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**Europe**
**Germany's mediocre universities**

## On shaky foundations

Jun 25th 2009 | FRANKFURT

 From *The Economist* print edition

**The effort to improve German universities still has a long way to go**

Illustration by Peter Schrank



THE IG FARBEN building in Frankfurt has a history. This is where Zyklon B gas, used at Auschwitz, was invented and Dwight Eisenhower later worked. Now it is part of an €1.8 billion (\$2.5 billion) building project at Frankfurt's Goethe University. Not for Goethe's 35,000 students the grotty campuses of others: the "House of Finance" has a marble floor inspired by Raphael's fresco "The School of Athens."

Thousands of less coddled students recently staged protests across Germany against their conditions. "Back education, not banks", demanded protesters fed up with overcrowded lecture halls, crumbling campuses, tuition fees and a chaotic conversion from the traditional diploma to a European two-tier degree system.

German universities are underfunded by international standards (see chart). Professors juggle scores of students; at top American universities they nurture a handful. In switching to the bachelors-masters degrees prescribed by Europe's standardising "Bologna process", many universities tried to cram bachelors degrees into just six terms. Only six German universities are among the top 100 in the Shanghai rankings (Munich is highest, at 55th). Just 21% of each age cohort gets a degree; the OECD average is 37%.

**Too little by half**

Higher-education spending, % of GDP, 2005

0 0.5 1.0 1.5 2.0 2.5 3.0

A high-wage country with few natural resources cannot afford sub-par universities, as Chancellor Angela Merkel often says. On June 4th the federal and state governments approved an €18 billion

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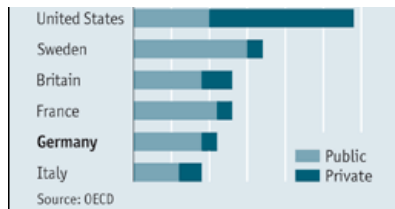
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plan to create more university places, boost funding for research and cultivate a small group of elite institutions. It is "a signal that research and education are being taken seriously," says Margret Wintermantel, head of the German Rectors' Conference.

In the past, universities were interchangeable, and most students chose one close to home. But since the early 1990s budget cuts have encouraged them to compete and specialise. Their state paymasters began to link cash to professors' publications and their ability to attract outside money. The government's new "excellence initiative" goads them to differentiate still more, showering €1.9 billion on research programmes and nine "top universities" with promising "future concepts". That brought a "big change in mentality", says Werner Müller-Esterl, Goethe's president.

Some striking students object to the idea of rewarding research over teaching and of exalting some universities over others. Yet universities are starting to serve students better. All get at least some money based on the numbers they attract. Many go beyond entrance exams to select students. This, plus the introduction of tuition fees and rankings that gauge teaching as well as research, has led to a change in culture with more competition and "a performance orientation," says Frank Ziegele of CHE, a think-tank that produces a set of rankings.

Goethe University is in the vanguard. Last year it became a "foundation university", loosening its ties to the state of Hesse, and expanding its freedom to hire and manage staff, and to raise money from private sources. "We can now pay competitive salaries," says Mr Müller-Esterl. The university has hired 50 new professors, including some from foreign rivals. No longer a state agency, the university now finds it easier to raise money from private donors who want to know how it will be spent. Mr Müller-Esterl hopes the university will build its puny €125m endowment up to €5 billion-6 billion.

But Goethe is not immune to German ailments. Along with other western German universities, it is bracing for an influx of 275,000 extra students, caused by a minor baby boom and a one-year reduction in courses of study at high schools. Part of the government's package is meant to help universities cope with this "student mountain", which will peak in 2011-13, but Mr Müller-Esterl says it is not enough.

The main gap in university financing is not the contribution of the state, which matches America's, but in private funding and fees. Tuition fees, as the student protests suggest, are politically explosive. Hesse's conservative government introduced them but retreated in the face of protests. That put a check on Goethe University's leap for independence. Most western German states allow tuition fees of a meagre €500 per term, but universities "can't plan long term because they don't know if the next government will take it away," says Ms Wintermantel.

Nor did universities get extra money for the Bologna process, a source of much angst. The diploma of 8-12 terms was a German brand, "like Oktoberfest," says Bernhard Kempen, head of the German Association of University Professors. Students who obtain bachelors degrees in some disciplines, such as information technology, do not learn enough to get good jobs. But there is a shortage of places in masters programmes, says Mr Kempen. Students' mobility among institutions, one of Bologna's goals, has fallen because study programmes are more intense and universities do not give credit for one another's coursework. Competition is fine, but professors grumble that they spend too much time on grant applications.

Still, these pressures push German universities in the right direction. World rankings tend to underrate them, partly because non-English-speaking

laboratories are penalised. They would do better if research at non-university institutes like the Max Planck Society were brought into academies, adding teaching to research. That is happening: an example is the merger of Karlsruhe University and the Forschungszentrum Karlsruhe to form Karlsruhe Institute of Technology, modelled on MIT. "In ten to 15 years a few universities will have a place in the top international league," says Matthias Kleiner, head of the Deutsche Forschungsgemeinschaft, which funnels money to research. Perhaps Goethe University will be among them.

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