



ECONOMIC RESEARCH IN THE VISEGRAD COUNTRIES: AN INSIDERS' WORLD ON EUROPE'S PERIPHERY



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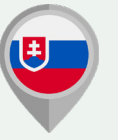
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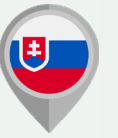
The fall of the Berlin Wall freed the Visegrad countries (Czechia, Hungary, Poland and Slovakia) from the shackles of communist regimes. This revolutionary change unfettered not only the political, economic, and social life, but also academic freedom in this part of the world. For scientists, it opened up new opportunities to access and contribute to international scientific discourse, which had been severely restricted – for social sciences and economics in particular – under the ideological monopoly of the communist regimes. On the other hand, it also exposed researchers in the Visegrad countries to international competition, which they entered with a significant handicap in the areas of resources, research and data infrastructure, research know-how, and scientific networks.

Whereas some researchers responded to these gaps by migrating to countries with more developed scientific centres or by moving to the business sector, the bulk of the profession opted for an ‘internal exit,’ a strategy characterised by low research intensity and low publishing productivity. As those who left tended to be those with a greater potential for integration into international and professional networks or had higher expected returns to their skills elsewhere, this brain drain has generally deepened the gaps in research know-how and networks between the region’s remaining academics and international standards. While salaries of researchers and university teachers in the

Visegrad countries have generally remained rather low, the benefits from academic jobs include academic status, flexible working hours and the possibility to make occasional income on the side, and the relatively high security of academic jobs, as they belong to regulated professions, mostly in the public sector. This completes the vicious cycle, with high-quality researchers exiting academia, but the low-productivity low-pay equilibrium still generating benefits for the remaining insiders.

To preserve these benefits, a large share of academics strived to defend a closed, insider-dominated status quo with little pressure to compete on productivity indicators and little motivation to meet the criteria of internationally recognized research standards. This strategy included electing colleagues with a preference and mandate for defending such status quo for rectors, deans, and directors, or trying to influence or capture regulatory authorities, such as accreditation agencies, or even ministries, to help them staunch unwanted competition. An example of an effort to counter such pressures is the recent closure of the accreditation agencies in Czechia and Slovakia, which will be replaced by new accreditation bodies.

Responding to increased competition and the regulatory pressure from accreditation agencies or ministries, many individuals and research institutions commonly feigned productivity and



resorted to unethical conduct. Examples of such conduct include organising bogus scientific conferences, publishing in predatory scientific journals (some of them in fact established by insiders themselves), or running sham publishing houses, some of which were established abroad to gain 'international' status. The system has been sustained and replicated by measuring productivity, allocation of finances, and promoting faculty and training PhD students based on low-standard, bogus productivity criteria. As a result, we observe that the Visegrad countries produce large quantities of low-quality publications, in steep disproportion to just a few publications per year meeting high international standards.

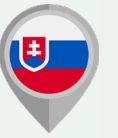
Only a few researchers have been able to produce internationally competitive research in these countries, most of them concentrated at a small number of institutions. Such outliers in the fields of economics include Central European University (CEU) in Budapest and CERGE-EI in Prague, the rest are generally limited to islands of positive deviation at academies of science, the best universities and colleges in the region, and a few leading think-tanks. These outliers have been as a rule driven by a small number of enthusiastic individuals and at least in part dependent on external finance, such as a foreign-financed endowment or research grants, including national schemes and EU funds and framework programs. Some of them have been able to sustain

a fragile high-productivity cycle by employing highly productive researchers, repeatedly succeeding in grant application, and by having the financial resources to pay competitive salaries to their highly productive researchers. A noteworthy exception to this general situation are some research departments at central banks or similar state institutions (e.g. the Slovak Council for Budget Responsibility), which have the necessary institutional backing and are able to secure adequate funding to hire competent researchers.

When the Visegrad countries joined the EU in 2004, the hope was that access to research funds and infrastructures as well as to a multitude of data would enable progress in economic research in the region. As the overall situation suggests, however, this has happened only to a rather limited extent. Researchers from the Visegrad region have scarcely participated, and even more scarcely succeeded, in competitive research grants administered by the European Commission, such as the European Research Council (ERC) grants or Framework Programmes. The few exceptions are again limited to those mentioned above, with data from spring 2019 showing that in the field of Economics only CERGE-EI/Czech Academy of Sciences and CEU's Department of Economics and Business have hosted any ERC grantees.



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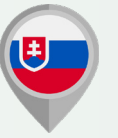


In the situation described above the gaps in research know-how have been insurmountable for much of the profession. As a result, the interest of the insiders has been to capture fund-distribution mechanisms and ensure that they are used to perpetuate rather than to reform the existing system. Whereas some grant agencies have maintained high academic standards (e.g. the Czech Science Foundation), others have succumbed to this pressure and much of the funding has ended up tied up in unproductive research projects and infrastructure (e.g. statistical labs with no researchers able to work with the software). As a result, EU funds distributed on an internationally competitive basis have mostly been either inaccessible to the bulk of the profession, or distributed via governmental programs on a non-competitive basis in a way that has helped to perpetuate the low-productivity state. The benefit of EU funds for the economic profession in the Visegrad countries can thus be measured by the extent to which they have helped to enable and empower individuals and research teams to overcome the profession's political economy trap, which sees the majority of nationally distributed funds going towards a politically powerful but low productivity majority.

EU accession and the free movement of workers in the EU has further opened up gateways for the region's researchers and students to work and study abroad. Whereas such mobility is in

general desirable, rather than benefiting from brain circulation, most countries in the central and southeastern Europe suffer from significant brain drain, with large numbers of students and researchers relocating permanently to countries offering better opportunities for academic careers and conditions for research. As one key way to break the aforementioned vicious cycle would be the education and retention of PhD students and young academics, this brain drain is particularly problematic.

Several efforts to bring established researchers back to the region show that the problem is recognised by some governments and universities. The Slovak Government offers a one-off relocation subsidy to researchers that return to Slovakia. Charles University's program, Primus, offers relatively generous research grants in an effort to attract returnees to come back to Czechia and establish research teams or laboratories there. The Hungarian Academy of Science has a program for young researchers to return (or for domestic not to leave) called Lendület. Such efforts are, however, relatively unattractive (return subsidy in Slovakia) or the scale of the program is limited (Primus, Lendület). Student- and faculty-exchange and networking programs such as COST and Erasmus have helped Visegrad students and academics to integrate in the European educational and research space. They can help to foster brain circulation rather than brain drain.



A number of think tanks have emerged and created competitive research jobs in the region. Examples include the Center for Social and Economic Research (CASE) in Poland, Institute for Democracy and Economic Analysis (IDEA) in Czechia, Central European Labour Studies Institute (CELSI) in Slovakia, or TÁRKI and the Corruption Research Center Budapest in Hungary. These think tanks have a significant impact on economic research and have contributed to nurturing and retention of research talent in the region.

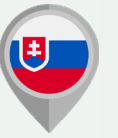
As the region has no tradition of donors funding research, these think-tanks are generally dependent on sustained success in grant applications and contract-research tenders, which inevitably makes them vulnerable to cash-flow fluctuations. In this regard, access to European grant schemes and tenders is vital not only for the sustainability of think tanks as such, but also for the sustainability of this important branch of economic research in the region.

Overcoming the aforementioned segmentation of the profession and strengthening collaboration across national borders is a vital task. In 2018 the Czech, Hungarian, Polish, and Slovak economic associations agreed to cooperate and foster economic research in the Visegrad region. The Czech Economic Society and the Slovak Economic Association jointly organised their

annual conference in 2019; the Austrian and Slovak economic associations held a joint annual meeting in 2016. The annual meetings and joint conferences serve as vehicles for networking across national borders in the region and beyond.

Efforts have been made to increase the transparency of the profession. The Slovak Economic Association publishes research productivity measures for Slovak economists; IDEA is the regional hub for scientometric research, and provides an online tool mapping productivity in the profession. Such efforts help to increase the transparency of the profession and provide incentives to increase productivity at the individual, organisational, and national level.

A relatively recent phenomenon in the region is the emergence of competent analytical units at ministries and governmental organisations in some countries. Whereas this segment is still generally much underdeveloped or practically missing in most Central- and South-Eastern European countries, a positive example is the Institute for Fiscal Policy and its Value for Money division at the Slovak Ministry of Finance, which provides employment opportunities for young economists, and serves as a model for similar analytical units at other ministries. This segment of the economic profession complements its academic branch by strengthening the link between theoretical and



applied research and its practical policy applications. EU funds have provided seed and researcher mobility funds for some of these projects.

in the region, and ultimately Europe's innovation potential, governance and democracy, inclusion, prosperity, and the well-being of European citizens.

Overall, the story of Visegrad countries in the area of economic research after EU accession is that of segmented progress. A small subset of this world consists of internationally competitive researchers and institutions, which benefit from access to European research funding schemes, contract-research tenders, and research infrastructures, as well as student and researcher mobility. However, a much larger part of this world is closed, progressing only very slowly if at all, and ruled by insiders defending a low-productivity steady state against open competition. EU funding, and more broadly EU membership, thus provide vital resources that help to advance the profession inasmuch as they address the key struggle – how to open the closed, insiders' world of economic research and productively connect it to international research, rather than sustain the low-productivity insider-ruled segment.

This paper focuses on the Visegrad countries, but the observations and arguments outlined above may resonate in other countries and other branches of the public sector. Their implications for public policy need to be carefully considered, as they have direct and indirect consequences for education and academic research