

## Case 79

### International Science Foundation

*Soros Foundations/Open Society Institute, 1992*

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*Background.* Under the Communist regime of the Soviet Union, funding for scientific research was provided almost entirely by the state. As the Soviet empire declined, so too did support for the large Soviet scientific community. Soon after the treaty formally disintegrating the U.S.S.R. was signed in Belovezhskaya Pushcha on December 8, 1991, this already wavering governmental support virtually disappeared. At the same time, however, the financier and philanthropist George Soros stepped in, and his philanthropy over the next three years played a major role in keeping afloat the scientific communities of Russia and the other former Soviet republics at a time when they were critically endangered.

Soros had become interested in the struggle of Soviet researchers through discussions with Alex Goldfarb, a Russian-born microbiologist who, with his family, had immigrated to the United States. Soros had met Goldfarb in 1986, when he recruited the scientist to work with his Moscow foundation. In 1990, Goldfarb began lamenting that a project he was running in Russia was having difficulty paying salaries, since its grant from the United States National Science Foundation covered only equipment and supply costs.<sup>1153</sup> Soros agreed in principle to support science in the Soviet Union, because, as he explains in his autobiography:

Soviet science was rich in advanced human intellectual achievements in a vein that differed slightly from that in which Western science had developed and it was worthy of being preserved. Scientists were then and are now on the front line of the struggle for an open society [in the Soviet Union and around the world]. In addition, there was a high probability that our efforts would be successful, since reliable criteria existed for the assessment of merit. The services of the international scientific community could be enlisted to this end, which would exert an additional influence on the screening process.<sup>1152</sup>

When the Soviet Union collapsed, the time to act had come. Once his initial efforts to persuade the U.S. and other governments to undertake a new Marshall Plan for the former Soviet republics proved unsuccessful, Soros sought to spur outside funding by example. After September 16, 1992, when his speculation against the value of the British pound made Soros over \$1 billion in a single day, the financier set aside \$100 million “to support basic natural sciences in the countries of the former Soviet Union.”<sup>1153</sup>

At the time, over half of all people working in science in those nations lived below the poverty level.<sup>1154</sup> Within Russia, the average civilian scientist’s wage was between \$15 and \$25 per month, and, as inflation ran rampant, conditions were rapidly deteriorating. By mid-1993, scientists in Georgia were earning an average of just twenty cents a month.<sup>1155</sup> When Soros officially announced his gift of \$100 million, to be paid out over the next two years, “. . . no private individual had to date provided charitable support to another nation in such proportions.”<sup>1156</sup>

*Strategy.* The promised funds were used to set up the International Science Foundation (ISF), which worked out of Moscow and New York. Soros, who argues that “he who gives quickly gives twice,”<sup>1157</sup> believed that haste was especially important in the work of the ISF, since inflation would eat away at the value of funds given slowly. The Foundation’s first undertaking was the Emergency Grants Program, which provided \$500 to any scientist in the former Soviet Union who, in the past five years, had published at least three articles in any of the more reputable scientific journals. The

\$500, which represented over a full year's salary for many recipients, could be used for living costs, travel, research, or however else the beneficiary wished.

This was soon followed by the Long-Term Research Grants Program, which, unlike the Emergency Grants Program, was a competitive enterprise. Leading researchers applied for grants of between \$9,000 and \$32,000. In addition each grantee's home institution was given a grant to cover any overhead costs incurred for ISF-sponsored research. Over 50,000 specialists in various scientific fields from around the world served as judges for this program, which effectively "introduced Russia to an open system of soliciting proposals and their selection through peer review on the Western model. . . ." In contrast to research under the Soviet regime, long-term grantees were chosen on the basis of merit—not political connections.

ISF also sponsored a Conference Travel Grant Program, which paid the travel costs to send any scientist invited to present at an international conference. Flights, lodging, and daily expenses were all fully underwritten. In addition, the Foundation funded subscriptions to scientific periodicals for libraries that could not afford them, as well as a Telecommunications Program that built infrastructure and provided technical assistance to extend access to the Internet to Soviet research institutions. Mr. Soros oversaw this last program in particular, because he viewed it as an important contribution to the broader democratization of the region.<sup>1158</sup>

Throughout its four years of operation, the International Science Foundation operated in all the former Soviet republics, offering equal consideration to each. From the outset, the Foundation relinquished all copyright claims, and other intellectual property rights, to the research it supported. Although there was little or no tradition of a not-for-profit sector in many of the republics, the ISF was exempt from taxation and customs duties everywhere it operated.<sup>1159</sup>

*Outcomes.* Between 1993 and 1996, the International Science Foundation gave out nearly \$130 million.<sup>1160</sup> The Emergency Grants Program gave out a total of 26,145 grants, which supported approximately 23 percent of all the scientists working in the laboratories and universities of the former Soviet Union.<sup>1161</sup> Even more remarkable, all of those grants were made in ISF's first four months of operation.<sup>1162</sup> The Long-Term Research Grants Program eventually supported some 15,000 scientists, and gave out more than \$80 million: about 63 percent of ISF's total giving. As noted above, it also introduced Russia, and the other republics, for the first time, to the competitive Western-style mechanism of peer-reviewed grant application. According to a 1997 study of the ISF by Irina Dezhina, the Library Assistance Program "single-handedly closed the enormous gap in the state procurement of scientific periodicals. . . ." Furthermore, 98 percent of foreign science journal subscriptions now held by Russian libraries were initiated with ISF funding.<sup>1163</sup> All these programs brought to the former U.S.S.R. the resources and expertise of western science. The Travel Grant Program, on the other hand, brought to the West a cadre of Russian scientists, and, according to Dezhina, "had a great moral and psychological impact" in enabling these researchers to emerge from the Iron Curtain and begin collaborating with the rest of the global scientific community.

*Impact.* Although some (primarily pro-Communist) elements in Russia sought to portray the ISF as a front for the CIA, hearings in the Duma spurred a wave of over 100 letters, signed by over 400 Russian scientists, praising the work of the Foundation. Ultimately, the Russian parliament issued a formal expression of gratitude to George Soros and the ISF, just as President Boris Yeltsin did in 1992, when the \$100 million gift was first announced. It began the process of integrating the former Soviet bloc into the international scientific community, and provided the most desperately needed stopgap support with astonishing quickness. Until 1992, over 80 percent of all funding for Soviet scientific research had come from the state. Much of that dried up in the chaotic aftermath of dissolution, and ISF helped mitigate the damage inflicted by this loss. In so doing, ISF played a crucial role in sustaining thousands of scientists and research institutions.

As one member of the presidium of the Russian Academy of Sciences explained in 1994, "[t]he Foundation has played a tremendous role in seeing that our science is still alive, not only in terms of

money but first and foremost psychologically.”<sup>1164</sup> According to a biography of Mr. Soros by Michael T. Kaufman, the donor “considers [the ISF] perhaps his greatest single philanthropic achievement.” This claim is borne out in Soros’ own reflections. Recalling his International Science Foundation, Soros has said, “I think it was a roaring success, particularly because it came to an end. The ISF did its job. It had clear objectives, transparent operations, and it delivered.”<sup>1165</sup>

## Notes

1151. Michael T. Kaufman, *Soros: The Life and Times of a Messianic Billionaire* (New York: Alfred A. Knopf, 2002).

1152. George Soros, *Soros on Soros* (New York: John Wiley & Sons, 1995).

1153. Irina Dezhina, *The International Science Foundation: The Preservation of Basic Science in the Former Soviet Union* (New York: International Science Foundation, 1997).

1154. Ibid.

1155. Ibid.

1156. Ibid.

1157. Ibid.

1158. Ibid. See also the case study of Soros/OSI programs to foster democracy and civil societies in Central and Eastern Europe.

1159. In some countries, such as Russia, this was accomplished by means of specific governmental recognition. In others, such as Tajikistan, Turkmenistan, and Azerbaijan, ISF was simply exempt, de facto, in the absence of any formal regulation, from taxes and customs duties. And in at least one of the republics—Estonia—the International Science Foundation set the precedent for the tax exemption of the country’s emerging not-for-profit sector. See Dezhina, *The International Science Foundation*.

1160. Ibid.

1161. Kaufman writes that the 20,763 Russian scientists receiving grants made up 18.5 percent of all Soviet scientists. But the total number of scientists who received emergency grants, across all the republics, is 26,145 (Dezhina). Accepting Kaufman’s figures, therefore, tells us that this totaled just over 23 percent of Soviet scientist population.

1162. Dezhina, *The International Science Foundation*.

1163. Ibid.

1164. Lee Hockstader, “U.S. Bureaucratic Battle Threatens Private Funds for Russian Scientists,” *Washington Post*, 11/29/1994.

1165. Kaufman, *Soros*.