
German Universities and Competition*

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This paper presents issues concerning German universities and competition. In order to assume, or to maintain, a leading role in increasing international competition between cultures and economies, it is necessary that the state, the economic sector, and society at large, including higher education, mobilise and strengthen their innovative potentials. Several reform projects have been undertaken, partly to improve efficiency and effectiveness. The Association of German Universities/German Rectors Conference (HRK) has contributed to initiating and funding new orientations towards performance and competition in the sector. While competition helps to increase quality, it also needs the development of profiles. Autonomy is required to promote a level of competition. Contract agreements between the university and the state would contribute to defining the level of autonomy. However, some degree of leadership, flexibility and vision is required to achieve this.

INTRODUCTION

Thank you for the opportunity to contribute to this Congress on the last day. This paper will not look at particular problems in the German higher education system, but rather about the challenges for German universities. And I hope the realisation of this is not a *mission impossible*. This paper will use the term *university* for all types of higher education institutions in Germany – that is universities and universities of applied sciences (Fachhochschulen), schools of arts and music and so on.

UNIVERSITIES AND COMPETITION

The combination of universities and competition is, at least in Germany, rather new. Why has competition become so important for German universities? The answer is basically simple; in order to assume, or to maintain, a leading role in increasing international competition between cultures and economies, it is necessary that the state, the economic sector, and society at large - and the latter includes higher education - mobilise and strengthen their innovative potentials.

In this effort, the field of education training research has a special role to play, for qualification and research

are the most important factors for the capability to compete in what is known as the new *knowledge society* within a *new economy*. This applies at least to countries such as Germany that have only a few raw materials left.

Universities are therefore no longer the small and isolated islands of elitism, as was the case some 40 years ago, when the acquisition and the transfer of knowledge were for the privileged few. Today, life-long learning has in fact become a condition of survival for all, for the individual as well as society as a whole. In industrialised countries, universities have grown into large service centres that together educate and train up to 40% or even more of an age group. Therefore, it is justified to speak of universities as society's *workshops for the future*.

Reform Projects

Universities have accepted the drastic increase of participation in education as a challenge. The impressive range of reform projects illustrates this. It comprises, for example:

- The development of institutional strategies, combined with target-oriented agreements, both internally and with the state governments.
- The definition and sharpening of institutional profiles and networking.
- Evaluation and quality assurance in both research and teaching.

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- The introduction of cost-benefit based on administrative management structures and procedures.
- Resource allocations guided by such criteria as performance and task load, again internally and externally regarding institutional funding levels.
- Contract and salary schemes for university staff that strengthen aspects of performance and professional engagement.
- The re-modelling of study programmes by modularisation and the introduction of first and second degrees with Bachelor and Master degrees.
- The use of multimedia.
- Giving more attention to alumni relations and public relations work.

This orientation for change is necessary, or even imperative, for still another reason. As recipients of, and being dependent on, state funding (which, by the way, was not always the case), universities today have to compete with other policy and societal sectors for scarce public resources. The general assumption prevailing in former times that they fulfil their responsibilities in a satisfactory way is no longer taken for granted in the view of general public. Universities have therefore to provide clear evidence that they are worth their money. They are obliged to prove - quite different from earlier times - that they have made all conceivable efforts to improve efficiency and effectiveness.

These are the reasons for the broadly based orientations towards performance and competition in the whole sector, which has been initiated and supported in many respects by the Association of German Universities/German Rectors Conference (HRK).

Increasing Quality by Competition

There have, in fact, always been forms of competition among universities. These include:

- Competition when a professor was hired for a chair.
- Competition for public or private funding.
- Competition in areas that lacked students, so that ensuring the next generation of young scholars required specific efforts.

However, certain indicators have had so far only a limited influence on the financial equipment of universities or career prospects of scholars. Such indicators include:

- The average duration of studies.

- The quantitative relation between staff and examinations completed.
- The professional success of graduates.
- Successful applications for external funds

In other words, the impact of profile, quality or success in teaching and studies on the reputation of a department was, at best, a matter of long-term perspective.

Competition generates a drive towards performance and increase of quality provided, however, that both success and failure have visible consequences for the distribution of public (that is state) budgetary means among institutions as well as within institutions for the compensation of academic and administrative staff.

In general, this requires new criteria to describe and assess the measurement of workloads, performance and quality in teaching, research and management. In this connection, any procedures of accreditation and evaluation will play essential roles. This is also becoming increasingly realised in Germany.

Competition Needs the Development of Profiles

The development of characteristic profiles by individual institutions is necessary in order to enable them to successfully define their own position and to develop their own *product scale* in research and teaching, including offers for continuing education. With the growing differentiation within disciplines and cost increases, no university will be able by itself to offer studies or promote research across the full range of disciplines.

As a consequence of this, there will certainly be more regional and international networking as well as a division of labour amongst universities. This is the only way for the German science system to ensure that it may also in the future successfully compete worldwide in all disciplines, and possibly to also assume leadership in some of them.

Competition Needs Authority

The German history of higher education is traditionally characterised by a growing dependency of the universities on control and supervision by the state. In the Federal Republic of Germany, universities enjoyed a comparatively great margin of autonomy throughout the 1950s. Since then, however, legislation, governments, and the state bureaucracy have increasingly limited the institutional autonomy by a net of detailed laws, legal directives, executive orders, and procedures of control. In effect, institutions have

thereby been given (again) a status as subordinated bodies within the state administration. But it is also true that this process was well *assisted* by the institutions themselves, as they failed to resist with sufficient energy the continuous undermining of what had been left of their rights of autonomy.

Such structures are not compatible with a higher education system oriented towards competition. It has as precondition the extension of institutional self-administration in all aspects: academic, financial, staff affairs and organisation.

AUTONOMY

Such conditions imply the giving up of all inflexible and complicated procedures in favour of greater autonomy for the institutions. In concrete terms, this means the rights to enact and change their charters and related regulations, in particular in the fields of study and examination orders and the introduction and adjustment of study programmes. It means, further, the possibility to develop teaching and research programmes that contribute to their profile and to take by themselves all related decisions, including the selection of students.

It means, finally, autonomy also in all affairs of budgetary policy and financial management, in staff administration, and in the management of buildings and property. In effect, a number of legal rights so far reserved to the state will have to be transferred to the universities.

Profile of Autonomy

Such a profile of autonomy for universities requires also a new understanding by the state of its role within what can be called a *model of partnership among equals*. Under this model, the state - represented by its government - and the universities - represented by its rector or president - will make contracts about the goals to be achieved by the institutions, both internally and externally. Both will submit their respective perceptions, and naturally each of the partners may say *no* and reject specific proposals. What is important is that a process of agreements will replace one-sided decisions by the state in most areas.

Opportunities for such contracts exist on at least two levels: strategic and operational.

On the political level, the issue is the amount of overall financial commitment for the organisation of higher education and training by higher education institutions. This remains a matter to be decided exclusively by the state. The extent of public resources

to be dedicated to education and research is an issue of setting political priorities.

On the strategic level, the goals for the development of the institution will be determined. All strategic issues as well as all operational matters of implementation will be fully subject to contracts.

In these areas, the state is still reluctant to give up rights. Thus, legislative decisions in state higher education laws often include pre-determination so that the actual scope of issues that can be negotiated by the institutions remains rather narrow. This is certainly not the appropriate way to proceed. Already at this stage, there should be cooperation between the state and universities, and one could imagine a neutral body that might function as an arbiter in cases of conflict.

Contract Agreements

Contract procedures only make sense if the parties feel themselves definitely bound by the results. Without such a legal commitment, agreements on goals and objectives would not make much sense, as the universities would indeed lack any fixed points of orientation for their own planning.

Such legally binding contractual arrangements oblige the government to follow its terms. They would also have a limiting effect on the freedom of the legislature. That is, laws to which such agreements refer could not be easily modified by subsequent legislation.

However, it would be unrealistic to assume that these *higher education contracts* would have *eternal validity*. On the other hand, their duration should foresee an appropriate balance of interests for both parties of the agreement, in terms of stability and adjustment of conditions.

In summary, such agreements that involve a partial *equalisation* of the roles of the state and the universities, the state gives up parts of its powers that so far allowed unilateral decisions. Without going into further details, this implies a number of legal issues that regard the future modes of intervention into institutional affairs by the state. Conversely, the universities have a legal claim vis-à-vis the state as to the fulfilment of the obligations into which the state has entered. Again, without further details, legal issues are involved regarding possible actions on the side of the institutions if the state should not abide to its obligations.

Universities that want to act as equal partners need other structures of decision-making and organisation than those practiced so far. They can no longer be organised on the model of a medieval guild.

Professors and scholars will have to acquire enlarged professional competencies in matters of institutional and project-oriented management. The competence for decisions will have to be tied to, and complemented by, responsibilities and accountability for the consequences of decisions taken. There must also be a visible separation between the discussion of decisions, the actual decision-making responsibility and the controlling functions.

Leadership and Flexibility

Universities geared toward competition and autonomy require a strong executive leadership. Only such leadership is in a position to represent and implement the overall interests of an institution internally and externally, since the overall interest of the institution as a whole is always more than the mere sum of the particular interests of individual departments or status groups within the institution.

Finally, universities need flexible margins of freedom for the way in which the decision-making process is organised. This flexibility should be in accordance with their specific goal orientations and profiles.

CONCLUSION

Universities thus strengthened and provided with more autonomy have good chances to be successful. Trust and cooperative orientations are necessary requirements,

internally and externally. But for this to become reality, quite some effort is still needed. However, to quote the ancient philosopher Seneca, *...effort and engagement only strengthen noble spirits.*

BIOGRAPHY



Joachim D. Weber was born in Bonn, Germany, on 22 September 1946. He studied Law at the Rheinische Friedrich-Wilhelms-University in Bonn and received the degree of Assessor of Law in 1977. In cooperation with Dr Christian Bode, Mr Weber has published an article that covered admis-

sion to institutions of higher education in the *Handbook of Law of Science*. He has also published an encyclopaedia of higher education in cooperation with Professor Dr George Turner.

He is a member of the *Verein zur Förderung des internationalen Wissenschaftsrechts*. Mr Weber has been working in the secretariat of the Westdeutschen Rektorenkonferenz (WRK) (from 1990 the Association of Universities and Other Higher Education Institutions in Germany (HRK)) in Bonn since 1978. In 1990, he became the Deputy Secretary General and head of the national department, and has been authorised as a lawyer at the district court in Bonn since 1981.