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## ACADEMY OF SCIENCES OF THE CZECH REPUBLIC IN FINANCIAL CRISIS

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**Summary:** Science, research and innovation are currently the key factors of success and future economic prosperity of all developed countries. The European Union defined a goal, within the European Research Area project to increase the financing of research to 3 per cent of the gross national product by 2010. However, the defined goal will not be reached in many EU countries by the end 2010 and the prospect for further years is uncertain. The contribution deals with the current situation in the Czech Republic and focuses primarily on the issue of the financing of the basic research in the Czech Republic. It describes the crisis situation of the Academy of Sciences of the Czech Republic (AS CR) that occurred in 2009 by approving the proposal of the government Research, Development and Innovation Council and its solution.

**Key words:** science, research, financing, crisis, public relations, Academy of Sciences of the Czech Republic.

### 1. Introduction

Science, research and innovation are currently the key factors of success and future economic prosperity of all developed countries. At the time when European research is stagnating, the American is slightly decreasing and the Chinese is, on the contrary, steeply growing, it is necessary to pay a great attention to science, research and innovation.

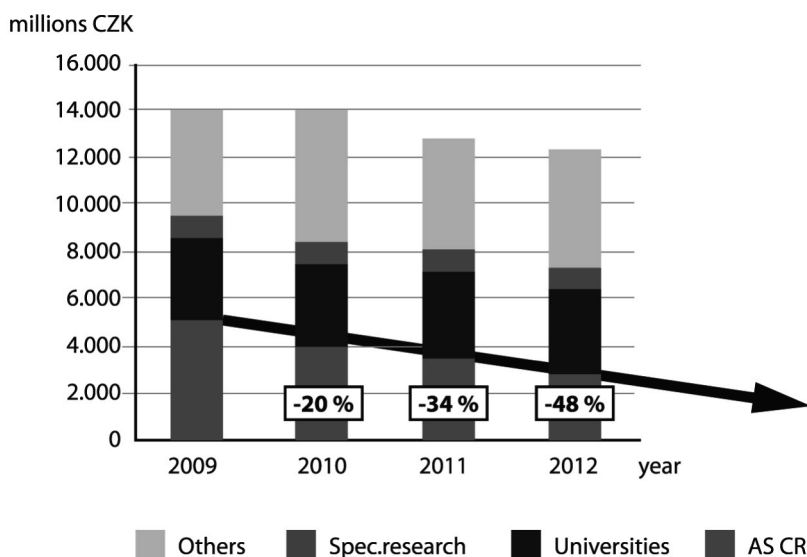
The European Union defined a goal, within the European Research Area project, to increase the financing of research to 3 per cent of the gross national product by 2010. According to the latest official results presented in November 2009 at the SciTech conference in Brussels, the defined goal will no be reached in many EU countries by 2010 and the prospect for further years is also uncertain.

The current financing of science and research in the Czech Republic is also deeply under 3 per cent of the GNP. The situation is especially critical in financing basic research in the Czech Republic. Basic research is the first element of a chain that leads to the implementation of new inventions and innovation thoughts into practice. The results of basic research are then used in applied research which has the first tangible and economically measurable results. However, without basic research,

the applied research would start to stagnate in time and, therefore, it can be said that basic and applied researches are communicating vessels and applied research cannot exist without basic research.

Basic research in the Czech Republic is primarily carried out in the Academy of Sciences of the Czech Republic, which is constituted of more than 54 public research institutions. Almost 7,000 employees work there, out of whom more than a half are research workers with university degree. The Academy of Sciences of the Czech Republic has given a rise to a large number of discoveries of world significance (polarography, contact lenses, drugs against HIV, virostatics, nanofibres and others). During its more than two hundred years' tradition, the Academy started to be considered a common part of the country's life and in the past it was never subject of an increased interest of the public or political activities.

The Academy of Sciences is, as an organization, controlled by the state, financed especially from the state budget. Financing of scientific work in the Academy coincides with common international standards. Apart from institutional financing of research intents of workplaces of the AS CR, special-purpose financing is being more significantly applied, carried out in the form of solving scientific projects and grants selected in public tenders. However, institutional financing is the key source for the AS CR without which the basic research cannot be done.



**Fig. 1.** Proposal of institutionalized financing of science and research in the CR between 2010 and 2012

Source: [Academic... 2009].

The present trend till 2009 was to increase institutional sources of financing of science and research. In reaction to the current global financial crisis, financial means for science and research in the Czech Republic have been frozen for future years. Further increase of financial means is a logical defense step of the government of the Czech Republic and, as such, it cannot be evaluated positively. However, unfortunately with the freeze of expenses on science and research, the proposal of the government Research, Development and Innovation Council also included a fundamental transfer of finance between individual components.

The proposal of institutionalized financing of science and research in the CR between 2010 and 2012 decreases institutional financing of the AS CR in a medium-term prospect by almost 50 per cent. The set up trend was basically liquidating for the AS of the Czech Republic. The AS CR was forced to react to this fact in a short-time horizon and try to change the set up trend so that it did not mean its actual end. An important part of its policy was effective Public Relations strategy aimed not only at the representatives of political parties and persons influencing the public opinion but also at the general public.

## **2. Goals and methodology**

The goal of the contribution is to describe the crisis situation in the financing of the AS CR and Public Relations (PR) strategy that was used to avert this crisis situation. Primary as well as secondary sources of data were used for this work.

## **3. Results and discussion**

### **Goals of Public Relations campaign**

The main goals of the campaign were, in a short time period, to reverse the decision of the government Research, Development and Innovation Council to significantly decrease the budget of the Academy of Sciences. In a medium-time horizon, this decision led to the factual end of this significant institution.

The partial goals of the campaign were to inform the public on the crisis situation in the area of science and culture, point out the necessity of basic research for general benefit and quality of life of the society, to elicit an open discussion and initiate system changes.

### **Public Relations strategy**

The Academy of Sciences of the Czech Republic, as an organizational component of the state, could not in its campaign against the decision of the government Council use the financial means obtained from the state. The strategy of the campaign was chosen fully in accordance with this restriction (zero expenses on adver-

tising, space in the media, PR articles, hoardings). The time range for the campaign was two months. The campaign started on 1 June 2009 and it was terminated on 30 July 2009. The communication goals were stated, which were supposed to be reached with help of suitable tools of Public Relations.

### **Goals of communication**

1. To identify the position of the AS CR in scientific structure (basic research, applied research).
2. To explain the difficult problems with simple messages.
3. To vindicate the standpoints and to displace arguments of counterparties.
4. To appeal to the benefit of existence of the AS CR.

### **Communication tools and results**

- Media of public service (Czech radio – 31 acts - ČRo1, ČRo2, ČRo6, Rádio. Česko, Czech television – 27 acts – ČT1, ČT2, ČT24).
- Commercial radio and television **channels** – 10 acts.
- Press: daily papers, weekly papers - 110 articles and interviews.
- Web: special sub-pages on crisis as part of the official web of the AS CR.
- Lobbying: contacts with the Prime Minister of the Czech Republic, selected ministers and ministries and with Members of Parliament.
- Happenings: great attendance of scientists as well as citizens at attractive events, great interest of the media and the public.
- Petitions: support of more than 15,000 signatories.
- Supporting proclamations: supporting proclamations and letters from scientific and research institutions from all over the world, including support of significant individuals, such as Nobel winners.

#### The results of realized campaign

In a short-time horizon, the main as well as the partial goals were achieved:

- elimination of immediate threat of danger of existence of the AS CR (Promise of the Prime Minister of the Czech Republic Jan Fišer to significantly decrease the reduction of the budget of the AS CR for 2010),
- disproof of a large number of misrepresented information on the results and share of work of Czech scientists and institutions of the AS CR considering research and development in the Czech Republic,
- support by the general public (more than 15,000 supporting signatures),
- support by institutions and principal scientific personalities from all over the world,
- strengthening the position of the Academy of Sciences in the eyes of the public,
- initiation of professional discussion and elicitation of the need of system changes.

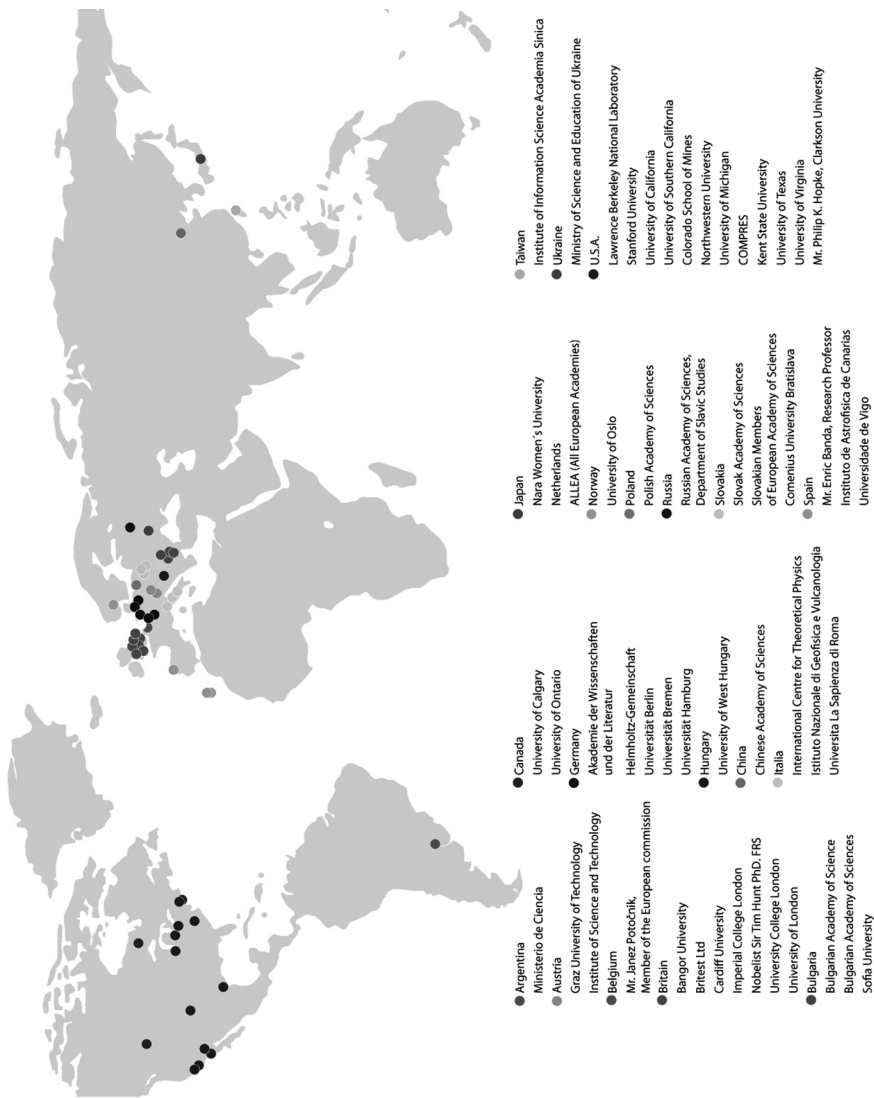


Fig. 2. Supporting proclamations – map

Source: own study.

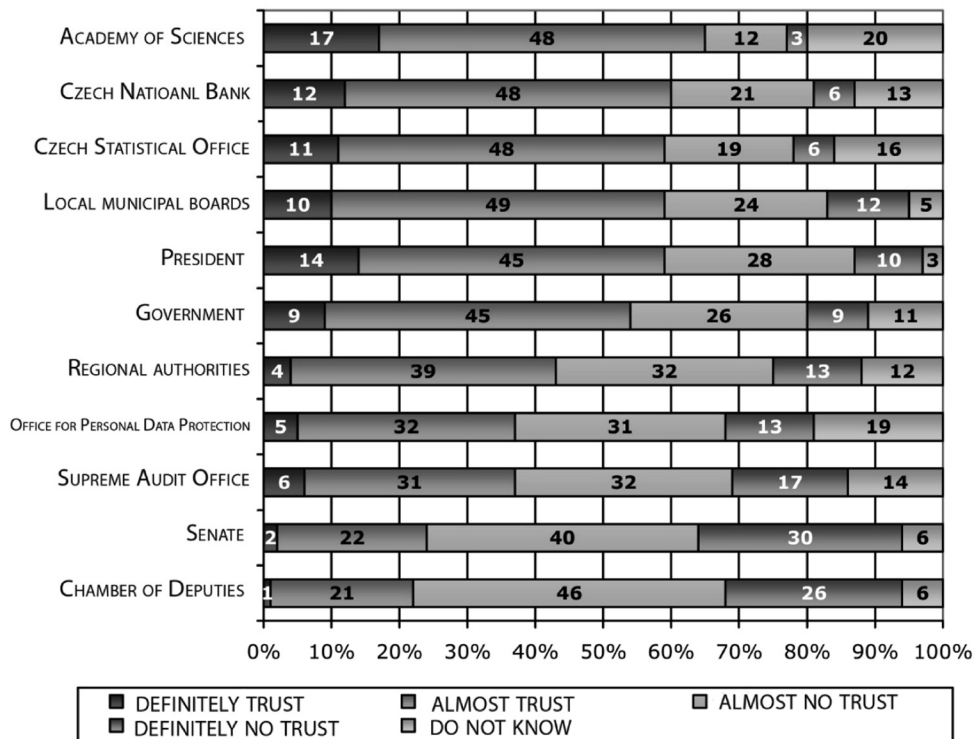


Fig. 3. Trust in selected institutions in the Czech Republic

Source: [Vinopal 2009].

The positive results of the PR campaign are also supported with the results of survey 'Image of the ASCR and opinions on its financing', which was carried out by the Institute of Sociology AS CR from 3 August 2009 to 10 August 2009 among 1,165 respondents – inhabitants of the Czech Republic. The data was officially published on 23 September 2009 at a press conference as well as on the Internet pages of the Institute of Sociology AS CR.

Figure 3 shows that the Academy of Sciences of the Czech Republic is considered the most credible institution in the Czech Republic. In credibility the ASCR exceeded, among others, the Czech National Bank, the President, the government as well as the Senate.

Figure 4 reflects an opinion of the public that the Academy of Sciences of the Czech Republic should be financed from the state budget more or much more than so far. The support of higher financing of the AS CR is growing with respondents who noted the PR campaign and discussion, and it is higher with those respondents who are interested in the given issue.

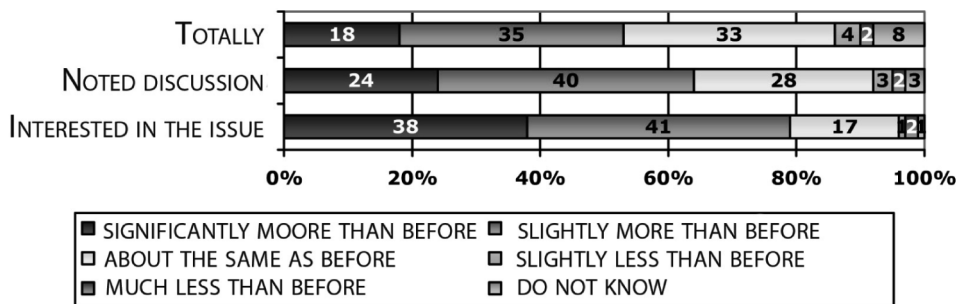


Fig. 4. To what extent science should be financed from the state budget?

Source: [Vesenský 2009].

## 4. Conclusion

The decrease of institutional financing of the Academy of Sciences of the Czech Republic in a medium-time prospect by 50 per cent would mean factual liquidation of the institution carrying out the most significant part of basic research in the Czech Republic. With the help of the Public Relations campaign, a great interest in the given issues was aroused with the general public and wide support gained. Wide presentation of the issue in the media and subsequent pressure of the public aroused interest of representatives of political parties as well as the government of the Czech Republic to get involved in solving the problem again. Thus, the Prime Minister of the Czech Republic promised in his compromise proposal a decrease of the amount, by which the budget of the AS CR was supposed to be reduced for 2010, by approximately 50 per cent.

A significant role in presenting the problem to the general public was played by the Public Relations of the Academy of Sciences of the Czech Republic and, therefore, it actively contributed to a decrease of negative impacts of the decision of the government Research, Development and Innovation Council for 2010. Nevertheless, the issue of the budget for further years (2011 and 2012) stays open and will be solved after the Parliamentary elections in 2010. An important political decision on further fate of the AS CR will be in hands of the new political representation and government of the Czech Republic that will arise from the elections in 2010.

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## CZESKA AKADEMIA NAUK W DOBIE KRYZYSU FINANSOWEGO

**Streszczenie:** Nauka, badania i innowacje są obecnie kluczowymi czynnikami sukcesu i dobrej koniunktury ekonomicznej we wszystkich krajach rozwijających się. Unia Europejska w ramach projektu „Europejski obszar badawczy” stawia za cel wzrost finansowania badań do poziomu 3% PKB do 2010 roku. Jednakże tak zdefiniowany cel nie zostanie osiągnięty przez wiele krajów UE do końca 2010 roku, a perspektywy na przyszłość nie są jednoznaczne. Artykuł zajmuje się aktualną sytuacją w Republice Czeskiej i skupia się głównie na zagadnieniu finansowania podstawowych badań naukowych w Czechach. Opisuje sytuację kryzysową Czeskiej Akademii Nauk (AS CR), która pojawiła się w 2009 roku po zatwierdzeniu propozycji jej rozwiązania przez rządową Radę Badań, Rozwoju i Innowacji.