives to the current structure and governance of EPSA.

In June 2020, the EPSA Diversity Committee proposed "the establishment of a transition committee to study and propose measures to effect this transformation." This was discussed at the EPSA Council meeting in June 2020.

In June 2021 the EPSA Council discussed the establishment of a governance reform committee (GRWG) and sent invitations to members to join. The terms of reference were:

- 1. To review the core objectives of EPSA and whether these continue to be appropriate.
- 2. To assess member perspectives on alternative governance arrangements as well as member interest in contributing and sustaining EPSA governance.
- 3. To propose one or more possible models for governance reform. Proposals should describe how different models can help EPSA better meet its objectives and can secure the financial and in-kind contributions needed to sustain them.

According to the committee report, the motivation of the committee was to "assess strategies to more effectively implement what has always been a core value of EPSA: To give members an effective voice in policy and governance matters that relate to EPSA and its mission. This includes transparency in policy, genuine involvement in decision- making, and transparent and regular recruitment to EPSA offices."

The committee first met in November 2021 and issued its final report in June 2024. As part of its work it implemented a survey of members ahead of the 2023 annual meeting in Glasgow and discussed a range of proposals for reform.

The fact-gathering component of the committee's work (led by Ray Duch) produced clear answers and confirmed dissatisfaction with the current ownership structure. The survey included a conjoint experiment component to elicit preferences over organizational form. The results revealed strong preferences for a not-for-profit structure relative to a private for-profit structure, with support for packages of associational features dropping by nearly 40 percentage points if they involved private ownership, all else equal. A majority of members responding disagreed with the statement that the ownership structure has served members well (70/299 agreeing, 79/299 neither agreeing nor disagreeing, and 150/299 disagreeing). About 30% of faculty respondents (75/253) reported willingness to contribute to a start-up fund for a not-for-profit based EPSA (and another 35% unsure).

Multiple proposals for reform were also considered by the committee. Ultimately, however, no action was taken. As stated in the final report: "in the absence of buy-in from the principals of EPSAL, the working group lacked sufficient consensus on any of these measures to move forward and none of these proposals have been taken forward." Reasons for the impasse identified by the committee included the difficulty of finding an acceptable compensation for the owners, in the event of a buy-out and disagreement over the merits of a privately owned structure.

While past reform efforts over the last five years have confirmed the demand for reform, they have also shown the difficulty of making progress when there is limited interest or consent from the company owners.

(C) EPSA Reform Working Group (ERWG) 2024-25

At the 2024 EPSA Council Meeting, held on 3 July 2024 in Cologne, the Council agreed unanimously to establish a new EPSA Reform Working Group (ERWG), to consider proposals for governance reform and to address concerns expressed at EPSA Council meetings about the current governance and financial structure of EPSA.

The ERWG has held four meetings as a full committee between its establishment and 2025, as well as online correspondence and numerous meetings among sub-groups of ERWG members to look at issues of governance reform.

The motivation behind this working group was to implement more effectively and legitimately what has always been a core value of EPSA: to give members an effective voice in policy and governance matters that relate to EPSA and its mission. This includes transparency in policy and finances, genuine involvement in decision-making, and transparent and regular recruitment to EPSA offices. The expansion of the organisation and the size of its conferences also raise institutional concerns about broadening participation necessary to ensure the long-term survival of EPSA, which the working group aims to address. The objective is to find a way to recognize the interests and contributions of the three founders while transitioning to a sustainable and professional governance model.

The EPSA Council agreed to the Terms of Reference (see Appendix) of the EPSA Working Group as well as its composition.

The Membership of the ERWG is:

- Sara Hobolt, Chair (LSE), EPSA President
- Catherine De Vries (Bocconi), former Chair of the EPSA diversity committee
- Simon Hix (EUI), EPSA President-Elect
- Macartan Humphreys (WZB Berlin, Humboldt, TCD), former member EPSA diversity committee and GRWG & lifetime member
- Mark Kayser (Hertie), member of the EPSA Council & lifetime member
- Stefanie Walter (Zurich), member of the EPSA Council & lifetime member

The agreed **Terms of Reference** of ERWG are:

- 1. To review the core objectives of EPSA and whether these continue to be appropriate.
- 2. To assess how well the current governance arrangements meet the core objectives of EPSA as well as member perception of how well it meets these objectives.
- 3. To develop a detailed alternative model (or models) for EPSA structure and governance, that are workable, sustainable, and effective in better meeting EPSA's current and future core objectives. Proposals could include financial costings as well as role descriptions, methods of recruiting members or other staff for running EPSA and its activities, and providing accountability to a governance body.

It was also agreed that ERWG will be given reasonable access to all administrative and financial information from EPSA and EPSAL for meeting its Terms of Reference. Moreover, it was agreed that the ERWG will report back with recommendations to the EPSAL directors and to the EPSA Council in writing ahead of the annual meeting to give the EPSAL directors time to respond.

In tandem, it was agreed that the EPSAL directors would meet to discuss the mechanisms of a transition to a new model.

The agreement was that ERWG and the EPSAL principals would interact to find a solution in good time ahead of the 2025 EPSA conference in Madrid.

In that spirit, the Chair or ERWG, held several bilateral meetings with the EPSAL directors in late 2024 and early 2025, emphasizing the desire of the ERWG and the wider membership to move to a membership-based not-for-profit governance model of EPSA. It was also emphasized that the status quo – the link between the for-profit EPSAL and the association, EPSA – was causing considerable concern among members and carried reputational risk for the officers of EPSA.

The EPSAL directors expressed an understanding of these concerns and promised to look into mechanisms of a transition to a new model. Yet, no concrete proposals were forthcoming.

On 14 February 2025, Sara Hobolt wrote on behalf of ERWG to the three EPSAL directors to formally request a proposal for how to best transition from the current EPSAL-EPSA model

to a membership-based not-for-profit model (or similar alternatives). This correspondence also made it clear that the ERWG had been focusing on coming up with a structure that would retain all the best features of EPSA, established by the founders, but within a new non-profit structure that gives the EPSA Council, and indirectly EPSA members, a say on decision-making and conference organization, and ensures the resilience of the organization for decades to come. Moreover, the email requested a meeting between the EPSAL founders and the Reform Committee. The deadline for a response for proposals (even in draft form) was 7 March 2025, after which a meeting would be set up.

On 7 March 2025, Ray Duch responded that any proposal on a transition was still work in progress and would require considerably more time. Sara Hobolt responded that ERWG would continue its work and was looking forward to the proposal and input from the EPSAL directors, hoping to receive this with some urgency in light of the 2024 Council decision and the upcoming Madrid meeting.

As of 17 April, the ERWG has received no proposals or input from the EPSAL directors, and hence the Reform Committee has come to the conclusion that in order to move the process forward ahead of the 2025 EPSA conference in Madrid in June, it will present its recommendations to the EPSA Council without further delay.

(D) Advantages of a not-for-profit organization

The ERWG sees three main arguments in favor of transitioning EPSA from a for-profit to a not-for-profit status:

1. Enhanced reputation, trust and legitimacy

EPSA has a strong reputation in the academic community for running a first-rate, high-quality conference, which enables academic exchange on the cutting-edge of political science research while also allowing ample opportunity for networking and community building. It is also well-known for hosting a successful association journal. In recent years, however, this reputation has been put at risk as EPSA's for-profit nature has raised serious concerns in the academic community. These concerns have been evidenced by a series of anonymous emails, individual complaints, and growing dissatisfaction among scholars expressed informally in many conversations, which have at times resulted in calls to boycott EPSA altogether. This has turned EPSA's ownership structure into a serious reputational risk and has damaged EPSA's perceived legitimacy in the community. Going forward, this could result in declining attendance rates at the conference, lower submission rates to PSRM, and a decreased willingness of academics to volunteer to provide their services at the level that EPSA needs for it to function effectively. Moving to a not-for-profit structure, as typical of professional academic associations, would be the most straightforward way to address this risk by rebuilding trust and enhancing EPSA's legitimacy in the academic community.

2. Improved finances

The current for-profit ownership structure has several negative effects on EPSA's finances. First, it creates incentives to pay out dividends for the owners rather than reinvest profits in

ways that foster EPSA's main goals. Second, as a for-profit organization, EPSA is subject to taxation as a private business, which means that a considerable share of EPSA's revenues are lost to taxation. Third, some universities restrict reimbursement of conference expenses run by for-profit organizations. Now that EPSA's for-profit status has become widely known, this could jeopardize an important part of EPSA's revenues. Finally, some opportunities (conference venues etc.) are only available for not-for-profit organizations, so EPSA's for-profit status makes EPSA ineligible for these offers. Moving to a not-for-profit status would therefore result in improved finances, which would create space for new initiatives and projects such as financial conference support for junior and/or less advantaged association members.

3. Alignment with EPSA membership preferences

Finally, a private for-profit ownership structure is strongly opposed by the EPSA membership. In a membership survey carried out by EPSA in June 2023 among registered conference participants,"private for profit ownership structure" was by far the most disliked organizational attribute in a conjoint experiment containing four organizational characteristics (conference size, decision-making procedures, decision-making bodies, and ownership structure). Organizational profiles that included a "private for-profit ownership structure" were significantly more likely to be rejected; in fact, the negative effect of a for-profit structure was nearly twice as strong as the second most unpopular attribute, a "non-elected executive that appoints council and president". In contrast, a "not-for-profit ownership structure" emerged as the most popular type of ownership structure. These findings echo the growing dissatisfaction among EPSA's membership that is being voiced in anonymous and non-anonymous emails and individual discussions with the current for-profit ownership structure. Moving to a non-profit structure would therefore align EPSA's organizational structure with the preferences of the EPSA membership.

(E) Motion to transform EPSA into a not-for-profit organization

Given these considerations, the ERWG proposes the following motion to the EPSA Council:

The EPSA Council moves as follows:

- 1. The EPSA Council agrees to initiate the process of transforming the European Political Science Association into a not-for-profit organization.
- 2. The EPSA President will appoint a committee tasked with outlining and implementing the legal, financial, and administrative steps required for the transformation to a not-for-profit organization.
- 3. The committee shall provide a report on its work to the EPSA Council at the next EPSA Council meeting at the 2025 annual conference in Madrid, which should include a plan for a specific governance model of a not-for-profit association, and, with that intention, a series of proposed amendments to the EPSA constitution to facilitate an orderly transition to a new legal and governance structure.