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Architecture of the EM and some key experience from abroad

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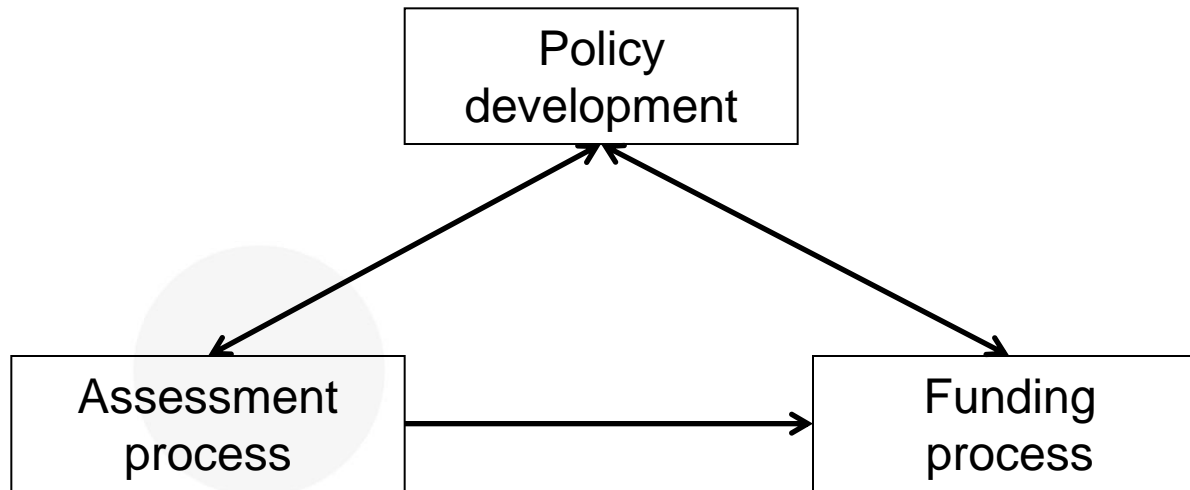
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Road map



- **Making sure we all start our discussion in the same place**
 - The architecture of the new Evaluation Method
 - The funding principles
 - Scenarios and their potential effects
- **The community's comments**
 - Overview of comments
 - Our reflections based on the comments
 - Discussion
- **Breakouts**
 - A. The Evaluation Methodology, its added value and role
 - B. Stabilization and motivation roles of institutional funding
 - C. How can – and should – the Evaluation and Funding System foster change in the Czech RD&I system?
 - Reports from breakout groups to the plenary

Policy development and implementation are at the heart of the new methodology

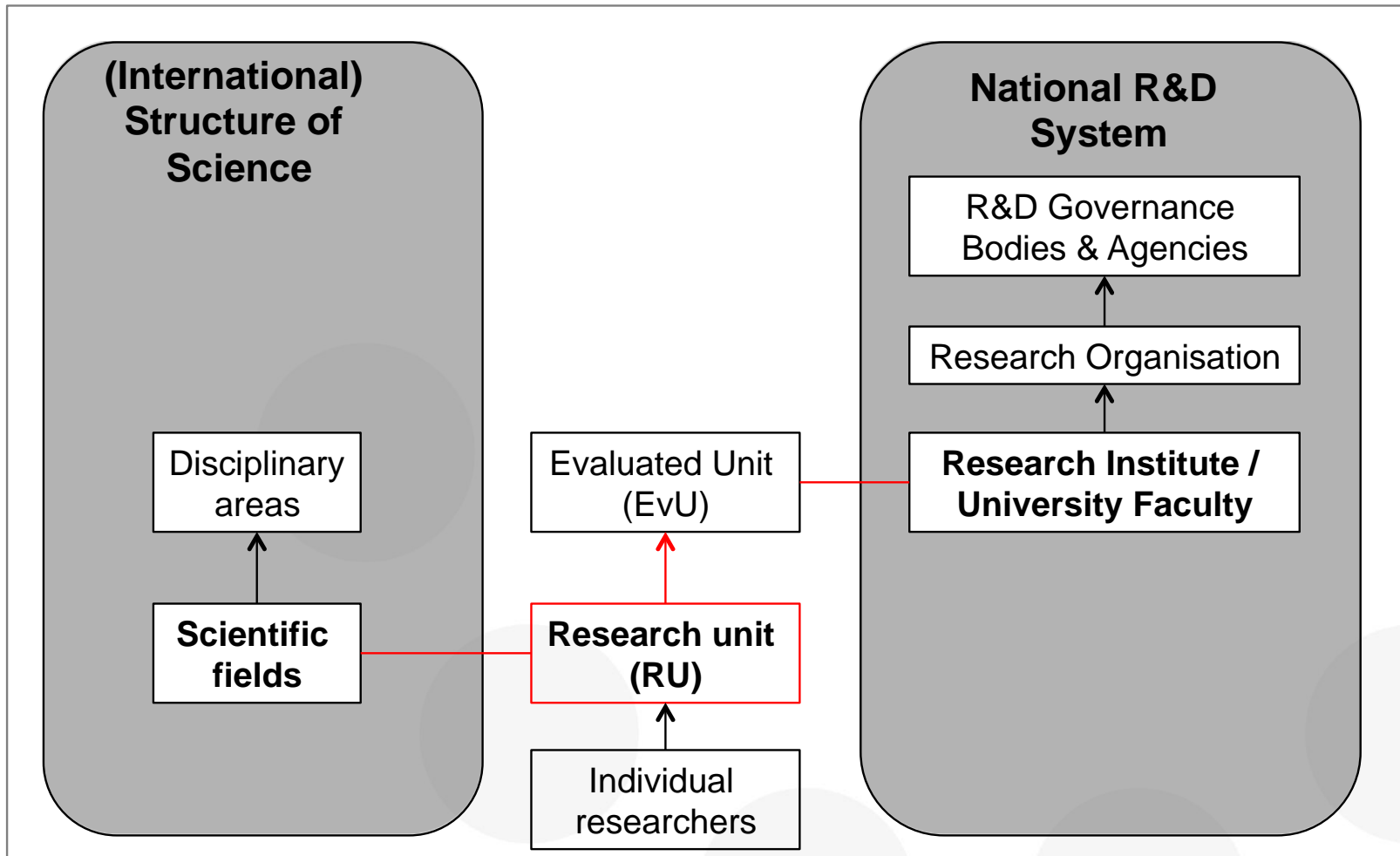




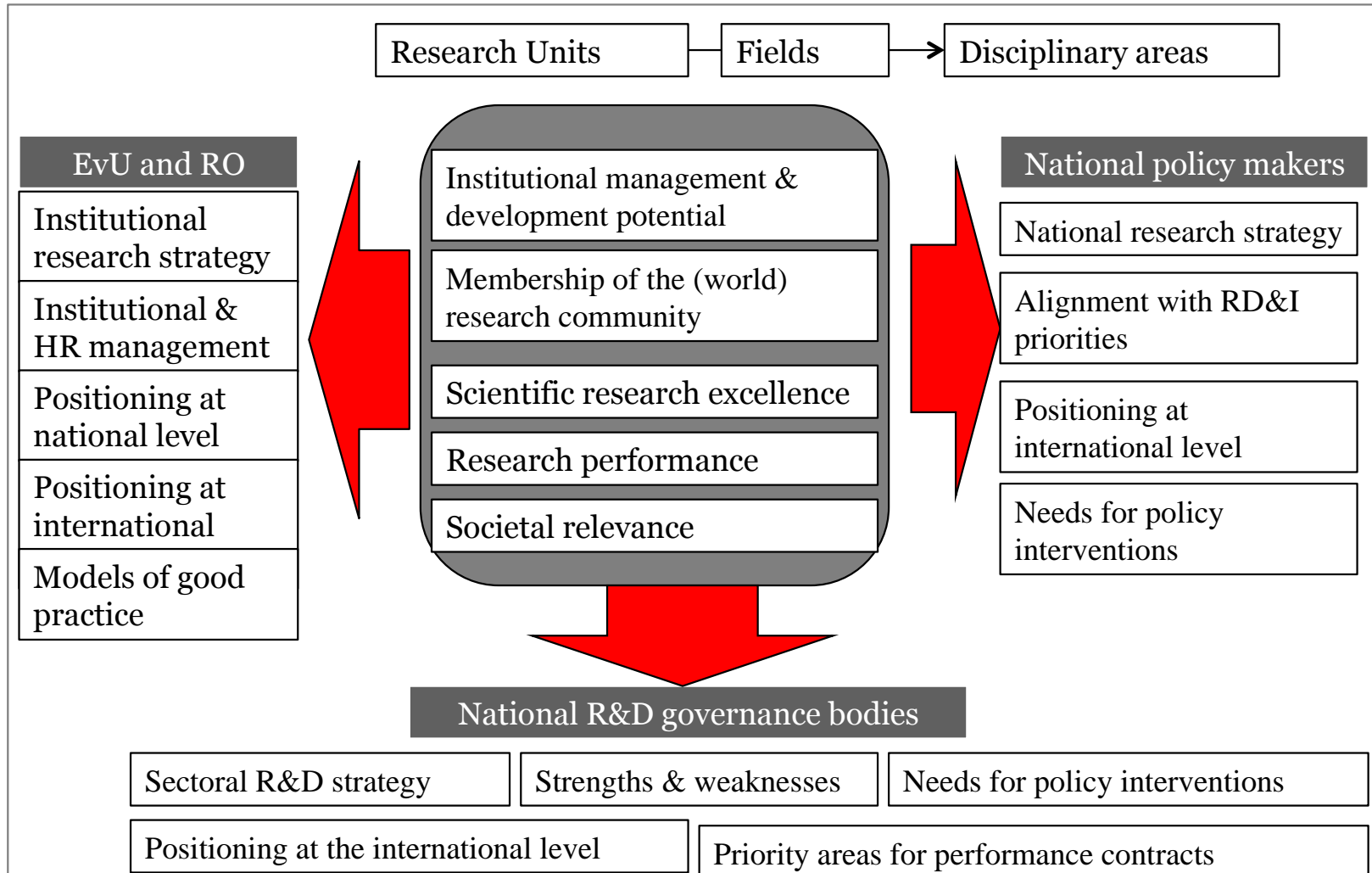
Some key principles

- **Only research-performing research units should be included**
 - Implicitly, research units are only included if some part of the state is **willing** to provide institutional funding
- **Central role of ‘informed’ peer/panel review**
- **Common assessment ‘spine’ with field-specific variations, allowing aggregation of assessment results (eg at field or institutional level)**
- **Common assessment criteria covering performance in 5 different dimensions – no expectation that everyone does well against all criteria**
- **Translation of performance into funding is based on the societal function of the research unit**
- **Institutional funding contains elements that**
 - Provide a substantial measure of funding stability
 - Reward the quality and impact of the research unit
 - Encourage strategic development of the research unit

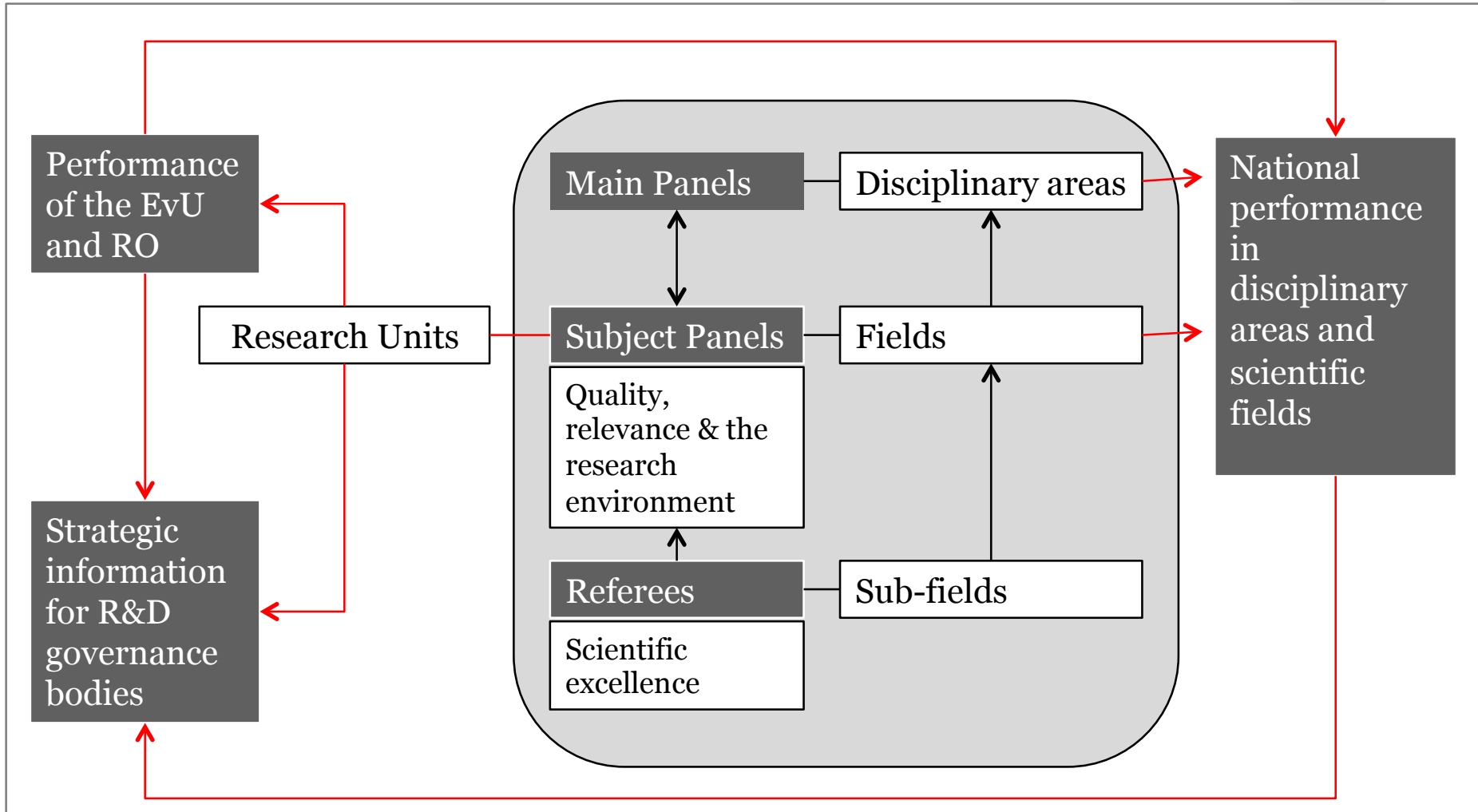
Building up from the fundamental unit of assessment: the Research Unit



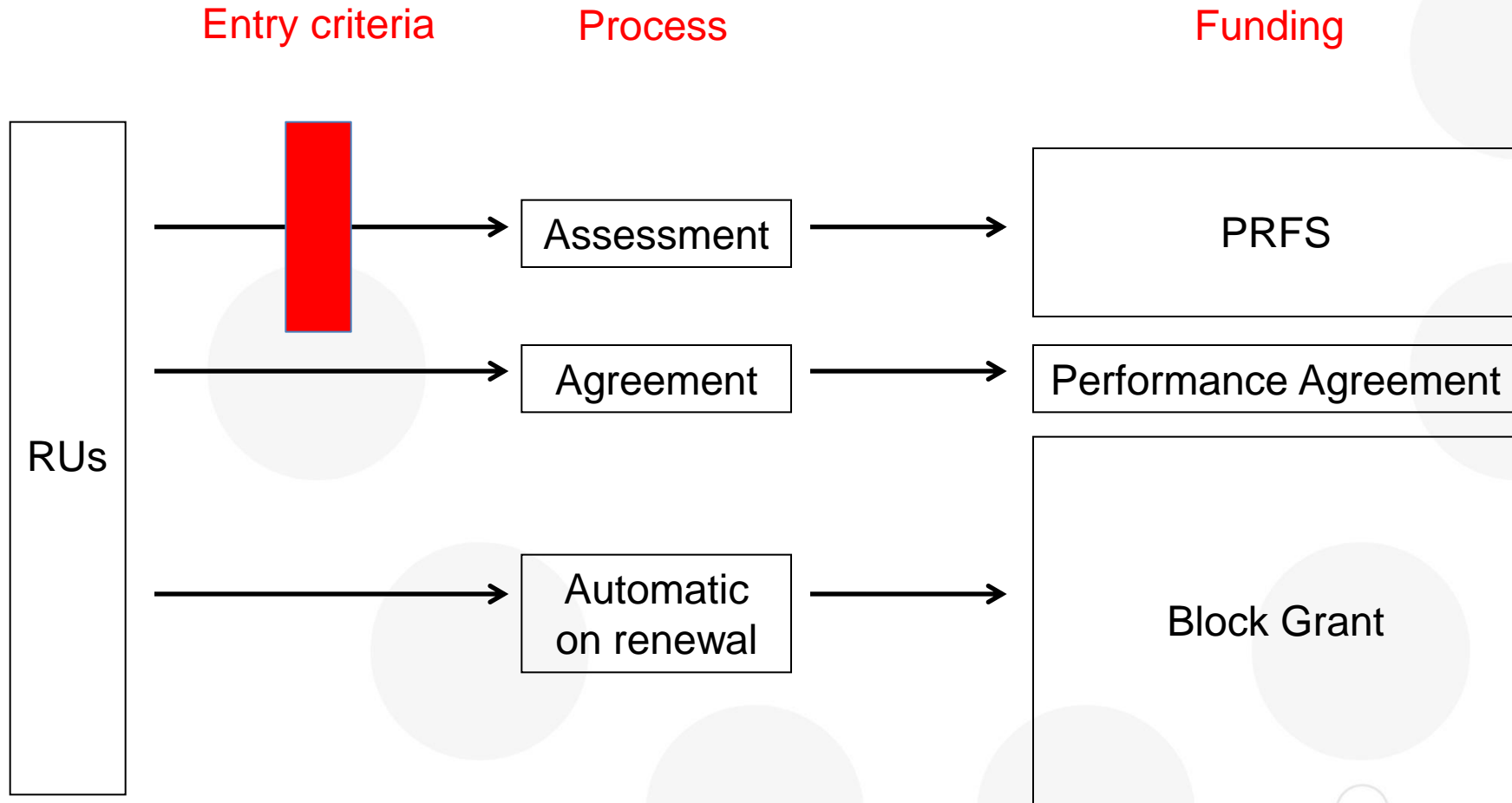
Links from assessment to policy and institutional feedback



The use of peers ties the system to the field level

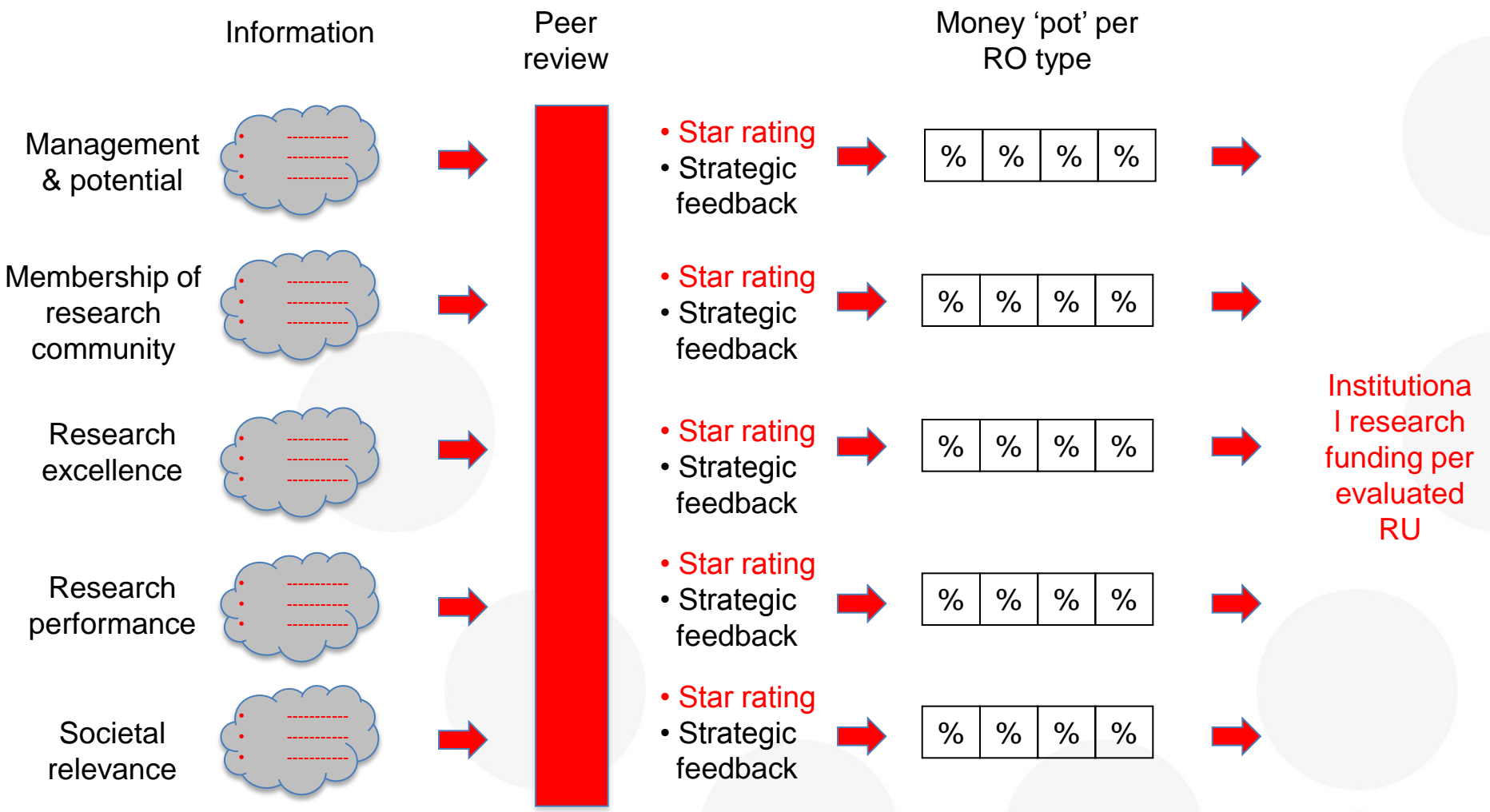


Overview of the funding system

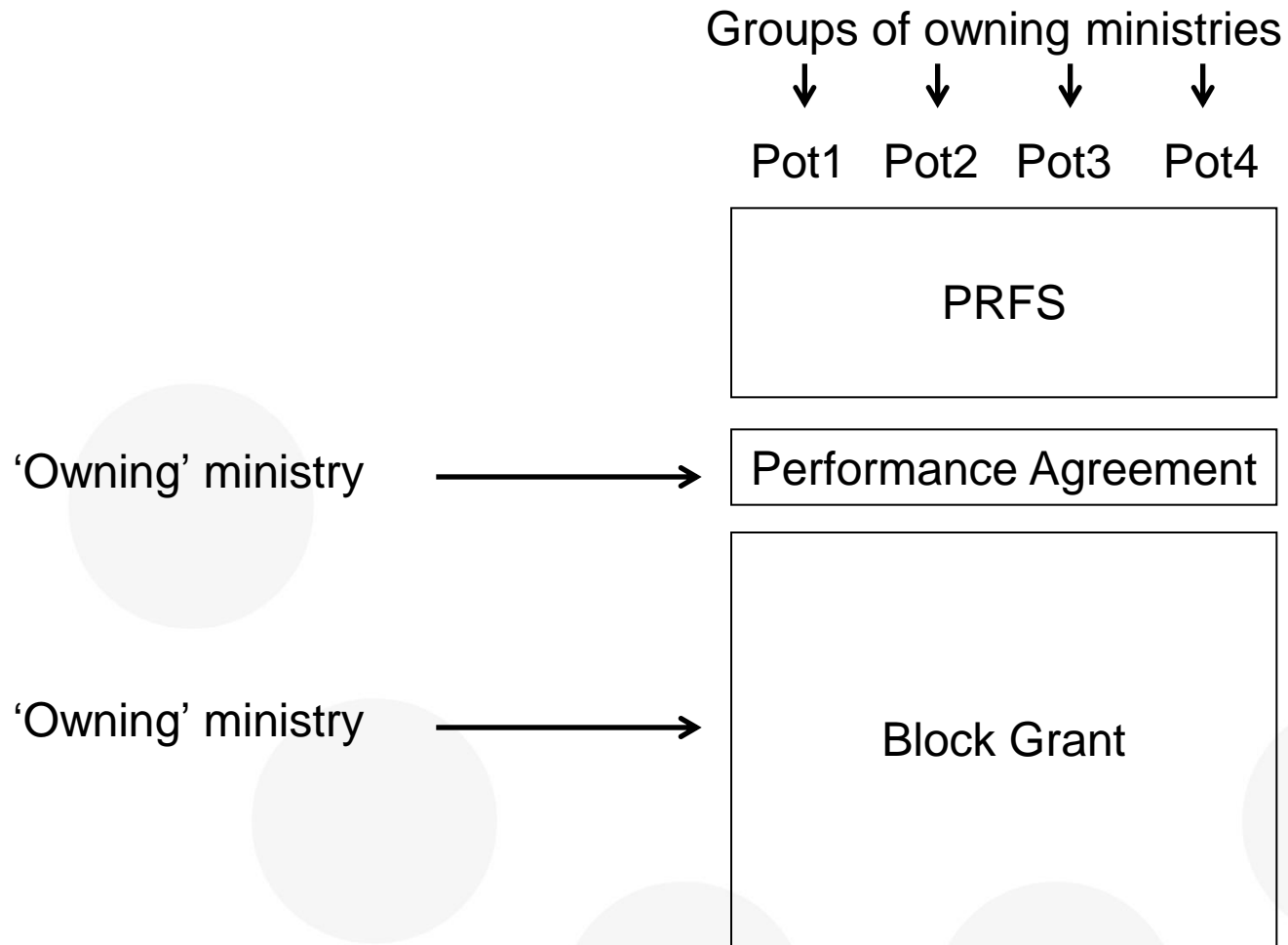




PRFS at a more detailed level



Where does the money come from?

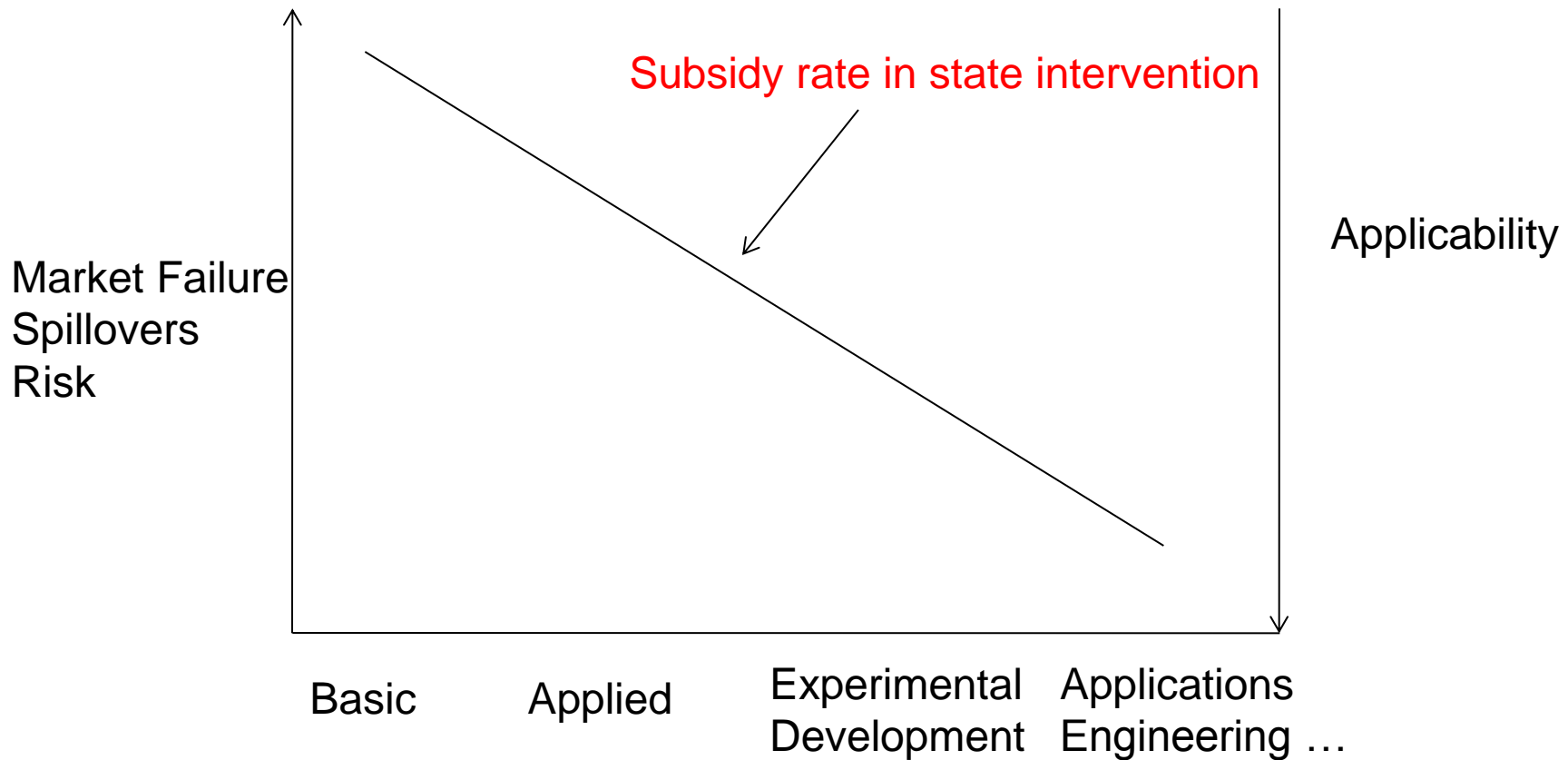


Institutional funding is normally grounded in the economics of research



- **In economic theory, knowledge is ‘non-rival’ in the sense that it can be used by many people without being consumed**
 - If I make a cake and you eat it, I cannot consume it
 - But if I make some knowledge, we can both use it
 - A rare case where you can have your cake and eat it?
- **Knowledge is ‘non-excludable’ in the sense that it is difficult to prevent people who want it from getting hold of it**
- **Non-rival, non-excludable goods are ‘public goods’. They cannot be produced by the market so the state must make them**
- **In economic reality, however, there is imperfect information, path-dependency and costs to acquire and use knowledge**
 - It appears even more costly to absorb science than technology
 - Knowledge is useless without know-how

The rate of subsidy is typically consistent with the degree of spillover

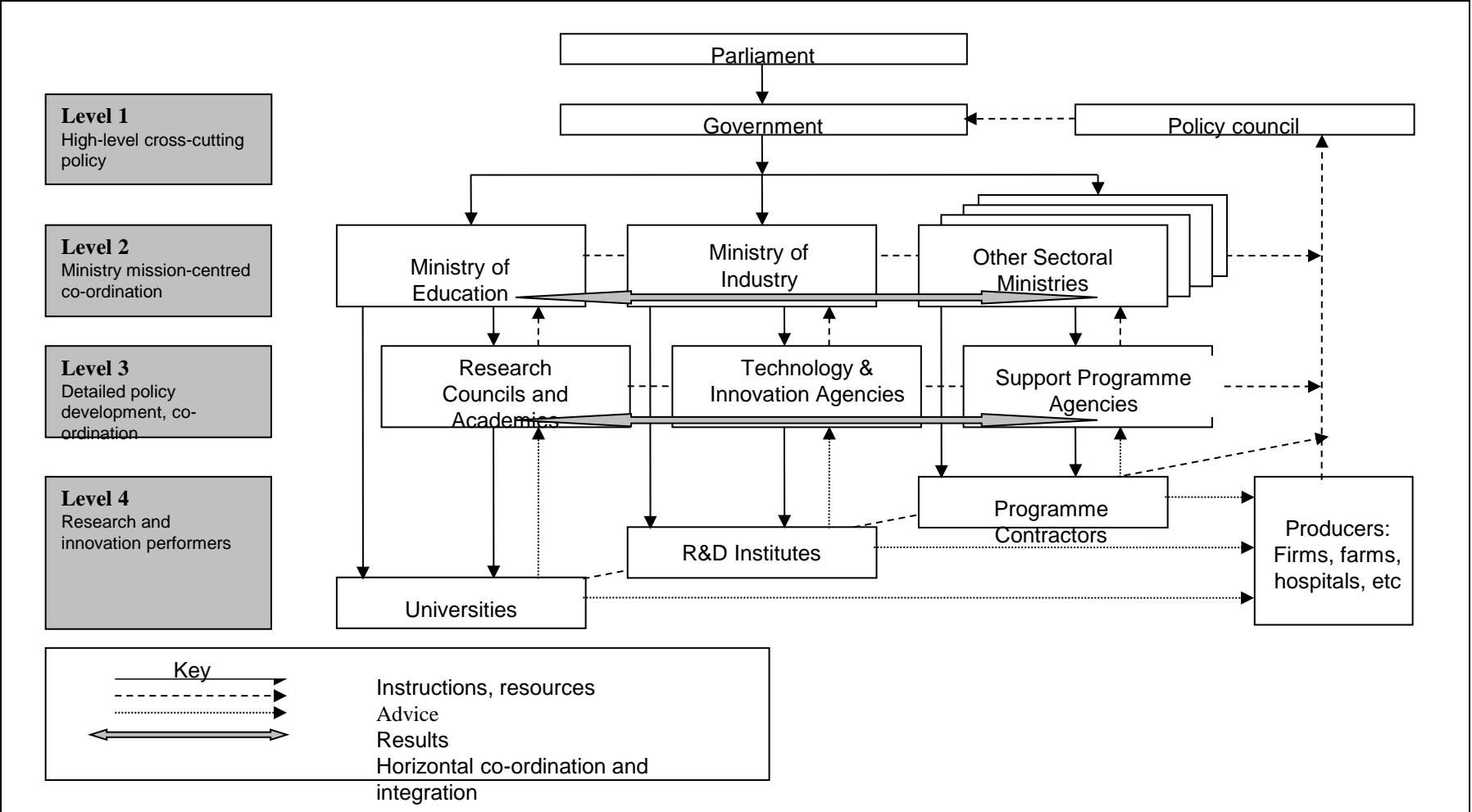


These ideas about the economics of knowledge drive funding behaviour



- **Actual rates of institutional funding do vary among countries – but the broad principle implied by the previous slide is followed**
- **Public service research performers generally have high rates of ‘subsidy’**
 - They produce public goods, for which there are few other producers
 - They produce information for policy and regulation, for which there are few other customers than the state
- **All types of RO are increasingly becoming ‘hybrid organisations’, so as ever reality is more complex than theory**
- **States generally act as ‘intelligent customers’ when they supply institutional funding – making needs-based buying decisions themselves, rather than allowing ROs to qualify for such funding bottom up**

Conventional governance of the research and innovation system





- **Governance relies on a ‘sector’ principle – where individual ministries address the needs of specific ‘sectors’ of society – including ministries’ own research needs**
- **This system of principals and agents embodies various types of ‘performance agreements’**
 - Generally these are becoming increasingly explicit
 - Based on management by objectives, as opposed to micro-management
- **Ministries may choose to share policy implementation (for example, by using multi-principal agents) but need to allocate their own resources**
 - Ensuring their own missions are performed
 - Requiring the ministries to be ‘intelligent customers’ and to have significant policymaking capacity
- **In general, funding streams and the responsibility for assessment are clearly separated, especially among different types of RO**



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Děkujeme za pozornost!

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