

Welcome to the National University of Germany!

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Six years ago, Germany's federal government proposed the idea of creating an artificial Ivy League of a handful of research universities that would receive extra money—to compete with the likes of Harvard, Stanford, and Cambridge. A first round of this so-called excellence competition, in 2007, produced nine universities that were subsequently showered with modest sums of public money. The funding was limited to five years and will end in 2012. Recognizing that new Harvards cannot be built within half a decade, the federal minister of education and research soon announced a second round that will start next summer. Some politicians and the few German higher education visionaries are already thinking about how to ensure the long-term success of the winner universities. Creating federal universities seems to be one option.

Universities' Linkage to Shrinking State Budgets

Traditionally, the German system of responsibility between the federal level and the states provides power concerning universities and other educational institutions to the states (*Länder*). The federal level takes care only of research organizations—such as Max Planck, the National Science Foundation DFG, and international exchange organizations. While this arrangement could make a theoretical sense on how to organize a federal state, it clashes with the fiscal reality of Germany's 16 states, many of which must make severe budget cuts in the future. Tuition fees, only recently introduced, might need to be abolished again, because the numerous opponents were successful in portraying them as unjust. Hence, German public universities will lose this only significant nonpublic source of income. In 2017, when the public funds of the second excellence competition round will have been spent, the 9 to 12 winner universities might fall back to “normal” levels of financing, which often means one-tenth of Harvard's budget per student.

Undoubtedly, the idea of using federal money to bring state universities to a reputation of international fame has been mentioned. A recent article, in Germany's *Frankfurter Allgemeine Zeitung*, even proclaimed that federal universities or *Bundesuniversitäten* already exist. This referred to the merger of Karlsruhe's state-financed Technical University with a nearby federally financed research institute. The new institution,

rebranded as KIT or Karlsruhe Institute of Technology, is now a university officially run by a state but actually receives a large part of its funding from the federal level. When Annette Schavan, the federal minister of education and research, remarked that she could imagine in the future more federally funded universities, the public reaction was mildly positive. However, two problems should be discussed before entering this new path of German higher education. First, the debate is entirely based on finance questions. Policymakers and education experts seem to assume that it is only the size of the budget that separates Heidelberg from Harvard or Bochum from Brown University. Second, even after realizing that money alone cannot buy academic reputation, it seems difficult to organize the transfer from state to federal funding.

More Money Is Not Enough

Regarding the question of how to build a world-class university, more money can, of course, help to lessen the most severe problems. However, several institutional obstacles hinder German universities from becoming a top-20 university in the world. These issues cannot be explicitly discussed, but they include the *Kapazitätsverordnung*, a legal monster that basically prohibits all universities from improving the student-faculty ratio because of the need to automatically admit more students for every additional professor hired.

Another problem is the relatively weak position of university presidents, caused by both a romantic illusion of enormous self-managing capacities of individual research professors and an ongoing obsession with trying to add more veto players to every university decision-making process. Also, the concentration of many top researchers outside the universities might not harm the research system, but maybe the universities. The discussion about *Bundesuniversitäten* is, therefore, more about a chance to allow some universities to escape drastic cuts in the future, but it does not produce a master plan of how to actually improve their academic standing. However, if the federal level links funding with institutional reform and a *Bundesuniversität* could become a laboratory for the future of German higher education, then the case becomes more interesting.

Incentives to Transfer Universities to the Federal Level?

Another question concerns which universities will transform into federally funded institutions. The total list—9 or even 12 winners—of the excellence competition might be too numerous, and it seems unclear how to quantify the amount of excellence in higher education that a government can afford to fund. Even if the federal level determines the number of universities to be funded, how should institutions be selected? It seems doubtful that the states will willingly give up their most prestigious institutions to save them. Some

state ministers of education might be interested in keeping a bit of international Ivy League glamour under their financial jurisdiction.

To many observers, a clear example indicates Berlin's Humboldt University. Once the global prototype of the modern research university, it nowadays cannot be found in the top position of any university ranking—unless 100-year-old Nobel Prizes are given extra weight. The state of Berlin has been facing severe budget problems for many years. Many members of Angela Merkel's government would like Humboldt to become a federal university, not at least because of geographical proximity. You can walk faster from Humboldt to the Reichstag and Chancellor Merkel's office than being able to read and understand an average Hegel sentence. However, the mayor-governor of Berlin—like many other politicians—will most likely prefer to see Humboldt stagnate under state-level tutelage rather than to see it prosper once the federal level took over. Universities, along with police, regional culture, and primary and secondary education are among the few divisions that are left to state politicians. Most other important issues are decided at the federal level. "Buying" a state university will thus be very costly, if not too costly, for the federal level.

Learning from Switzerland

All the obstacles mentioned above do not mean that it would be impossible to

create a federal university. When the Swiss, more than one-and-a-half century ago, debated the same question and encountered massive resistance by establishing regional universities, they came up with an intelligent compromise. The newly erected federal universities would only focus on research areas not considered worth working on by other universities: engineering, sciences, and other technical subjects. Today, the ETH (Swiss Federal Institute of Technology) Zürich is not only an excellent technical institution but clearly also one of Europe's best universities.

If German policymakers can articulate a compelling vision of what could be achieved by establishing a federal university, this would be a major first step. If, in addition to more money, this institution would avoid some of the organizational and structural problems that keep most German universities from becoming world-class. If a creative deal can be found to make this institutional transfer attractive to the states, the federal level, and the respective university, this lofty idea could then become a serious plan.