

# Concerns over government control of the research network of the Hungarian Academy of Sciences

## 1. Summary of the Government proposal

The Government proposal aims to detach all 16 research institutes from the Academy including their 5000 staff in order to create a new national research network under the name “Eötvös Loránd Research Network” (ELKH). The institutes will preserve their legal independence within the network and will be governed by a Governing Board (GB), which will comprise 12+1 representatives to be nominated in equal numbers by the Academy and the Government, all of whom will be appointed by the prime minister. As a supporting administrative unit a new public organisation (the Secretariat of ELKH) will be created. The work of the GB will be supported by a Scientific Council and an International Advisory Committee, both acting as advisory bodies.

Direct state funding of ELKH will be distributed by the Governing Board among the research institutions, and competitive calls will also be taken over from the Academy for the same purpose. The minister for Innovation and Technology, Mr László Palkovics has announced on several occasions that basic state support for permanent research staff, as well as for administration, maintenance, and other long-term contracts will no longer be provided as it has been before.

The learned society of the Academy will continue to exist without the task of administering the research network, however, the new law obliges the Academy to provide free access to its research infrastructure and property without any compensation, thereby limiting its rights to private property to an extreme degree leading in practice to the expropriation of these assets.

The present staff of the MTA Secretariat will be divided between the new ELKH Secretariat and the remaining Academy without any additional staffing proposed to compensate for lost synergies in the administration.

## 2. No valid reasoning behind

The Hungarian Academy of Sciences has been particularly successful in running its network of research institutes, compared to its regional counterparts as well as to other Hungarian state-run research institutes or state universities. It has a proven record of being responsive and adaptive to new challenges: in reply to the government plans the Academy has prepared several strategic proposals to serve the objective of boosting innovation in Hungary and allowing for stronger government influence on the direction of its research network. Although the validity of these strategies has never been questioned, they were all disregarded by means of the single argument that they do not comply with the government’s intention to take over the research network of the Academy, being seemingly an objective standing beyond the Government claims to boost innovation and create more transparency<sup>1</sup> in the use research funding.

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<sup>1</sup> MTA has also been accused of not being transparent enough although it presents extensive reports on its activities both to the Parliament and the Government, which have always been accepted. In the supervisory body of the research institutes government representatives have never voiced any concern either.

The need for separation cannot be deduced from the Government's plan to boost innovation in Hungary. Although the impact of basic research networks on innovation performance is largely indirect, the Academy has introduced programmes to support the application of scientific results, and initiated national networks for thematic research programmes that would serve this purpose.

There is no evidence that low innovation performance in Hungary would be in any way related to the scientific performance of the MTA research network. On the contrary, its outstanding performance is making a positive impact, which is unfortunately not matched by the necessary industrial absorption capacity, due to the lack of innovative companies, especially SMEs. The low-performing higher education sector and the restrictive administrative environment are all elements of the innovation chain that have a far more direct impact on innovation performance and indeed need to be addressed in Hungary.

No government strategy was produced that would have served as a point of reference. Press interviews by the minister and power point slides were the means of providing information on government plans.

### **3. Direct government control**

Research funding in Hungary has been channelled to public research performing institutions (that is, members of the MTA research network, universities, and state-run research institutions) in the form of direct institutional funding and competitive – project-based – research funding. Competitive funds are distributed by the National Research, Development and Innovation Office (NKFIH), which is the organization responsible for basic and applied research and innovation. This formerly autonomous institution came to be placed under the supervision of the new Ministry for Innovation and Technology last year and its president József Pálincás, a former president of the Academy, was removed from his position.

In a similar vein, the autonomy of Hungarian universities was severely limited by the introduction of the new chancellor system through which government representatives took full control over the financial management of universities. As a singular restrictive measure, new legislation was introduced to limit the operations of the Central European University in Hungary. More recently three scientific advisors of the ELI\_ALPS European research infrastructure in Hungary resigned because ITM has bypassed their scientific evaluation when deciding about funding research projects.

These changes in the science system have been introduced without prior consultation of the scientific community and without any new RDI strategy having been published to justify the centralising measures. This is the wider context in which the current measures to exercise more direct government control in the administration of the largest research network of Hungary can be addressed.

The centralising intention is clearly apparent in the composition of the Governing Board of ELKH, the new state research network.

- The 12+1 strong board will have 6-6 members delegated by the Government and the Academy (the scientific community demanded that at least 1/3 of the delegates should represent the research network as well beyond another 1/3 and 1/3 government and academy members).
- The president of ELKH will be jointly nominated by the president of the Academy and the minister for innovation and technology.

- All members will be appointed by the prime minister (the scientific community only agreed to the president being appointed by the prime minister).
- All decisions can be made by simple majority voting (the scientific community demanded that important decisions regarding the budget or the establishment, reorganisation and termination of institutes be made with a 2/3 majority only).

The high number of government delegates and the right of the prime minister to appoint all members, combined with the power of the Government to set the annual budget of the network, and the right of the minister of innovation and technology to set thematic priorities and supervise competitive research funding in Hungary, would allow for unprecedented government control over the activities of ELKH research institutes.

Considering that the Academy has been criticised on several occasions for being politically active and presenting research results that do not support government policies, it is reasonable to believe that these powers are also matched with the willingness to limit academic freedom in certain scientific fields. Earlier this year new research institutions were created whose mission is to perform research in social sciences and humanities serving government ideologies and focusing on fields that are already covered by research institutes of the Academy. These parallel structures<sup>2</sup> threaten to attract or retain the most of government funding in these fields of research and make independent research difficult to perform.

#### **4. Missing guarantees for basic operational funding**

The minister has expressed his intention of eliminating basic operational funding for the research network on several occasions. Instead, research institutes and groups should maintain their staff and equipment from project-based funding available in increasing amounts and should focus their research on thematic areas pre-defined by the Government. The new law states that there should be state support for the “maintenance” of research institutions of ELKH, but does not list the necessary items of this funding as it was defined in detail by the Law on the Hungarian Academy of Sciences. A funding model without a basic operational funding does not allow for the hiring of permanent staff and the pursuit of long-term research agendas of national research missions, which have been among the core activities of the network of the Academy. It furthermore increases the vulnerability of ELKH in relying on thematic government funding.

#### **5. Highly questionable methods in the course of negotiations**

In the summer of 2018 the Academy was given 54 minutes to prepare an expert opinion on a draft law fundamentally changing its operations and at the same time the budget of the Academy was transferred to the Ministry of Innovation and Technology without any prior consultation. Since then, the ministry is releasing funds of the research network in monthly instalments, thereby exercising unlawful pressure. The ministry also made an unlawful attempt to provide this institutional funding guaranteed by law via applications to open thematic calls, although this attempt was unsuccessful due to the clear stand and boycott of all Academy research institutions.

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<sup>2</sup> For example the Institute for Hungarian Origin Studies, the József Eötvös Research Centre with institutes in political science and foreign policy, and others

MTA and ITM set up several joint committees and working groups to make recommendations on the new governance of the MTA research network. These joint recommendations have been disregarded in most important matters by the minister for innovation and technology, just as have been the many other proposals thoroughly elaborated by the Academy, the directors of the research institutes, Lendület<sup>3</sup> and ERC research group leaders, and the forum of the research staff of the Academy. These recommendations were proposing new governance structures with significant Government influence in the direction of the research network, but also maintained an element of self-governance.

As a last attempt the MTA General Assembly adopted a resolution to create a new governance for its research network within the Academy based on the recommendations of joint MTA-ITM working groups in May 2019. This was labelled unacceptable by the minister. In general, professional opinions not in line with the government proposal are quoted as politically motivated.

The Ministry of Innovation and Technology introduced “the amendments of laws on the institutional conditions and funding of research, development and innovation system” on 4 June. Unless the law is withdrawn, or modified by the Government, the two third majority of the Government parties in the Parliament will endorse it and its measures come into force by 1 September 2019. This would start a new government-controlled era in science in Hungary threatening academic freedom and scientific autonomy.

*The government plans are refused by the overwhelming majority of the Hungarian scientific community. Trust towards the minister has eroded to the extent that it would make the execution of his plans highly debatable. Beyond voicing their concerns, some of the most excellent researchers have already left the country.*

*The separation of the two missions of the Academy – that of being a learned society and a research network - will inhibit the preservation of existing synergies. The new institutional structure and financing framework proposed by the Government are against European principles of research funding and threaten academic freedom. A change in the name and governance of research institutions performing basic research will not increase the innovation capacity of any country.*

*If the proposal it is left without the highest level of objection the example of giving unbalanced role for government priorities and control in science may soon become an alarming example to be followed by other governments in the EU.*

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<sup>3</sup> the most prestigious Hungarian research grant, which was introduced by the Academy in 2009, allows for young researchers to set up their own research groups and to receive funding for 5 years

## **Annex 1: Profile of the Hungarian Academy of Sciences**

The Hungarian Academy of Sciences (MTA) follows a dual mission of a learned society and the only research network of Hungary producing approximately 30% of the research output of the country. It is an independent public association created by the Academy Law, and it receives state support directly from the national budget amounting to approximately 60% of its total expenses.<sup>4</sup> The Academy comprises 16 legally independent research-performing institutions and other six institutions to support its activities in Hungary and abroad. The present structure is the result of a thorough reorganisation, which started in 2009 and with additional state support and the use of own resources it has significantly improved both the infrastructure and the efficiency of the operations of the Academy.

Regarding its productivity and efficiency, the research network of the Academy is among the best when compared to similar public research networks in Europe in terms of number of scientific publications or ERC grants per total annual budgets. Its history of almost 200 years and its high reputation both within the country and worldwide makes it one of the most respected academies of Europe. MTA has been able to capitalise on the synergies between its learned society and its research network, its structure, scientific governance and autonomy have all played a key role in delivering these results. The Academy is governed by its General Assembly<sup>5</sup>, and represented by the Presidium and President and other chief officials<sup>6</sup>, all elected by the General Assembly.

While the Academy has to report to the Parliament and the Government on its activities, it provides a large degree of independence for its research institutes to follow their own scientific agendas. The two main missions of the Academy are supported by a joint central administration (Secretariat) that enables the Academy to distribute competitive funding for research, infrastructure development, international mobility and other activities that support the research network and also the 15000 members of the public association of the Academy. Ownership of most of the assets of the research institutes including their buildings, research facilities and equipment also lies with the public association. The Academy has several advisory bodies that support the President and the Presidium in matters of the research network, among them the Council of Research Institutes, which includes delegates of the Government.

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<sup>4</sup> In 2019 the budget of research institutions and research grants was transferred to the budget of the Ministry of Innovation and Technology, and the Academy has only been receiving it as income in monthly instalments, that prevents long-term financial commitments.

<sup>5</sup> the meeting of ordinary and corresponding members and 200 delegates of its public body comprising 15000 Hungarian scholars.

<sup>6</sup> Chief officials of the Academy: President, Secretary-General, Deputy Secretary-General and three Vice Presidents each representing a major field of science