



**Centrum
für Hochschulentwicklung**

**Private Higher Education in Europe
A National Report on Germany**

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Private Higher Education in Europe

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1. A General Overview

1.1 Introduction

The past decades have seen dynamic development in the German system of higher education. The increasing globalisation is responsible for a rising worldwide competition in the higher educational sector. Knowledge and information are nowadays key factors for shaping the future of our life. New learning technologies are being implemented and notions about steering the HE sector are changing. An intensively regulated and merely state-oriented higher education (HE) sector is no longer regarded as a desirable concept.

In order to meet these challenges, the public education system is currently undergoing fundamental changes. Institutions of HE are reorganized towards greater autonomy of each institution. Less state-influence and more effectiveness in the organisational structures should enhance the competition among higher education institutions.

Traditionally, private higher education institutions do not play a large role in the German education system. Most private institutions of tertiary education were founded during the last decade. It is said, that the rising number of foundations in the private sector is partly reflecting the deficiencies of the public HE institutions. For example, private higher institutions are able to act with greater autonomy in the payment of staff and are able to charge tuition fees. Considering the general reform trends private institutions should be among the leaders in the competitive process and should be successful on higher education markets.

Starting from this point a broad range of questions arises, among them for example:

- Do private institutions really play a decisive role in the higher education sector? What are their features, market segments and roles?
- Does the advantage of private institutions concerning autonomy and management really exist (or is it disappearing at the moment)?
- What is the nature of competition between private and public institutions?

We also have to consider questions arising with the emerging European Higher Education Area and the Bologna Process, for example:

- To what extent do private institutions change study programmes according to the new two-cycle degree structure and to what extent have private institutions introduced the ECTS?
- Have private HE institutions implemented features of quality management according to the objectives of the Bologna process?
- Do private institutions develop means of enhancing student and staff mobility?
- Do private institutions track the employment of their graduates?

The following study brings together the main facts and figures concerning private higher education in Germany and draws some conclusions.

1.2 Data sources

Main sources of the survey are:

- The data gathered at the Association of Universities and other Higher Education Institutions (HRK) in the web-based "higher education compass". The compass gives information about the name of an institution, address, study programmes and number of students, information about the legal entity of the institution and the address of the homepage.¹
- The Federal Ministry of Education and Research published a survey on non-state universities in the Federal Republic of Germany in 1998 and a survey on Corporate Universities in 2002. They also issued educational statistics annually, which were used in this study.²
- The Federal Statistical Office supplied figures about the number of students and staff, as well as the number of examinations.³ The latest survey on private higher education in Germany was published by Brauns in October 2003.⁴
- Information on the web-pages of private higher education institutions and answers to a questionnaire of selected institutions on special topics distributed and analysed by the authors of this survey.

1.3 Institutional forms of higher education institutions in Germany

Higher education institutions have various institutional forms in Germany. Mainly, there are universities, universities of applied sciences (Fachhochschulen) and colleges of art & music (Kunst- und Musikhochschulen). Solely universities and equivalent institutions have the right to award doctorates (Promotion) and post-doctoral qualification to teach as a professor in higher education (Habilitation). The focus on research and on the promotion of junior academics is also a distinctive feature of universities and equivalent institutions of higher education. Characteristic features of Fachhochschulen are a particular emphasis on practice in research and training and the integration of a practical term spent outside the institution.

We find various institutional forms in the private as well as in the public HE sector. In 2001, 384 state-approved higher education institutions existed in Germany. There were 95 institutions with university status. The largest group of institutions in numbers were universities of applied sciences (152 institutions). We also find 47 colleges of art and music, 15 independent colleges of theology and 36 colleges of medicine. Most institutions of higher education were under the institutional control of the states (295 institutions). 9 institutions of higher education were run on the level of federal government. These institutions are for example the Universities of the German Armed Forces in Hamburg and Munich and some colleges of public management.⁵ The dominance of state ownership reflects the decentralised federal structure in German higher education.

¹ www.higher-education-compass.de

² Federal Ministry for Education and Research: Nichtstaatliche Hochschulen in der Bundesrepublik Deutschland. Eine Übersicht. Bonn: Oktober 1999. Federal Ministry for Education and Research: Corporate Universities, Berlin 2002. Federal Ministry for Education and Research: Basic and Structural Data 2003/2004, Bonn 2004.

³ Federal Statistical Office: Bericht zur finanziellen Lage der Hochschulen 2001, Wiesbaden 2003.

⁴ Hans-Jochen Brauns: Private Hochschulen in Deutschland. Eine Bestandsaufnahme im Auftrag von WiSo Institut für Wirtschaft und Soziales GmbH, Berlin 2003.

⁵ Colleges of public administration are a special type of universities of applied sciences run by the federal government and the Länder to provide training for young people who wish to pursue a medium-level non-technical career within the public sector.

98 of the 384 state-approved higher education institutions in Germany are private institutions.⁶ Of these 98, 54 are private institutions in a strict sense; the other 44 are maintained by a church. 13 private HE institutions are qualified as “Universities” with the right to defer a doctorate. Private universities are for example the International University in Bremen and the University of Witten/Herdecke. Law Schools and Colleges of Business Administration (Bucerius Law School, Oestrich-Winkel European Business School, WHU – Otto Beisheim Graduate School of Management) also belong to the category “Universities”, and two colleges of art and music are privately maintained as well. Apparently, most of the private HE institutions in Germany belong to the category “University of Applied Sciences” (39 of 54).

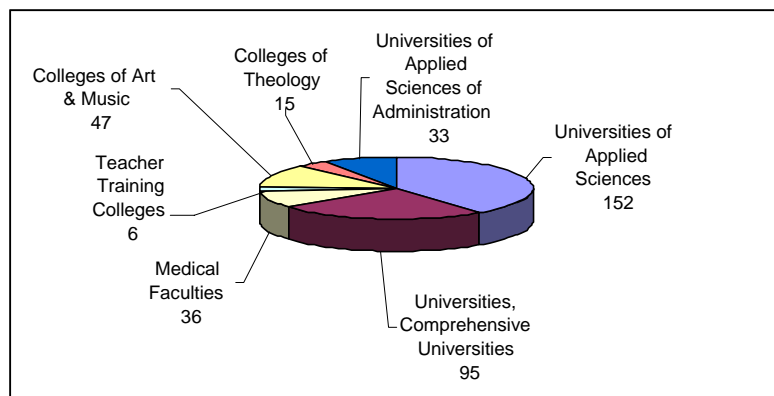
The following survey will concentrate on the 54 institutions that are registered at the Association of Universities and other Higher Education Institutions (HRK, also called German Rector’s Conference) and that are not maintained by a church. Only the general analysis in the first chapter will take into account the church-owned institutions as well. We will further include as often as possible information on private institutions still aiming at or without state-approval and information of institutions in private-public-partnership as well as corporate universities as far as they are aiming at deferring academic degrees.

For detailed information about single institutions see the list in the appendix to this study.

Table 1 shows the higher education sector according to types of institution. The category “universities” includes universities, technical universities, comprehensive universities⁷, as well as colleges of education⁸ and other institutions of similar standing (e.g. colleges of medicine, colleges of theology⁹). They offer 4- to 5-year courses in academic disciplines. Studies at these institutions require the general or the subject-restricted university entrance qualification. The Bologna Process is broadening university entrance qualifications in Germany at the moment. Universities of Applied Sciences concentrate mainly on engineering and other technical disciplines, business-related studies, social work, and design areas. Their common mission is a distinct application-oriented focus which includes integrated courses or assignments in industry and enterprises.

Table 1 German higher education sector (public and private) by type of institution, winter term 2001

Source: Federal Statistical Office, Bericht zur finanziellen Lage der Hochschulen 2001, S. 21.



⁶ Federal Statistical Office: Bericht zur finanziellen Lage der Hochschulen 2001, Wiesbaden 12/2003, p. 20-21.

⁷ Comprehensive universities provide both university-type and „Fachhochschul“-type courses: some offer courses in art. Courses can be integrated or remain separate.

⁸ Colleges of education have university status. Students at such colleges can be awarded doctor’s degrees and, in some cases, also the qualification for lecturing at a university (Habilitation). Their main purpose is the training of teachers. In most cases, colleges of education are part of a university: students take three or four-year courses.

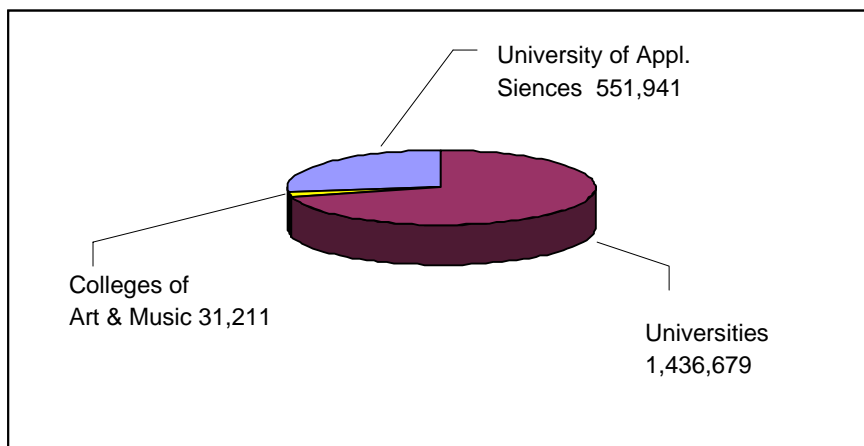
⁹ Colleges of theology include the institutions maintained by the churches as well as the state-maintained colleges of philosophy and theology.

1.4 Number of students and regional distribution in the higher education sector

In Germany, most students – approx. two third of all young people qualified to enter a higher education institution – are studying at a university (see **Table 2**). In winter term 2003/04, a total of 2.02 Mio students were studying in Germany. 1.43 Mio are taking higher education at a university (including comprehensive colleges or colleges of education). 551,941 students were enrolled at a university of applied sciences, and 31,211 students studied at a college of public administration. Another 30,444 students took courses at one of the 47 colleges of art & music (CAM) or at a college of film.¹⁰

Table 2 Higher education sector in Germany by type of institution and number of students, winter term 2001

Source: Federal Statistical Office, Bericht zur finanziellen Lage der Hochschulen 2001, S. 21.



Public higher education is open – in theory - to all students in Germany. However, the number of students is restricted according to available capacities in special subjects like medicine, pharmacy, biology, and psychology on the federal level and in some other overcrowded programmes on the level of the local HE institution. So there is a rationing mechanism in case of high demand. Due to the financial difficulties of public universities and cutbacks in capacities (combined with rising student numbers), the number of subjects with entrance restrictions at the moment is increasing.¹¹

Looking at the development of student numbers in Germany over the last two decades (**Table 3**), we discover that the number of students at German HE institutions rose from more than 1 Mio students in 1980/81 to 2 Mio students in 2003/04, (only at the beginning of the millennium there was a small decline for two years).

From 1980 to 2004, more and more young people entered higher education. The proportion of young people starting a tertiary education compared to all young people between 18- and 21-years old grew from 19.9 % in 1980 to 27.3 % in 1990 and increased constantly in the years 1995 to 1999 from 26.8 % to 31.3 %. That means that roughly a third of all young people in the age group 18 - 21 years is nowadays starting a study-course in the higher education sector. Hence, the proportion of young people in tertiary education grew steadily in Germany, but still lags behind compared with other OECD countries.¹²

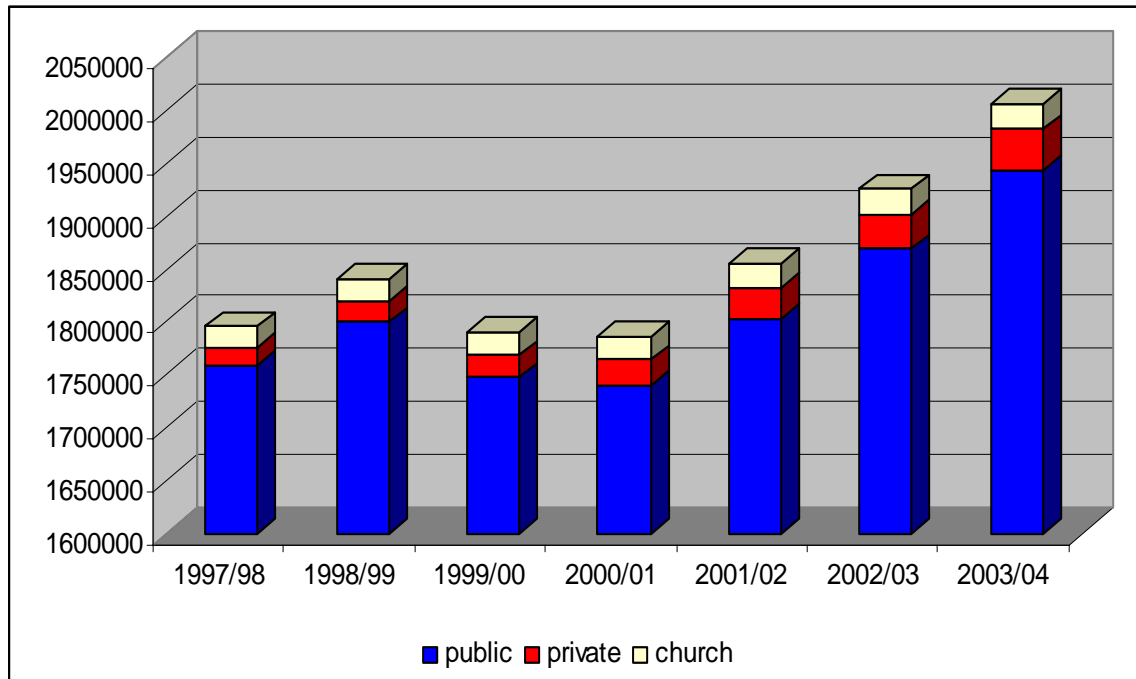
¹⁰ Federal Statistical Office. http://www.statistik-portal.de/Statistik-Portal/de_jb04_jahrtab50.asp (11.05.2005)

¹¹ From winter term 2005/2006 onwards, German public HE institutions will have more autonomy in selecting students. Currently, the only criterion for selection at most universities is the grade of the final examination for access to higher education (Abitur).

¹² German Science Council, Eckdaten und Kennzahlen zur Lage der Hochschulen 1980 bis 2000, Köln 2002, p. 6.

Table 3 Number of students in Higher Education in Germany, winter term 1997 – 2003/4

Source: Federal Statistical Office: VI E –5.11



Looking at future prognosis, the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder (Kultusministerkonferenz, KMK) assumes that the number of students is decreasing in the long run. The KMK is a coordinating body for the educational policy of the German states. Its prognosis about the future development of the number of young people qualified to enter a higher education institution concludes that the number of students will rise from 2000 to 2010 up to 4.1 %, but will decrease from 2010 to 2015 around 9 %. The overall trend in the number of young people actually starting a degree course would be sinking annually about 7 - 8 % taking into account all people aged between 18 and 21. These changes are primarily due to demographic developments, to migration and some uncertainty concerning the expected participation rates.¹³

The regional distribution of students in the HE sector for winter term 2003/2004 is shown in **Table 4**.¹⁴ A distinct regional distribution of students is noticeable. North Rhine-Westphalia has by far the largest number of students in winter term 2003/04 (453,797 students), followed by Bavaria (245,142 students) and Baden-Württemberg (236,160 students). The Saarland has with 19,198 students the smallest group of young people in higher education training. Compared to the number of inhabitants, the number of students is relatively high in the German city-states Hamburg and Bremen (71,013 and 33,938 students).

¹³ KMK, Prognose der Studienanfänger, Studierenden und Hochschulabsolventen bis 2015, cited in: German Science Council, Eckdaten und Kennzahlen zur Lage der Hochschulen 1980 bis 2000, Köln 2002, p. 6.

¹⁴ Variations in the total number of students are due to different accounting methods at the German Rector's Conference (HRK) and the Federal Statistical Office. However, these small variations do not affect the overall trend.

Table 4 Number of Students in the higher education sector by regional distribution and type of institution, winter term 2003/2004

Source: Higher Education Compass (2.05.2005)

Federal Regional State	U	FH	CAM	Sum
Baden-Württemberg	162,266	68,875	5,019	236,160
Bavaria	173,304	68,350	3,488	245,142
Berlin	98,436	28,383	5,341	132,160
Brandenburg	27,213	12,326	730	40,269
Bremen	22,446	10,667	825	33,938
Hamburg	49,946	19,264	1,803	71,013
Hessen	108,082	46,326	1,410	155,818
Mecklenburg-West Pomerania	23,847	9,316	454	33,617
Lower Saxony	105,969	39,919	2,787	148,675
North Rhine-Westphalia	339,842	108,763	5,192	453,797
Rhineland-Palatinate	67,416	29,583	0	96,999
Saarland	14,988	3,591	619	19,198
Saxony	75,295	25,892	2,638	103,825
Saxony-Anhalt	31,163	19,747	1,031	51,941
Schleswig-Holstein	26,420	17,186	448	44,054
Thuringia	34,365	12,862	798	48,025
Total	1,360,998	521,050	32,583	1,914,631

Legend:

U = University (or equivalent higher education institution)

FH = Fachhochschule (University of applied sciences)

CAM = College of art and music

Focussing on the private sector of higher education in Germany, the overall impression is that this sector is still very small. Only 3 % of all students in Germany go to a private HE institution. This was in winter term 2003/04 a total of 71,580 students. The non-state sector is further subdivided into private HE institutions in a stricter sense and private non-state institutions that are governed by a church. In winter term 2003/04, 45,690 students were registered at a private HE institution in a strict sense and 25,890 students enrolled with a church-maintained institution. For a long time, the church-maintained institutions were the main factor in the non-state sector, but in recent years, private non-state institutions in a stricter sense have grown in amount and in size.

The total number of students at private HE institutions compared with the numbers of students in the public sector is shown in **Table 5**.¹⁵ In winter term 2003/2004, 45,690 students (~ 2 %) pursue study courses at private higher education institutions and 25,890 students (~ 1 %) are enrolled at a private church-maintained institution.

¹⁵ Table 5 is based on preliminary data for winter term 2003/2004. This is the reason for small discrepancies compared with the numbers of students mentioned above.

Table 5 Number of students by type of institutional control and by federal regional state, winter 2003/2004

Source: Higher Education Compass (2.05.2005)

Federal Regional State	state	private, state- approved	church, state- approved	Sum
Baden-Württemberg	227,177	5,923	3,060	236,160
Bavaria	237,024	227	7,891	245,142
Berlin	128,864	1,464	1,832	132,160
Brandenburg	40,161	108	0	40,269
Bremen	33,134	804	0	33,938
Hamburg	64,817	5,917	279	71,013
Hessen	147,375	6,927	1,516	155,818
Mecklenburg-West Pomerania	33,617	0	0	33,617
Lower Saxony	145,146	1,445	2,084	148,675
North Rhine-Westphalia	431,279	16,209	6,309	453,797
Rhineland-Palatinate	94,794	447	1,758	96,999
Saarland	18,911	0	287	19,198
Saxony	101,265	1,950	610	103,825
Saxony-Anhalt	51,677	0	264	51,941
Schleswig-Holstein	39,785	4,269	0	44,054
Thuringia	48,025	0	0	48,025
Total	1,843,051	45,690	25,890	1,914,631

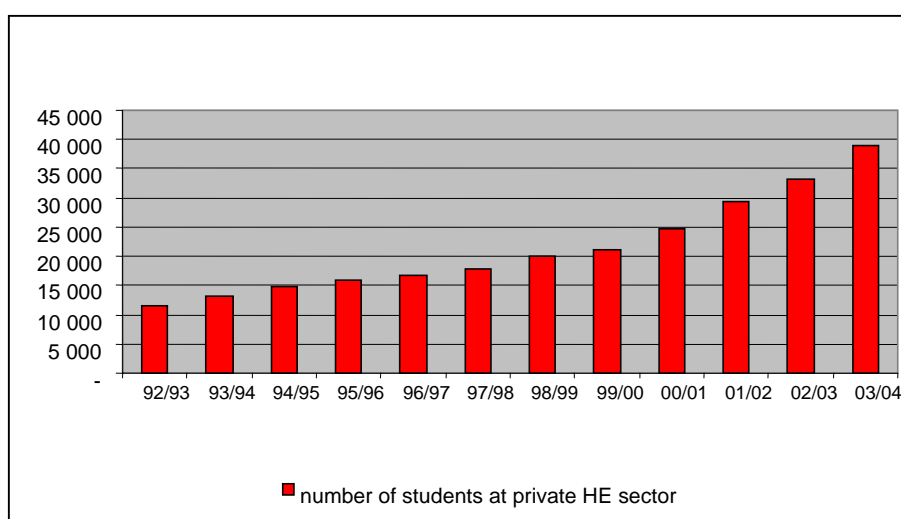
Looking at the regional distribution of German students in private higher education in Germany, we see the following pattern: Most students at private higher education institutions are studying in North Rhine-Westphalia (16,209 students). Hessen, Baden-Württemberg and Schleswig-Holstein have larger groups of students at private HE institutions. In Bavaria, most students at private HEIs study at church-owned institutions. For example, the largest number of students at a single private institution is registered at the University of Eichstätt, a private catholic university in the maintenance of the diocese of Eichstätt.

There are further differences between the regional states. The large group of students at private institutions in Hamburg is due to a distance-learning private university, attracting a variety of part-time students from all over the country. It is further noticeable, that among the new German states in the eastern part of Germany only Saxony has a certain number of students in private institutions; Saxony-Anhalt has 605 students at church-maintained colleges. Mecklenburg West-Pomerania, Saxony-Anhalt and Thuringia seemed to have no private higher education students in winter term 2003/2004. Here, we have to mention that there are initiatives to set up private HE institutions in the new German states as well, like for example at the University of Management and Communication (UMC) at Potsdam in Brandenburg.

The development of the number of students at private HE institutions from 1992/3 to 2003/4 is shown in **Table 6**. Analysing the past development of the number of students at private higher education institutions in Germany, a recent survey of the Federal Statistical Office verifies the overall rising trend. From 1992/1993 onwards, the total number of students at German private higher education institutions (without church-maintained institution) was rising from 11,568 in 1992/1993 to approx. 39,000 students in 2003/2004. The registration of students at private HE institutions at the higher-education-compass organised by the HRK has somewhat different numbers than the federal statistical office. The HRK registers 45,690 students at private HE institutions in 2003/2004 (cf. footnote 14). Nevertheless, we can state that this sector was – although still small – most dynamic in recent years in Germany.

Table 6 Number of students at private higher education institutions, winter term 1992/1993 to 2003/2004

Source: Federal Statistical Office VI E – 5.11

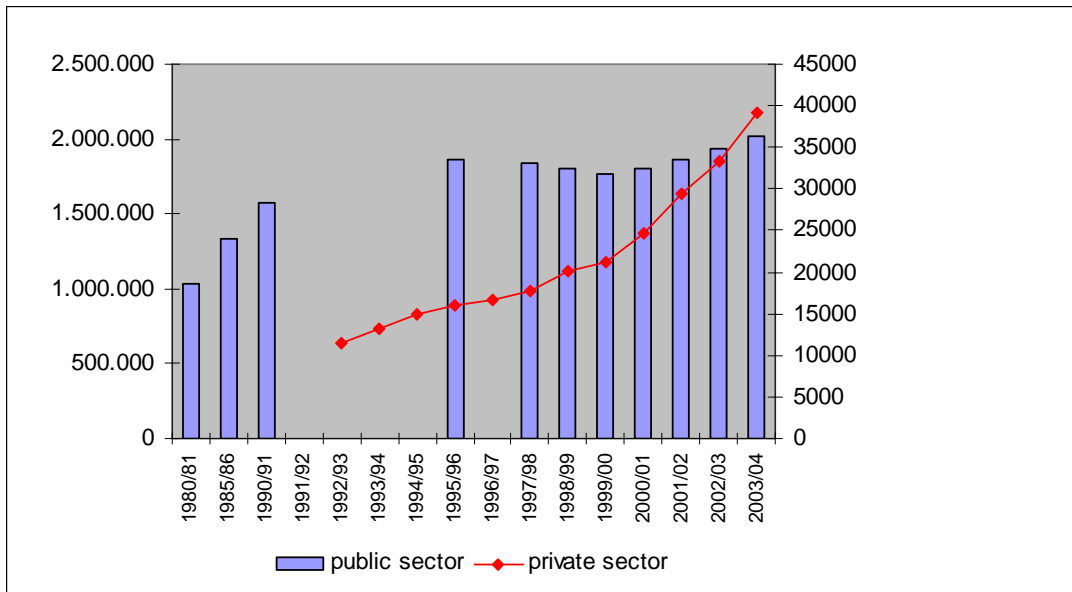


In the following survey, we will concentrate on private state-approved institutions that are not maintained by a church.

Table 7 compares the dynamics in number of students in the public with the dynamics in number of students in the private HE sector excluding the church-maintained institutions. The column and the left axis show the number of students in the public sector and the line with the right axis show the number of students in the private sector. Although the proportional number of students in the private sector is still small (only 2 %), we can see the trend is more progressive in the private sector. In the late 90ies, there was a short phase of decline in the public sector, but growth in the private sector. This dynamic growth of the private HE sector is also shown in the indexed development shown in **Table 7a**.

Table 7 Number of students at higher education institutions: private and public sector

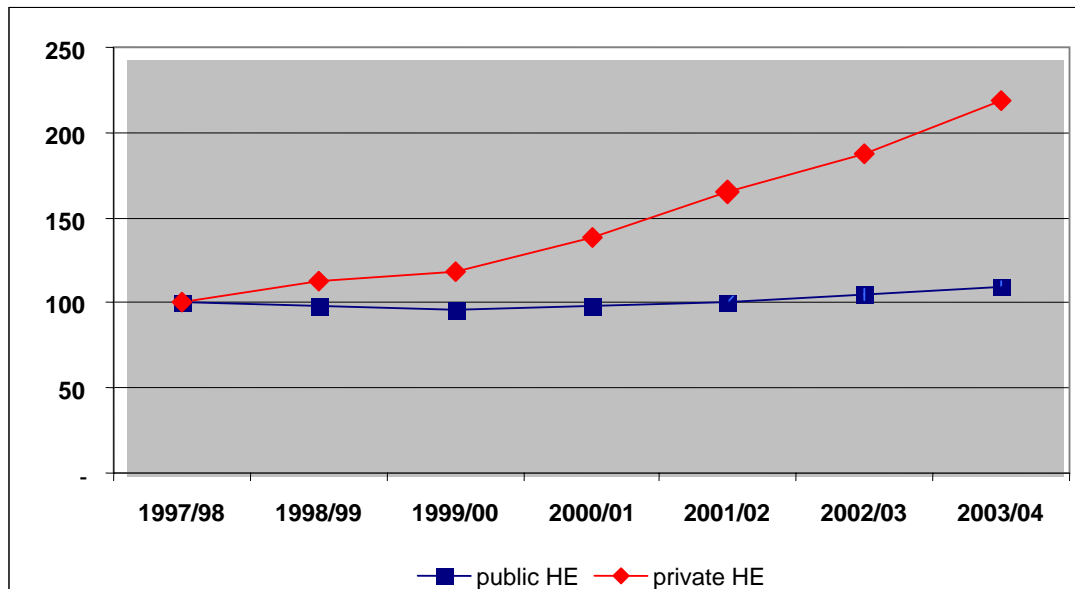
Source: Federal Statistical Office VI E – 5.11



Note: Number of students at public HEIs shown in columns and on left axis. Figures from winter term 1995/96 onwards include old and new German states. There are no figures available at the Federal Statistical Office for the years 1991-95; 1995-98;

Table 7a Relative growth in number of students, public and private HE sector 1997/98-2003/4 (base year 1997/98) (number of students in 1997/98 = 100)

Source: Federal Statistical Office VI E- 5.11



Taking the size of HE institutions into account, we see huge differences between the private and the public sector in Germany. As a rule, private institutions of higher education that are not maintained by a church tend to be smaller in average size than public institutions.

Private HE institutions differ in size from 24 students at the International Department of the Technical University Dresden called “Dresden International University” to 1094 students currently enrolled at the University of Witten/Herdecke. At lot of private HE institutions (21) have less than 300 students. The average number of students at public institutions is about eight times as high as in private ones.

In view of the size of the HE institutions, we can conclude that private German institutions have often “college”-size compared with international standard (see **Table 8**). The size of distance-learning institutions is larger. For example, the FernHochschule Hamburg registers 5,233 students and the distance-learning University of Applied Sciences FOM in Essen enrolls 5,621 students.

Table 8 Private HE institutions in number of students

Source: Higher Education Compass (2.02.2005)

Size Range	Name of Institution	Number of Institutions
1-300	Alfter HfK, Bad Homburg accadis, Berlin OTA, Berlin ESCP-EAP, Berlin MDH, Bruchsal IU, Elstal HdM, Friedrichshafen ZU, Göttingen DRK-FH, Göttingen FH, Hamburg EFH, Kassel KIMS, Leipzig HandelsH, München MBS, Nürtingen FH Kunsttherapie, Plauen FH, Schwäbisch Hall FH, Stuttgart SIMT, Stuttgart MerzAk, Vechta/Diepholz FHWT, Weilheim GSA	21
301-600	Bonn HSF, Bielefeld FHM, Brühl EUFH, Hamburg BLS, Hannover FHDW, Iserlohn BiTS, Isny FH, Lahr AKAD-WHL, Leipzig FHTelekom, Riedlingen FH, Vallendar WHU, Ottersberg FH Kunst,	12
601-1000	Bad Honnef - Bonn FH, Berlin SHB, Bremen IU, Dortmund ISM, Elmshorn FH, Frankfurt am Main HfB, Idstein FH Fresenius, Leipzig AKAD	8
1001-2000	Bochum TFH, Heidelberg FH, Nordhessen FH, Oestrich-Winkel EBS, Paderborn FHDW, Wedel FH, Witten/Herdecke U	7
2001-3000	Darmstadt FernFH, Pinneberg AKAD, Stuttgart AKAD	3
< 3000	Essen FOM, Hamburg FernFH, Köln Rhein FH	3

1.5 Private Higher Education in Germany: An Overview

Concerning the private sector in higher education and summarising the previous chapters, the following facts characterise the German situation.

1. Historically, private HE institutions do not play a significant role in Germany. The number of private HE institutions and the size of private HE institution have always been small and is still small.

3 % of all students in Germany study at a private HE institution. These are 71,580 of a total of 1.9 Mio students. 2 % of students in Germany study at a private HE institution, and 1 % is registered at a church-maintained private HE institution.

In winter term 2003/04, 45,690 students are registered at a private HE institution in a strict sense and 25,890 students are enrolled with a church-maintained institution.

The number of students and the number of private HE institutions rose continually during the last years. To date, we have 98 state-approved private HE institutions listed at the HRK, 54 of which are private HE institutions not maintained by a church.¹⁶

The difference in size between higher education institutions in the public and in the private sector is illustrated by the average number of students. Whereas the calculated average size of private HE institutions (incl. church-maintained) amounts to around 846 students, public universities register on average 6,380 students.¹⁷

2. Private institutions can be found in all segments of the HE sector.

Most of the private HE institutions are universities of applied sciences ("Fachhochschulen"). But, the number of universities with a focus on research and academic training ("wissenschaftliche Hochschulen") also rose from 6 to 13 institutions in the period from 1997 to 2001.

3. There are two main groups in the German private HE sector: church-maintained private HE institutions and private HE institutions.

Of the 98 private HE institutions that are state-approved in Germany and registered with the HRK, 44 are maintained by a church and 54 are controlled by a private organisation. Most of the church-maintained HE institutions are colleges for social work and nursing and were founded before the Second World War. Among these church-maintained institutions, 16 institutions qualify as "universities" – these are mostly faculties of theology. They have a total of 7,204 students. And there is also a smaller number of colleges of church music (10 institutions with 871 students).

Of the 98 private HE institutions, 54 institutions are not maintained by a church. They have a total of 45,690 students and constitute the core of our survey.¹⁸ There are 30 private HE institutions organized in the "Association of private HE institutions e.V."¹⁹

Only a small number of the private HE institutions in Germany are universities in a comprehensive sense offering a broader spectrum of courses and basic academic training. This is true for example for the International University of Bremen (IUB) and for the University of Witten / Herdecke. The largest group of institutions in the private HE sector have the status of Universities of Applied Sciences as shown in **Table 9**.

¹⁶ The HRK lists members and non-members in their directory.

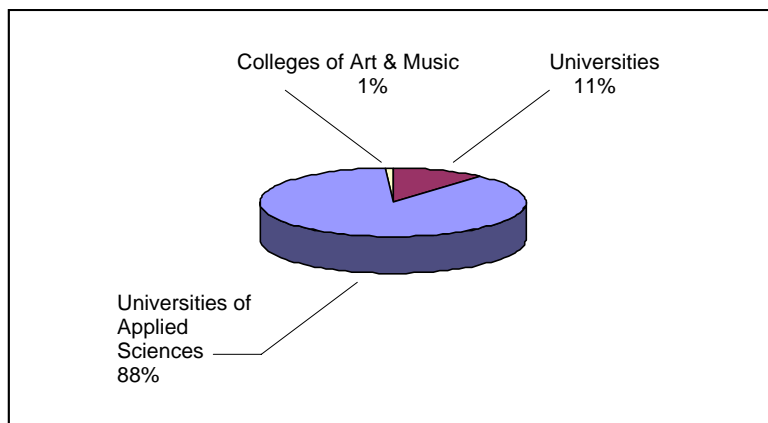
¹⁷ Federal Statistical Office. Bericht zur finanziellen Lage der Hochschulen 2001, p. 18, 21, 127.

¹⁸ www.higher-education-compass.de, visited 2.05.2005.

¹⁹ Verband der Privaten Hochschulen e.V. <http://www.private-hochschulen.net> (09.05.2005).

Table 9 Proportions of institutions in the private HE sector according to number of students

Source: Higher Education Compass, winter term 2004/2005



The majority of private HE institutions offers study programmes in the fields of technical sciences, biotechnology, computational sciences and various Masters of Business Administration. So, private HE institutions are specializing on a certain subject, offering degree programmes in their special field of experience. They are sometimes called “Schools” in order stress an orientation towards international standards. For example, the Bucerius Law School (BLS) offers courses in law with the degree *Baccalaureus Legum* (LL.B.) and the German First Legal State exam. For law topics, they have the doctoral and post-doctoral conferral authorization.

All further conclusions will be drawn for private institutions in a stricter sense, i.e. the institutions not owned by the churches.

4. The number of private HE institutions grew substantially during the last decade. The relative importance of private ownership compared with church ownership has increased. There are dynamics on the supply and on the demand side.

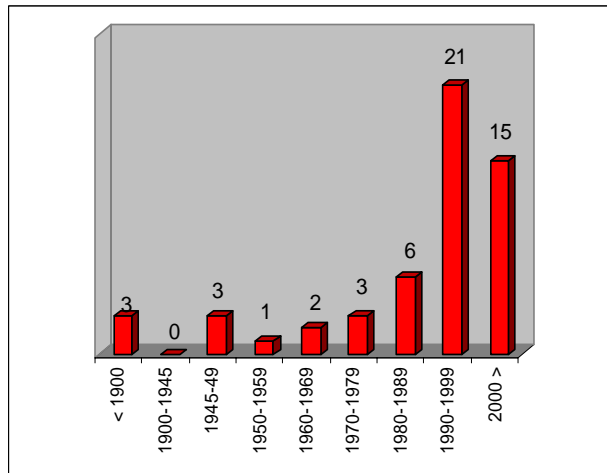
All in all, church-maintained private HE institutions have a long tradition in Germany. Church-maintained institutions can look back on a rich history. Some new foundations during the 1970ies were due to reorganisation processes in the higher education sector – when vocational academies for teacher training became universities of applied sciences in most of the old German states (exception: Baden-Württemberg). This also applies to some church-maintained teacher-training colleges.

Most other private HE institutions on the other hand are of recent date. Only few private higher education institutions were founded in the 1980ies. During this decade, higher education policy and management was regarded as a function of the state. The foundation process of the University of Witten/Herdecke in 1982 was therefore accompanied by intensive public discussions on the role of the state and private initiatives on the educational market.

More private higher education institutions in a stricter sense were founded during the 1990ies (cf. **Table 10**). 21 private HE institutions were set up between 1991 and 1999; 15 private HE institutions were created after 2000. And initiatives to found private HE institutions in Germany are still on their way today.

Table 10 Private higher education institutions by year of foundation

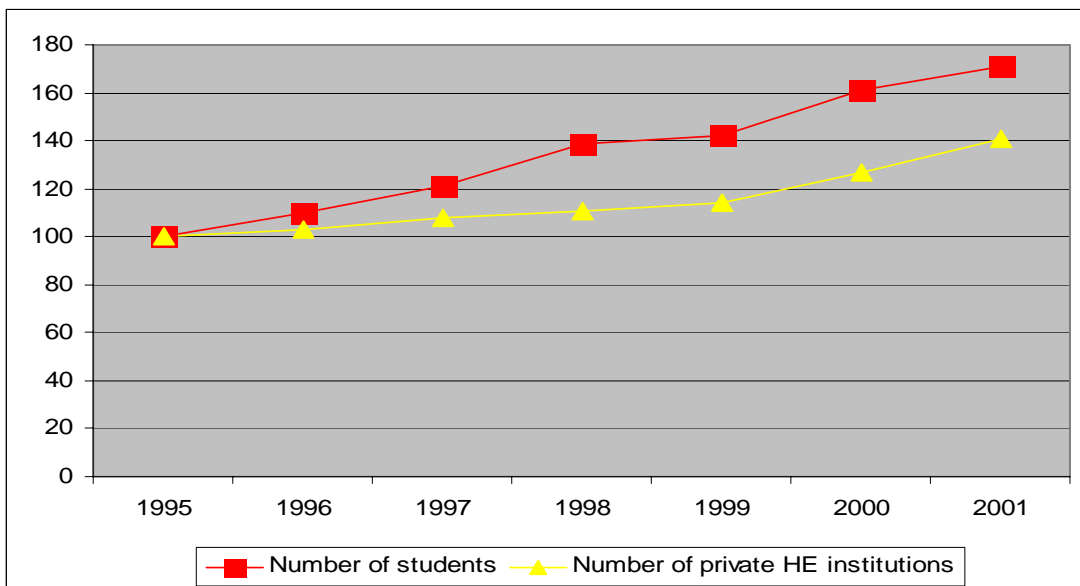
Source: Higher Education Compass.de, winter term 2003/2004



Parallel to the expansion of the private HE sector in view of the number of institutions, there has been a rise in the number of students at private HE institutions. The dynamics in **Table 11** show a supply and demand for private higher education. The market on the student demand side is growing even faster than the institutional capacities.

Table 11 Relative growth in number of students and private HE institutions 1995/96-2001 (base year 1995/96) (number of students and number of private HE institutions in 1995/96 = 100)

Source: Higher Education Compass and Federal Statistical Office



5. The state influence in the sector of private higher education is large.

State influence in the German educational sector is large. Private higher education institutions are subject to supervision of the federal regional states. Article 70 (1-5) of the federal Framework Act for Higher Education (HRG) further defines the nature of higher education institutions in Germany. All general definitions and characteristics (objectives, research ethics, entering qualifications for students, qualification of lecturers etc.) are valid for public and private institutions alike.

Since the Länder have the sovereignty in cultural affairs in Germany each Land has its own University Act. Some Länder University Acts prescribe an authorisation through the state before a private higher education institution can be founded. Therefore, the legal background for private higher education institutions is defined according to the state in which they are located.²⁰

University Acts of the Länder define for example the quality of a HE institution named "Hochschule" (i.e. "university" in a broad sense). The title "Hochschule" is reserved for state-approved institutions. Until recently, some University Acts defined sanctions against a misuse of the title "Hochschule".²¹

The University Act of Bremen regulates for example, that private HE institution have to pursue the same study programmes and study goals as they are defined in the University Act and as they apply to public HE institutions in the state. This is a prerequisite for state-recognition. And, only state-approved institutions can defer academic titles and let their full-time and university-qualified lecturers bear the title "professor".²²

The University Act of Hamburg describes – for example - the qualifications of a private HE institution seeking state approval as follows:

- The study programmes have to pursue the same goals and have to be organised according to the same guidelines as a study program at a public HE institution.
- The study programmes have to be consecutive and have to offer a broad variety of academic subjects.
- The work load and the examination procedures have to follow the example of public HE institutions.
- Students have to have a university entrance qualification.
- Teachers should be university qualified lecturers.
- Full-time professors should have the same teaching-qualifications as at public HE institutions.
- There has to be a certain academic self-governance according to the aims of the University Act (i.e. freedom of research etc.)
- The economic substance and the legal institutions should guarantee existence of the HE institution on a continuing basis.²³

Once a private HE is state-approved, it has access to some public funds as well. The German Science Council (Wissenschaftsrat²⁴) certifies institutions that are subsequently applicants to money

²⁰ For a comprehensive analysis cf. Ursula Steinkemper, Die verfassungsrechtliche Stellung der Privathochschule und ihre staatliche Förderung. Verantwortungsteilung im Dualen Hochschulsystem, Berlin 2002.

²¹ Steinkemper (2002), p. 47-49.

²² See for example Gesetzblatt der Freien Hansestadt Bremen. Nr. 36 (2003) § 112.

²³ Hamburgisches Hochschulgesetz (HmbHG) in der Fassung vom 27. Mai 2003, § 114. Translation and summary by Stannek/Ziegele.

from the University Construction Act (Hochschulbauförderungsgesetz, HBFG).²⁵ And the German Science Foundation (DFG) gives money to research projects at a small number of private HE institutions as well.²⁶

6. The regional diffusion of private HE institution throughout Germany shows a significant pattern.

There is a strong diversion in the regional pattern of the private HE institutions. However, it is difficult to interpret the reasons for this. Bavaria has been and will be a stronghold of the church-maintained private institutions, which may discourage other private HE initiatives. Baden-Württemberg has more institutions and more students in private HE institutions not maintained by a church. Here, initiatives in the private HE sector are more common and positively accompanied by public institutions and state government. A strong political decision is the reason for the Bremen initiative and foundation of the International University Bremen. We also have to acknowledge that private HE institutions in the new German state are a rare phenomenon.

7. There is a market for private higher education beyond universities, universities of applied sciences and colleges of art and music. Therefore, the institutional structures of the sector became more diverse and complex during recent years.

Public as well as private HE institutions can have various institutional forms. In addition to the educational structure mentioned above, there are 35 colleges of advanced vocational studies (Berufsakademien) in Germany that are either publicly or privately maintained. These institutions follow a dual concept and combine academic training at a higher education institution with practical training in the workplace. Although they belong in a broader sense to the institutions offering higher education in Germany, they do not qualify as universities or academic institutions as "wissenschaftliche Hochschulen".

In this respect, the Bologna Process seems to broaden the entrance qualification to tertiary education. Some colleges of advanced vocational studies are now seeking accreditation of Bachelor study programmes.

An alternative to attending a higher education institution in person are distance studies. Beside the public University of Distance Studies in Hagen, private institutions engage increasingly in distance and e-learning activities. One example is the University of Applied Distance Studies in Hamburg, an institution with 5,233 students in winter term 2003/04. Here, a large group of students enrolls at part-time, in-service academic study programmes.

Very recently, there are also initiatives to establish German private higher education institutions abroad. Here, we have to mention the German University Cairo (GUC), a private university founded in cooperation with the German universities of Ulm and Stuttgart. The Federal Minister of Education and Research supports the founding process with 1.2 Mio Euro.²⁷ In 2002, the public Technical University of München (TUM) opened in coordination with the National University of Singapore a private campus in Singapore, called German Institute of Science and Technology (GIST).

Furthermore, we also have to mention branches of foreign private higher education institutions offering various study programmes in Germany. Articles 43 and 49 of the Treaty of the European Union (right of establishment and freedom to provide services) also apply to private education

²⁴ The Science Council (Wissenschaftsrat) is an advisory body to the federal and the state governments on the reform of university teaching and courses of study. Its function is to drag up recommendations on the development of higher education institutions, science and the research sector as regards content and structure, as well as on the construction of new universities. The Science Council thus serves as a mediating body not only between scientists and policymakers, but also, as a consequence of the federalist structure of the Federal Republic of Germany, between the federal government and the Länder governments.

²⁵ Federal Ministry of Education and Research, Email 11.02.2005, Referat 311 – Hochschulstrukturen und Hochschulentwicklung.

²⁶ Cf. chap. 5.6

²⁷ Federal Ministry of Education and Research, Press release no 162/2001.

institutions.²⁸ Therefore, private HE institutions of other European nation states have the right to offer study programmes in Germany. The University of Hertfordshire from the U.K. founded for example the Cologne Business School and the University of Applied Sciences in Economics and Management (FOM) in Essen is cooperating with the Hogeschool Zeeland in Vlissingen/Netherlands in offering a foreign MBA programme in Germany. Not all of these study programmes are state-approved or accredited in Germany. The Graduate School of Management and Administration GISMA in Hanover cooperates for example with the International Department of the Krannert Graduate School of Management and offers MBA degrees of Purdue University, Indiana.

An example is also the Teikyo University, a private Japanese University with a Berlin campus, offering pre-university courses for Japanese students only. The Free Ukrainian University in Munich is state-approved. It works in close connection with the University of Munich and offers e.g. courses in Ukrainian literature and history. It has the right to defer doctorates as well as post-doctoral university qualifications. The European Business College (EBC) in Munich offers degrees programmes from other European higher education institutions without accreditation in Germany until now. Students at the EBC can get a Dutch Bachelor of the Hogeschool Utrecht, an international MBA from American universities or a Diplôme from the European Management Academy in Paris.²⁹

Another form of independent foreign private higher education institutions are multimedia colleges that combine an advanced training in vocational studies with a degree course in subjects like digital media, recording arts and animation technology. These are no traditional subjects in higher education at German universities or colleges. One example is the worldwide operating college of digital media SAE offering diplomas in Germany in cooperation with the Middlesex University of London. There are also state-initiated foundations in the new media and e-business sector like the Multimedia Campus Kiel or the International School of New Media Lübeck offering degrees of foreign universities and awaiting FIBAA accreditation of their Master programmes.

Not at last, we have to mention forms of public-private partnership. This is a fairly new feature in Germany which is developing rather rapidly. Faculties and institutes of public HE institutions are being outsourced and founded in various forms of public-private partnership. These institutions work in different degrees of cooperation with public institutions and may seek accreditation in Germany or at a European accreditation agency. For example, the Northern Institute of Technology (NIT) was founded in 1998. As a non-profit limited liability company in cooperation with the Hamburg Technical University (TUHH), the NIT offers MBA degree courses in Technology Management and an international Master program together with the TUHH. The NIT is a private foundation of a public HE institution. Another example of a public-private partnership is the Dresden International University with a private Centre for Graduate Studies with in-service MBAs. The Multimedia Campus GmbH founded by universities in Kiel is another example.³⁰

Corporate universities have been known for the last forty years in the United States. In Germany, the real surge of interest in launching an in-company university began in the late 1990ies. These institutions provide a form of in-house training for their employees and offer business-orientated postgraduate teaching courses. According to a recent survey of the Federal Ministry for Education and Research approx. 80 corporate universities exist in Germany. Some of these institutions offer international or national degree courses (ABB University Germany, Bayer Academy, Bertelsmann University, Deutsche Bahn University, Deutsche Bank University, Telekom Business Academy, Fraport Academy, Print Media Academy, Jenoptik Innovation Academy, Merck University, mg academy).³¹

²⁸ Treaty establishing the European Community (consolidated text) In: *Official Journal C 325 of 24 December 2002*.

²⁹ The EBC applied for accreditation at the FIBAA. The FIBAA is an accreditation agency for MBA programmes in Germany, Austria and Switzerland. Cf. chap. 6.3.

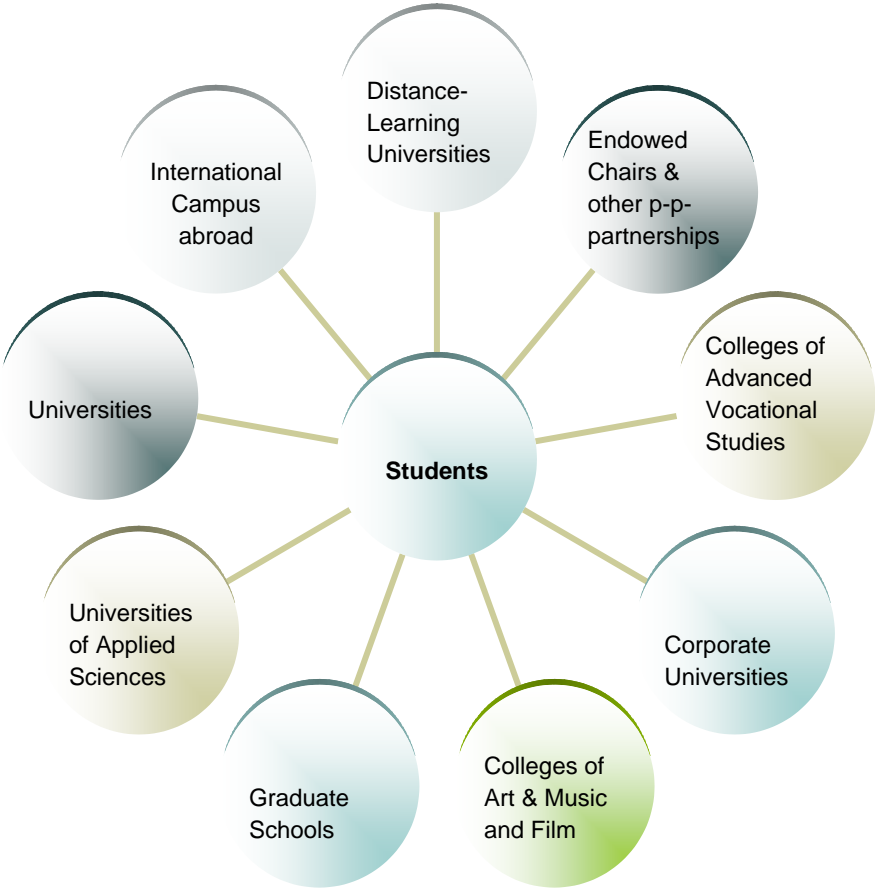
³⁰ Although not registered at the HRK or the Federal Statistical Office we include some of these institutions in the list of private HE institutions in Germany that you find in the annex.

³¹ Federal Ministry for Education and Research: Corporate Universities in Deutschland. Eine empirische Studie zu ihrer Verbreitung und strategischen Bedeutung. Durchführung: Private Universität Witten / Herdecke –R. Wimmer/ A. Emmerich/ A.T. Nickel, Bonn 2002. www.bmbf.de/pub/corporate_universities_in_deutschland.pdf (16.02.2005)

For reasons of comparability, we will not include corporate universities in this study. However, we will see that some private universities of applied sciences also offer executive Master degree programmes that are sponsored by enterprises.

All forms of institutions in the private higher education sector in Germany are mentioned in the diagram in **Table 12**.

Table 12 *The wider private higher education sector in Germany: Institutional forms*



2. Organisation of studies, teaching, learning

In Germany, private HE institutions are often discussed in relation to the ongoing reorganisation of the public higher education sector. Some regional states aim to support private initiatives in order to give incentives to the public sector (e.g. Baden-Württemberg). Widely believed notions about teaching and learning in private HE institutions in Germany are:

- Only private institutions are allowed to charge substantial tuition fees. Therefore, these institutions regard the students as customers, and the self-image of the students at private higher education institutions differs considerably from the self-image of students at state-owned institutions.
- Teaching at private HE institutions is characterised by small groups, excellent student service and quality and preferred access to libraries and other facilities.
- Private institutions aim to provide education at an excellent level for elite undergraduate and postgraduate students. Because of this, access to private higher education is restricted by assessment tests; the best students are chosen.
- It is further assumed, that various forms of business partners enhance exchanges between academic learning and economic practice and enlarge the employability.
- Finally, it is a common impression that private HEIs have more international partner universities and more international degree courses on offer.³²

Additionally, some private institutions started with the idea of special concepts of teaching and learning and tried to be different in this respect from the “usual” concepts in the disciplines offered. For example the Bucerius Law School works with a reformed model of teaching in law, the University Witten/Herdecke follows an approach with special focus on creativity and initiative of the students.

So in contrary to countries where mass higher education is provided by private HE institutions, the main idea in Germany is an elite approach. However, this is primarily the image of a small number of private institutions in Germany. There is no broad empirical material at hand that can actually provide us with information and data about the advantages of the private sector in terms of organisation of teaching and learning. We can only give some hints. An indicator could be the participation of private HE institutions in the Bologna process, and certain organisational forms not found in the public sector.

Answers to our questionnaire imply a wide range of practical experience included in the study programme. A Table of types of practical knowledge gained during the study programme shows that internships, case-studies and practicum semesters are common features in the degree programmes. A lot of German diploma- or Master-thesis are written in cooperation with partners from various industries thus strengthening a bond between graduates and potential employers. This is even more the case with in-service education programmes or dual study programmes. Here, the cooperation with partners in industries is an integrated feature of the whole programme. Cf. **Table 13**.

³² Hans-Martin Barthold: Die Alternative: Privat studieren. Frankfurt am Main: Societäs Verlag 2000, p. 34-36. Jörn Axel Kämmerer, Peter Rawert (Ed.): Hochschulstandort Deutschland. Rechtlicher Rahmen – Politische Herausforderung, Köln 2003 (= Bucerius Law School. Schriftenreihe des Instituts für Stiftungsrecht, Bd. 2). Detlef Müller-Böling: Die entfesselte Hochschule, Gütersloh 2000.

Table 13 Types of practical experience as part of study programmes

Source: CHE questionnaire, total = 33

type of practical experience	number of type
in-service education	6
dual study programmes ³³	5
internships ³⁴	19
practicum semester	5
case-studies	4
study-projects in cooperation with enterprises	10
German diploma or Master thesis in cooperation with enterprises	6
visits of external experts, presentation of companies	5
other, excursion etc.	2

In general, it seems to be clear that with the ongoing reforms in the public HE sector the assumed advantages of private HE programmes will shrink. To give just one example: Within the coming year tuition fees will be implemented in the public sector, HE institutions are now able to engage in student selection and will do so intensively in the future. Competition for excellent students will therefore become a common feature.

2.1 Bachelor- and Master-Programmes at German Higher Education Institutions

As in all European countries of the Bologna process, the introduction of two-cycle study programmes is on its way in Germany. It is envisaged that by 2010 all study programmes at public HE institutions will be transferred to the new Bachelor and Master structure. For this transformation, the German Science Council (Wissenschaftsrat) has adopted a number of recommendations.

In January 2001, the Science Council recommended the introduction of bachelor degrees as a first qualification for the labour market as well as consecutive study programmes which lead to a Master degree. In 2002, it passed recommendations on the development of the universities of applied sciences with an outline of perspectives for the future quantitative extension and qualitative development of these universities. In the same year, Germany created the legal basis for its higher education institutions to offer Bachelor and Master degree courses as part of their standard portfolios. Bachelor and Master degrees are being introduced at university- and at Fachhochschul-level. In 2003, the science and research ministers of the various Länder agreed in principle on the implementation of a two-cycle degree system nationwide, and the two-cycle degree programmes are currently being implemented. The guidelines of the national Framework Act for Higher Education are being transferred into national Framework Acts of the Länder.

The National Report on the Bologna Process published in January 2005 by the Federal Ministry of Education and Research shows that 26.3 % of all available degree programmes in the (public and private) HE sector are transferred to the two-tier system. With regard to degrees that involve state examinations, 11 Länder have begun to restructure their teacher training schemes into the new two-tier system. But the National Report states as well, that the necessary conditions for adopting the

³³ Dual study programmes are a combined in-service vocational training with preparation for an academic degree. See chap. 2.4.

³⁴ "Internships" may last a few weeks or months during the study-programme, whereas "practicum semester" means spending a semester outside the HE institution.

two-cycle system for other state-examined degrees like law, medicine and pharmacy have still to be created.³⁵

The impact of the labour market on the development of private higher education is difficult to determine in figures. Nevertheless, we can cite some examples that underline a strong orientation towards market situations in private institutions.

Some private institutions were founded in close relationship to enterprises. Rather than setting up in-house corporate education centres, these firms realise the qualification of their staff in cooperation with private HE institutions. For example, the SRH Learnlife AG is the responsible body behind the Fachhochschulen of Heidelberg and Rietlingen, and the European Distance-Learning Fachhochschule in Hamburg belongs to the Klett-Gruppe (also a publisher). Another Hamburg Distance-Learning UAS works together with the Deutsche Angestelltenakademie (German Academy for Employees) and the Diploma Fachhochschule is a graduate institution of a private school for physiotherapy and medical training (Bernd-Blindow-Schulen). Some private HE institutions ensure the qualification of employees in the banking and/or insurance business (Allfinanz Akademie, Hochschule für Bankwirtschaft).

Here, the transition to Corporate Universities is gradual. Corporate Universities like Bertelsmann University, ABB University Germany and other in-house educational institutions that profit from the opening of the educational market and the Bologna Process.

2.2 Undergraduate study programmes at private HE institutions

Concerning the undergraduate study programmes at private higher education institutions, the following remarks have to be made:

Most private institutions are offering courses in a specialised field of subjects. Therefore, in contrast to public institutions expertise in a certain field of subjects is a distinctive feature of private higher education institutions. If we combine expertise in business administration with one occupational area to which the administrative skills are applied, like finance, health care, engineering, information technologies we find 32 private HE institutions in this group.³⁶ A smaller group of private HE institutions is offering courses in another occupational area. The Technical FH Bochum specialised on mining, Bucerius Law School on Law and the FH Calw, FH Isny, FH DRK in health care subjects. The International University Bremen, FH Waldorf, GSA Weillhelm, University of Witten/Herdecke, and the FH Heidelberg are offering courses in various academic disciplines.

For example, the Hochschule der Sparkassen-Finanzgruppe is offering in-service undergraduate courses in banking and finance; the Technical University of Applied Sciences in Bochum is organising courses in the mining industries.

The transference to the two-cycle study program of the Bologna-process is still on its way. At private institutions, 15 % of the study programmes have a Bachelor/Master structure. We can conclude that private institutions are not necessarily more inclined or quicker in introducing the new two-cycle study system, the percentage is much lower than the 26,3% for HE as a whole.

Some institutions provide the possibility to follow the old and the new study programmes at the same time. At the Bucerius Law School in Hamburg, for example, students can enrol for a

³⁵ KMK/BMBF: Realisierung der Ziele des Bologna-Prozesses. Nationaler Bericht 2004 für Deutschland, www.bmbf.de/pub/nationaler_bericht_bologna_2004.pdf Summary in English: [www.bologna-bergen2005.no/ Docs/Germany/National_Reports_Germany_050118.orig.PDF](http://www.bologna-bergen2005.no/Docs/Germany/National_Reports_Germany_050118.orig.PDF)

³⁶ Private HE institutions with a main focus on business administration (Bachelor, Master, Diplom, IHK) plus one occupational area: AKAD Pinneberg, Lahr, Stuttgart, ESCAP-EAP Berlin, esmt Berlin, IU Bruchsal, KIMS Kassel, HH Leipzig, EBS Oestrich, SIMT Stuttgart, WHU Vallendar, FH Bad Honnef, OTA Berlin, Steinbeis Berlin, FHDM Bielefeld, Euro Fern FH Hamburg, FH Calw, FH Darmstadt, ISM Dortmund, Nordakademie, FOM Essen, HfB Frankfurt, provadis Frankfurt a.M., FH Göttingen, FernFH HH, FH Fresenius, FH Köln, MBS München, FH Nordhessen, FH Vechta, FH Schwäbisch Hall, FH Wedel, FH Plauen, Zeppelin University.

Baccalaureus Legum LLB and qualify with the same study modules for a First State Exam in Law, which is still necessary to become eligible for careers as lawyers, judges or attorneys of state in Germany.

Private institutions keep their flexibility in reacting to the requirements of the labour market.

Table 14 summarises the number of undergraduate courses by type of degrees. It is visible, that most institutions still offer courses with the Diplom or Diplom (FH) degree.

Table 14 Number of undergraduate courses at private HEI by type of qualification at private HE institutions

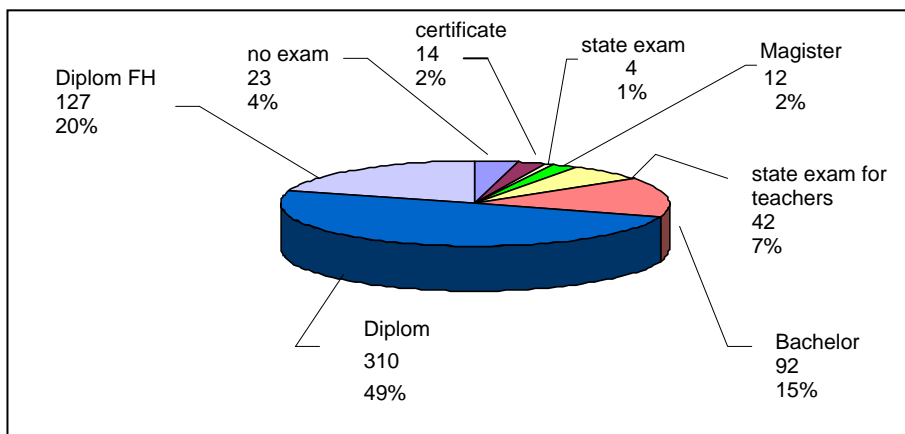
Note: This sample includes private colleges of art and music. See also Footnote 22.

Source: Higher Education Compass. 13.02.2005

Qualification	number of courses
no exam	23
Certificate	14
State exam	4
Magister	12
state exam for teachers	42
Bachelor	92
Diplom	310
Diplom FH	127
	624

Table 15 Proportion of undergraduate degree courses offered at private HE institutions

Source: Higher Education Compass (13.02.2005)



As shown in **Table 15**, we find various forms of preparation for degrees in the German undergraduate course structure. In the visual and performing arts students receive a certificate of the academy or a final exam. In some cases, students receive no certificate at all (at some colleges of music or art). The qualification “Staatsexamen” is offered at the University of Witten / Herdecke in Medicine and Dental Medicine, as mentioned above in Law at the Bucerius Law School and in Music at a College of Music in Essen. The Magister Artium degree is the traditional first degree for students reaching for a doctoral degree at a university.³⁷ It is offered in the media sciences at colleges of arts and media design at Braunschweig and Karlsruhe. Magister courses in theology, education and journalism are offered at the Christian university of Weilheim-Bierbronn and Magister

³⁷ The Magister Artium should not be mixed up with the newly introduced Master degree.

courses in music are offered at the colleges in Detmold, Düsseldorf and Weimar. Courses for the teacher's training state exam in music and art subjects are also offered at private colleges of art and music.

Of these 624 undergraduate courses at private institutions, 92 are offered preparing for a Bachelor degree. The Bachelor courses cover the following subjects: business administration in various specializations (36 courses), information technologies (11), arts (11), biochemistry and biology (7), health management and physiotherapy (6), cultural studies (6), visual arts and media design (5), information technologies & engineering (5), finance and banking (3), communication technology (3).

Undergraduate courses at private institutions are to 69 % (= 437 courses) still preparing in the traditional integrated "long" course for a Diplom or Diplom (FH)-title upon completion.

It is further noticeable, that some Universities of Applied Sciences offer a Bachelor of Business Administration in new and interdisciplinary structured subject-combinations like information technologies, computational sciences, new media implementation as well as combination with special working fields like tourism, aviation, health management or E-Business.

One example of a private educational enterprise adapting rather quickly to the two-cycle system is the SRH Learnlife Enterprise, one of the biggest private institution in Germany. With more than 5.500 students in vocational and advanced vocational training, SRH Learnlife AG offers over 50 vocational study courses in the medical fields and health managements. Through the FH Heidelberg and the distance-learning FH Rietlingen, the SRH Learnlife AG also provides undergraduate courses in health management, informational technology, social management, musical therapy as well as architecture and engineering for more than 1600 students. In 2003, the SHR Learnlife AG invested 31 Mio € in a new multimedia campus and had 1,300 members of staff. It had a turnover volume of 101.7 Mio € and an annual rate of return in 2003 of 5.7 %.³⁸

Summarising undergraduate study programmes at private HE institutions, we state that a small number of courses has changed to the two-cycle study program. Private HE institutions are flexible in reacting to market situations and new forms of advanced vocational courses in combination with undergraduate courses are an innovative feature of the Bologna Process.

³⁸ SRH Konzern, Geschäftsbericht 2003.

2.3 Graduate courses at private HE institutions

Looking at the number of graduate courses at German private HE institutions, we find 332 Master courses on offer. See **Table 16**. That means half of the graduate courses are Master courses at private HE institutions. But note that our sample comprises courses offered at private colleges of arts and music as well. 196 graduate courses at private colleges of art and music are offered in musical subjects from composition to chamber music, opera and ballet as well as a so-called Konzertexamen, i.e. an exam qualifying for entrance to a German state orchestra (Staatsorchester). So 60 % of the graduate courses at private HE institutions are in the field of arts and music.

Table 16 Number of graduate courses at private HEI by type of qualification

Note: This sample includes private colleges of art and music.

Source: Higher Education Compass (12.02.2005)

Qualification	number of courses
Exam: Visual Arts	6
Diplom: Visual Arts	10
Master: Banking & Finance	7
Diplom: Business Administration	1
Diplom FH: Business Administration	19
Master of Business Administration	37
Diplom: Cultural Management	2
Master in Engineering	4
Master in Health Management	8
Master in IT	8
Master in Media Design & IT	6
Exam: Music	73
Diplom: Music	81
Konzertexamen: Music	41
Magister: Komposition	1
Master of ...	22
State Exam: Drama	2
Sum	332

As visible in the distribution of the table, graduate courses at private higher institutions prepare for a wide range of degrees. We have 37 Master of Business Administration with various specifications (compared with 36 Bachelors in the same field) and 19 Diplom (FH) degrees in business administration subjects as well as 1 Diplom in Business Administration. 7 Master Programmes are offered with a special emphasis on banking and finance, and 4 Masters defer a Master in Engineering. 7 Masters are offered in various forms of the health management business. If we deduct the graduate courses at colleges of music from this group, we see that more graduate than undergraduate course are offered within a two-cycle degree system. The grade of change to the Bologna system is much higher in the Masters' field than in undergraduate studies.

Concerning internationalisation and preparations towards a new European Higher Education Area, one indicator among others is the teaching language. English as a teaching language is at private HE institutions as rare as at public HE institutions. The FIBAA accredited MBA courses are only partly held in English. 3 of the 20 FIBAA-accredited BBA courses are held completely in English. These are courses preparing for a Bachelor in International Tourism and Aviation Management.³⁹ A comprehensive MBA-Guide for 2005 lists 182 institutions offering MBA programmes in Germany. 43 study programmes ask for a GMAT, 83 for a TOEFL test.⁴⁰ Other assessments techniques are non-standardized language texts, interviews and references. 121 MBA study courses are held in German and English by halves and 63 MBA course of this group are held exclusively in English.⁴¹

Summarising we state that the range of degrees at private HE institutions is still wide and the transitions towards the two-cycle study programmes has only just begun. Other indicators of internationalisation, like language skills, are beginning to develop in private HE institutions.

2.4 Dual study programmes at private HE institutions

Germany has a certain tradition of mixed vocational/academic training. The term “dual study programmes” therefore defines a combined in-service vocational training with the preparation for an academic degree. For subjects not traditionally taught at academic institutions – like the training concerned with new media and information technologies – this combination of study courses seems to be promising and the number of institutions offering advanced vocational studies in combination with a consecutive degree at a university of applied sciences is increasing. Here are some examples:

At the Fachhochschule für Wirtschaft und Technologie in Vechta / Diepholz (FHWT) for example, students study three years at the college of advanced vocational studies or four years at the University of Applied Sciences. The FHWT co-operates with regional enterprises where students gain vocational qualifications during their study programme. Education is altering during the three or four years every 10th week between studies and practical training. The FHWT offers courses in business administration, industrial engineering, business informatics, electrical engineering and mechanical engineering preparing for a Bachelor in Engineering or for a Diplom in Engineering. Afterwards, students have the possibility to follow a part-time postgraduate course in industrial engineering. The FHWT is a state-approved private HE institution since October 1998.

At the Nordakademie, a private university of applied sciences supported by local enterprises, the following degrees are on offer: A certificate from the Nordakademie, a certificate of traineeship at a regional enterprise, certificates on seminars attended during the studium generale (soft skills), certificates of foreign language proficiency, and - if applicable – a certificate showing attendance at a foreign partner university. The tuition fees of approx. 2000 € per Semester are covered by the cooperating enterprises.

Taking the dual study programmes into account, we can assume that the two-cycle study system of the Bologna Process facilitates education in subjects not traditionally taught at academic institutions. Students can top up their vocational training with an academic education and a Bachelor/Master degree.

Furthermore, it has to be noticed that this combined form of vocational plus academic training is warmly welcomed by German enterprises. Industries profit directly from a close connection between in-service students and cooperation with private HE institutions. The number of dual study programmes with vocational plus academic training is growing in Germany at the moment.

The same trend also covers activities in the continuing executive education sector. Executive MBA programmes, in-house academic training of private higher education institutions, and mixed study-

³⁹ Hans-Jürgen Brackmann, Detlev Kran: Der MBA-Guide 2005, München 2005.

⁴⁰ GMAT = Graduate Management Admission Test, a standardized assessment for business schools.

TOEFL = Test of English as a Foreign Language, a standard assessment test for non-native English speakers.

⁴¹ Brackmann, Kran (2005), p. 235-236.

programmes at private universities and regional enterprises are becoming more and more attractive.

Here are two examples for this field of activities in the private HE sector: At the WHU – Otto Beisheim Graduate School of Management, the Executive MBA programme is running in cooperation with the Kellogg School of Management in the United States. The WHU is beginning its ninth class in fall 2005. In modularized two-year study programmes executives cover subjects such as business law, corporate governance structures, logistics and supply management or questions of market research. The price for a two-year programme is 49,500 € covering textbooks, handouts and boarding costs at the live-in week-ends in Vallendar and in the United States.

The European School of Management and Technology (esmt) in Berlin will start a European Executive MBA in 2006. A company founded exclusively for this purpose, the esmt Customized Solutions GmbH, is launching three to four day seminars in Berlin for European executives. The esmt is supported by a foundation, comprising members like Allianz AG, Deutsche Bank AG, E.ON AG and Daimler Chrysler AG. The European MBA programme consists of two blocks. Participants must engage in further EEMBA course work, distance learning, project work with their company and finally write a dissertation.

However, we also have to notice that the field of advanced vocational studies is not a domain of private tertiary education alone. Especially in Württemberg, where we find a strong tradition of vocational academies, the public sector is developing new forms of public-private-partnership as well.

2.5 Dual degree programmes at private HE institutions

Dual degree courses combine two areas of study and have an interdisciplinary approach towards two or more areas of studies. The structure of dual degree programmes can vary from institution to institution. However, in most cases dual degrees can be completed in less time than completing the two degrees separately. In order to enhance international competences, some higher education institutions offer dual degree programmes in two European countries.

One example for this claim to educate European elite is the ESCAP-EAP in Berlin. It is the German partner of the EAP - École des Affaires de Paris - and was founded in 1973. The Berlin department of EAP was recognized as university in 1988. EAP offers the German degree "Diplom-Kaufmann/-frau" in combination with Italian, British, French and Spanish degrees. It is accredited with AMBA (1992) in UK, at EQUIS 1998 and 2003 in Bruxelles, and at AACSB 2003 in the United States.

At ESCAP-EAP the international MBA programme is a dual/triple degree programme. Students have upon completion the German Diplom-Kaufmann/-frau plus a French Diplôme de Grande Ecole or the British Master of Science MSc. In 2005, a new campus was inaugurated in Turin, offering the Diplom-Kauffrau/-mann degree in combination with the Laurea Specialistica.

Depending on the regional focus, students achieve various cultural and language competences as well as business skills of a certain country and qualify with a dual degree as European business managers. Recently, there is also a country combination with states of Eastern Europe available at ESCAP-EAP. The Central European Master programme CeMBA prepares for business activities from and in Central European states.

The Bologna-process is pushing the mutual recognition of degrees nationwide. From 2005 onwards, students of all higher education institutions will automatically receive a Diploma Supplement at no extra charge. The Diploma Supplement contains standardised information describing degrees and their associated qualifications. In the winter term 2004/05, Diploma Supplements will be issued with 44.8 % of Bachelors and 44 per cent of Master degrees.⁴²

⁴² KMK/BMBF: Realisierung der Ziele des Bologna-Prozesses. Nationaler Bericht 2004 für Deutschland, Bonn 2005.

Some private HE institutions have paved the way for this development by stressing international relationships. International cooperation is often integrated into the study programmes, thereby also ensuring a certain number of incoming foreign students.

At the European Business School EBS in Oestrich-Winkel, Bachelor and Master degrees are introduced in winter 2004/2005, replacing the German degree Diplom-Kaufmann/-frau. An international Bachelor course in European management is offered in cooperation with three partner schools in Europe. It is available for the country-combinations Germany-France, Germany-Spain, and Germany-Great Britain. Double Degree course such as Master of Business Administration, Master of Science in Information Systems or Master of Real Estate Management or Diplôme ESC (France) continue to be available at the EBS.

Another form of dual degree seems to be a combination of two different Master programmes. The Master in Global Technology Management at the Northern Institute of Technology is a MBA structured to enlarge management skills for students with a Master in Science. Due to current shortages on the job market, some MBA programmes are used for enhancing job opportunities by topping a traditional university degree with a MBA degree.

Internationalisation, language skills and cultural competences in several European regions are qualifying students for jobs in a globalizing economy. Therefore, private HE institutions with an emphasis on business administration have intensive language trainings taught by native-speakers, internship at foreign enterprises and compulsory study courses abroad. Private HE offering international degrees concentrate in various ways on these key qualifications.

In this respect private HE institutions are forerunners and will profit from degree standardisation in the Bologna Process. However, they will also experience more competition from public HE institutions in this field in the future.

3. Faculty recruitment and development

Time-series information on teaching staff in the private HE sector is not available in Germany. There is also no differentiation between teaching and research staff at private HE institutions. However, some information about staff at private HE institutions does exist.

Firstly, we can state that a lot of private HE institutions depend on the public sector for their faculty recruitment. The amount of qualified university lecturers in part-time positions is high at private institutions and – in spite of not knowing how many of them have another job - we may assume that a large group of professors/civil servants from the public sector is lecturing at private institutions on a contract basis.

At the private HE institutions counted by the Federal Statistical Office⁴³, a total number of 4,081 qualified university lectures were employed in 2003. Cf. **Table 17**. 2,523 lectures of these are employed in part-time contracts (= 62 %). The total numbers of qualified university lectures at public universities and colleges is 505,246. Of these, 166,074 are full-time employed and 71,088 are working in part-time contracts (= 30 %).

Only few institutions like the International University Bremen and the Bucerius Law School have a majority of lecturers in full-time contracts. The Bucerius Law School employs 60 of its 66 qualified university lecturers full-time. But, we also have private HE institutions with hardly any full-time staff at all. For example, the European Distance-Learning University of Hamburg has 707 part-time lecturers and 16 full-time lecturers, and the AKAD Lahr Distance-Learning University of Applied Sciences has 45 part-time lecturers and no full-time employment). At these institutions, qualified lecturers organise in cooperation with administrative and technical distance teaching mostly with lecturers on contract basis.

The picture for the administrative and technical staff differs completely; the overwhelming majority is employed on a full-time basis at private HE institutions.

Table 17 Number of staff at private HE institutions, 2003

Source: Federal Statistical Office, Series 11, R 4.4, 2003

Qualified University Lecturers						Administrative and technical staff			FTE	
total	male	female	total	of which full-time	part – time	total	of which full-time	part-time	total	free posts
5403	3115	966	4081	1558	2523	1322	1260	62	2931	110

Due to the fact that university lecturers at public universities are civil servants, employment and working conditions between public and private education institutions differ considerably: Taking for example the generous pension plans for German civil servants into account, the private institutions have to offer their full-time staff a salary that compensates this disadvantage. One of the problems some of the private HEIs have in attracting and holding excellent researchers and teachers might result from the fact that most of the highly qualified members of staff only perceive them as a stepping stone to a chair at a public HEI.

Another striking feature is the ratio of qualified university lecturers to administrative and technical staff. Here, the proportion is 4:1 in the private HE sector and nearly 1:1 in the public sector. Although the public sector comprises laboratory personnel as well, this tends to indicate that private institutions have less administrative staff.⁴⁴

⁴³ The Federal Statistical Office registered personnel for 59 private institutions, comprising more colleges of art & music and each single local site of the AKAD Hochschulen, therefore, they register more institutions than the HRK.

⁴⁴ Source: Federal Statistical Office, Fachserie 11, R 4.4, 2003. At public HE institutions we have a total of 237162 qualified university lecturers and 268,084 in administrative and technical jobs.

Concerning the professional background of part-time lecturers at private HE institutions, our questionnaire revealed that the group is equally divided between lecturers from public HE institutions and professions outside the HE sector. Without being able to name FTE-figures, we notice that a lot of part-time lectures work in various enterprises of business administration (tax consultancy, banking, controlling, management, lawyers). We also find lecturers from cooperating industry-partners and non-profit organisation as well as some native-speakers for language courses and experts from public administration.⁴⁵

The international background of private HE lecturers is to be developed. It is currently small either smaller than 5 % of all part-time lecturers or smaller than 10 % of all part-time lecturers. Obviously, international study programmes offer a larger degree of non-German or internationally experienced lecturers. For example, 21 % of all university lecturers at the International University of Bremen are non-Germans and the international MBA at the Nordakademie operates with 60 % foreign lecturers.

⁴⁵ Answers to a CHE-Questionnaire.

4. Student recruitment and assessment

4.1 Assessment procedures at private HE institutions

Professional student recruitment techniques and assessment tests are not traditionally known in the German HE sector.⁴⁶ Private HE institutions have reached a genuine expertise in this field, which still lacks in the public sector. Firstly, we will give some information about the supply and demand structures of the German HE market, before mentioning some assessment methods at private HE institutions.

Private HE institutions are popular with German students. This is shown in the ratio of applicants to capacities in study programmes which varies between 2:1 and 3:1, in some cases 5:1, for example at the WHU Vallendar and 10:1 at the FHWT Vechta. Some private HE institutions have no ratios because the admission is organised via the industrial cooperating partner. The Nordakademie has 30 to 100 applicants for one study programme, but students apply severalfold. We also have programmes with outstanding reputations, like for example medicine at the University of Witten/Herdecke with a 20:1 ratio (dental care 9:1).⁴⁷

Numbers of students according to subjects are unevenly distributed in the German HE sector. Cf. **Table 18**. Certain subjects are more popular than others and there are not enough capacities at public universities for all students aiming at programmes in strongly demanded subjects. Therefore, students applying for these courses are subject to a rationing process in which the average marks gained in the "Abitur" or the equivalent foreign higher education entrance qualification (in most cases the school leaving certificate) determine admission among other less important criteria. There are some disciplines with restricted admission ("Numerus clausus") throughout Germany (e.g. medicine, pharmacology), while other disciplines are only subject to regional or local restrictions. Traditionally, the Abitur used to determine admission into tertiary education. This is changing recently. While the Abitur still is a university entrance qualification, other forms of entrance qualification are legitimate and various forms of student selection processes at local HE institutions are nowadays applicable (for example assessment tests, interviews etc.).

On the other hand, private HE institutions have always chosen their students according to their own standards. They used assessment tests and interviews. Here are some examples:

- The International University of Bremen, for example, applies the U.S. assessment test SAT I. The SAT I, or Scholastic Assessment Test, measures the basic verbal and mathematical abilities that a student has acquired both in and out of the school environment. It tests ability to reason rather than to remember facts. All applicants to IUB must complete the SAT or the ACT Assessment test (American College Testing)⁴⁸. Therefore, admission at the IUB is related to quality, not to financial capacities as the IUB has adopted the principle of need-blind admission and offers a considerable number of grants to its students.
- Whereas the SAT I is an assessment test held completely in English, institutions accredited with Bachelor programmes at FIBAA ask for a TOEFL (= Test of English as a Foreign Language) or a GMAT (Graduate Management Admission Test) with a minimum score of 550 to 600.
- Some private HE institutions use the legal entrance qualification of public HE institutions according to the University Acts of the Länder (provadis, AKAD, FH Heidelberg, FH Riedlingen, Hamburg FernFH, FH Nordhessen). The majority of private HE institutions applies a combination of individual and subject-related assessment technique with online-testing, interviews and role

⁴⁶ For German university entrance qualifications see footnote 10.

⁴⁷ Figures calculated from the CHE-Questionnaire.

⁴⁸ SAT I and ACT are professional higher education entrance qualifications in the United States, organised by private non-profit enterprise. Cf. www.act.org; www.collegeboard.com

- playing. At the FHWT Vechta, the industry-partner chose their students for the dual study programme.⁴⁹

Summing up, private HE institutions have more expertise in professional student recruitment techniques and assessment management, whereas public HE institutions are currently standing at the beginning of this process.

4.2 Number of students, drop-out rates and duration of studies at private HE institutions

Considering number and subjects of students, we see that experience at private HE institutions is restricted to a certain field of academic disciplines. The number of students according to subjects in public and private HE sector is shown in **Table 18**.

Table 18 Number of students according to subject in the public and in the private sector, winter term 2003

Source: Federal Statistical Office VI E – 5.11

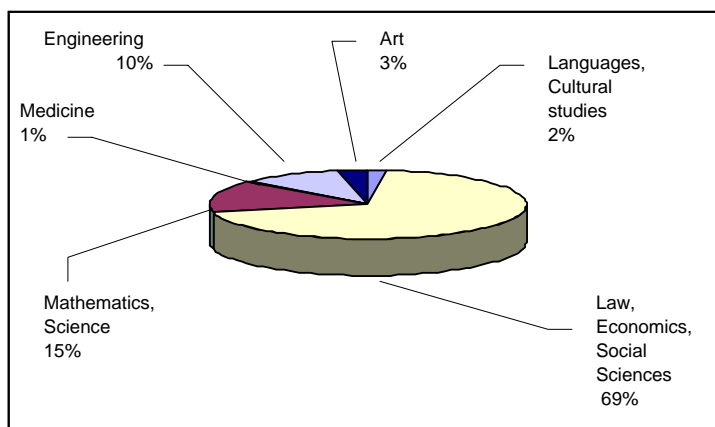
Subjects	public	%	private	%
Languages, Cultural studies	440 223	23	778	2
Sport	28 555	1,5	-	-
Law, Economics, Social Sciences	587 160	30,3	27 047	69
Mathematics, Science	351 359	18,1	5 662	15
Medicine	93 748	4,8	477	1
Animal Health	7 688	0,3	-	-
Agriculture, Forestry, Dietetics	39 249	2	-	-
Engineering	312 402	16	3 902	10
Art	81 970	4	1 186	3
without subject structure	436	0,02	-	-
Sum	1942 790	100	39 052	100

Whereas students at public HE institutions are distributed over a range of academic subjects, students at private HE institutions tend towards legal, economic and social sciences in 69 % of all cases. **Table 19** demonstrates the proportion of subject distribution at private HE institutions in winter term 2003.

⁴⁹ Answers to CHE-Questionnaire.

Table 19 Number of students according to subject in the private sector, winter term 2003

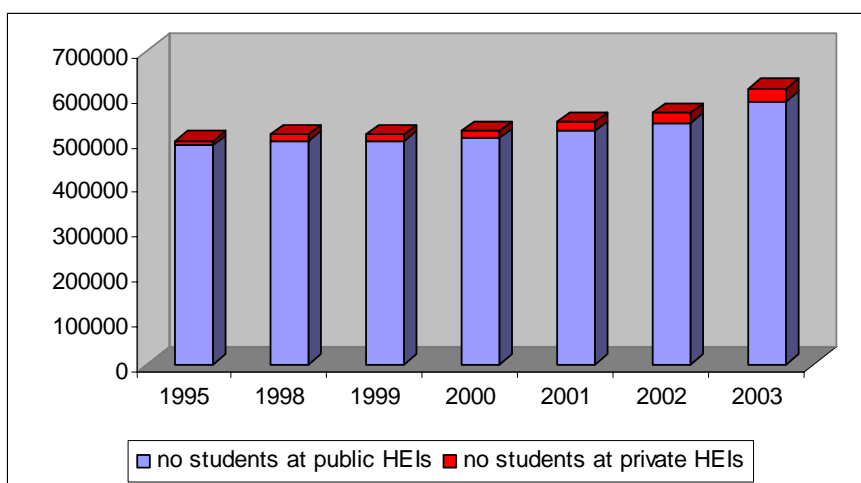
Source: Federal Statistical Office VI E – 5.11



The following **Table 20** gives the development in number of students for the most popular subject categories legal, economic and social sciences from 1995 to 2003. The proportion of students in this category studying at private institutions did not change dramatically over the years, although numbers almost tripled from 9,591 students in 1995 to 27,047 students in 2003. The overall rising trend in student numbers has the same dynamic as in the public sector.

Table 20 Number of students in legal, economic and social sciences, winter term 1995-2003

Source: Federal Statistical Office VI E – 5.11



On the other hand, private HE institutions seem to have more effective students. The drop-out rate of students at private HE institutions is small compared to drop-out rates at public HE institutions (the average is around 25 % of all students).⁵⁰ This may be due to the fact that most private HE institutions make sure to apply strict recruitment methods, thereby ensuring that most students that take up a study course have good chances for finishing successfully. His or her chances for a successful completion are much better than at public HE institutions. See **Table 21**.

⁵⁰ Brauns, Private Hochschule, p. 27.
Antje Stannek / Frank Ziegele

Table 21 Proportion of students dropping-out of private HE institutions

Source: Brauns, Private Hochschulen, p. 27.

Name	proportion of students leaving the institution
EAP Berlin	< 1%
FernFH Darmstadt	< 7%
Nordakademie	5.4 %
HfB Frankfurt am Main	<10 %
FH Göttingen	small
FHDW Hanover	10-20 %
FH Heidelberg	< 10 %
Fresenius Idstein	5-10 %
FH Isny	small
Rheinische FH Köln	4.3 %
Telekom FH Leipzig	small
Business School Munich	5 %
FH Nürtingen Kunsttherapie	4 %
EBS Oestrich-Winkel	3-5 %
FH Ottersberg	3 %
FHfW Paderborn	5-10 %
Merz-Akademie	9 %
FH Vechta/Diepholz	2 %
Uni Witten/Herdecke	2-3 %
ISM Dortmund ⁵¹	40 %
FOM Essen	22 %
AKAD Lahr	30 % in 1st term
FH Wedel	25-30 % until 1st exam

The drop-out rate corresponds to the number of graduates at the private HE institutions. With average proportions of 80 % of all students private HE institutions are successful in bringing their students towards completion.⁵²

An indicator of efficiency might be study duration. Unfortunately, we have no comprehensive information on the length of study programmes at private HE institutions. Concerning the average duration of studies in course programmes of economics, a German ranking of the CHE Centre for Higher Education Development lists three private HE institutions among the top institutions (EBS Oestrich-Winkel, WHU Vallendar, Uni Witten Herdecke). All three have shorter study programmes in economics than the top five public HE institutions.⁵³ So there is some selective evidence for shorter studies in the private sector. This may be due to the fact private institutions can choose their students and that assessments and entrance exams make sure to select the most able students. Furthermore, costs for tuition fees may only attract students with a strong drive towards completion. The size of the institution and good faculty/ students ratio also ensure that supervision is more comprehensive and therefore more effective at private HE institutions.

⁵¹ The current drop-out rate according to the CHE-Questionnaire is 20 % at the ISM Dortmund.

⁵² Figures from the CHE-Questionnaire. The Rheinische University of Applied Sciences in Cologne differentiates between 50 % graduates in the Engineering programmes and 70-80 % in business administration programmes.

⁵³ Cf. www.che-ranking.de

4.3 Number of graduates and career services at private HE institutions

In 2003, 4,688 students received a university degree from private HE institutions. This was 2 % of all graduates in 2003. Fairly a quarter of the graduates were female. Most students at private HE institutions passed a Diplom (FH) exam (3436) and 293 received a Master degree at a private institution. Cf. **Table 22**.

Table 22 Number of graduates according to type of institution and degree, 2003

Source: Federal Statistical Office, Series 11, R 4.2, PJ 2003

Degree	Private HE institutions	Public HE institutions
Diplom Uni	748	95170
female	324	47254
PhD	145	23043
female	44	8724
Teacher training	-	22196
female	-	16373
Diplom FH	3436	72250
female	1222	31119
Bachelor	66	2472
female	25	1163
Master	293	3015
female	61	936

Most private HE institutions offer career-services for their graduates. The Munich Business School and the WHU Vallendar have each installed consultants for this service. The International University Bremen has two FTE positions for career services. Elements of career services are assessment trainings, workshops and personal counselling, graduate databases and alumni networks.

Concerning prospective on the job market, a survey of the Federal Ministry of Education and Research emphasises the important role of Fachhochschulen (which are the dominating form of private HE institution) on the job market.⁵⁴ Their graduates (including graduates from private institutions) meet industry's needs for specialists with higher education qualifications and practically oriented training. As a result, industry has repeatedly called for a strengthening the Fachhochschul sector. Many companies do not differentiate between Fachhochschul qualifications and university qualifications. Therefore, employment opportunities for graduates from Fachhochschulen are sometimes even better than those of university graduates. On the other hand, initial salary levels for Fachhochschul graduates working in industry are largely the same as those for university graduates.

Close links with enterprises, that sometimes pay tuition fees for "their" students and offer internships and prospects for further employment of the graduates, are a distinctive feature of private HE institutions. This is an asset at private HE institutions that motivates excellent students to start a programme at a private HE institution. But there is no empirical data available on the employability of graduates from private HE institutions.

⁵⁴ BMBF: Universities of Applied Sciences in Germany, Bonn 2003.

5. Funding

5.1 Instruments of funding higher education

Governmental financing of higher education is undergoing fundamental changes. The majority of funding for higher education and student maintenance is provided by public sources in Germany. Because most higher education institutions are in public hands, their expenditures are part of the regional state budgets. During the last decade, public HE institutions were given greater financial autonomy. This requires new forms of management instruments: lump sum budgets and methods of formula-based financing have been introduced and line-item budgeting is vanishing step by step. Nevertheless, it is important to stress that due to the basic differences in the accounting systems, comparisons between public and private educational sectors are problematic.⁵⁵

The following figures from the Federal Statistical Office comprise private HE institutions in a strict sense and church-maintained private HE institutions.⁵⁶

The total income of private HE institution comprises income from tuition fees, third-party funds and income from private donations.

Income structure composition at private HE institutions is shown in **Table 23**. Note that this is the view of the Federal Statistical Office for 2002. The Federal Statistical Office is mainly accounting for public provisions and in the amount spent through federal governmental funding and the amount spent by regional state funding (not necessarily divided by institutional forms or maintenance). It is not necessarily the total sum of the amount of income at private HE institutions. Expenditure of private HE institutions is 266 Mio €, including 256 Mio € for current expenditures (personnel, real estates and buildings, administration) and 10.9 Mio € for capital investment.

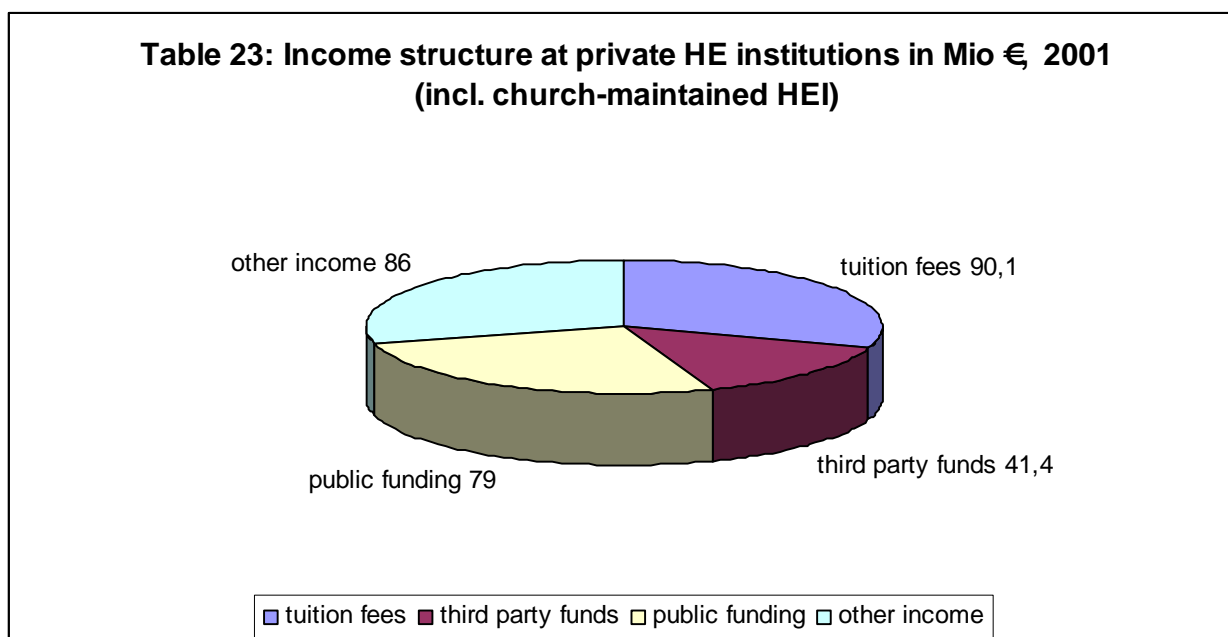
Detailed information on private HE income is available for 2001. Private HE institutions raised 90.1 Mio € by tuition fees in 2001, 41.4 Mio € were obtained by third-party funds. The amount of third-party funding increased from 1997 to 2001 by 79 %, thereby implying that private HE institutions are improving their capacities to collect third-party funds. We further register a difference in income structure by institutional forms of private HE institutions. Whereas a small group of private universities raised 27.4 Mio €, the larger group of private universities of applied sciences raised 11.1 Mio €. But, in relation to their annual budget, private HE institutions with university status could realise 26 % of their annual budget with private donations whereas the majority of private HE institutions (universities of applied sciences) is organising 34.5 % of its annual budget through private donations and third-party funds. Thus, although the amount of raised money is larger at private HE institutions with university status, the share of financing the budget by third-party funds is bigger at private universities of applied sciences.

⁵⁵ Public HE institutions do not calculate with total costs. For example, health services and pensions are paid by federal or regional state institutions and are therefore not part of public HE institution's budget. The Federal Statistical Office is accounting for public expenditures but does not necessarily register all income or expenditure forms of private HE institutions. The Higher Education Statistics do not include the amount of student financial support according to the Federal Training Assistance Act (Bafög) or fees for social student services ("Beiträge der Studenten für den ASTA"). The amount income that private HE institutions get through the board (or foundation, gGmbH or AG) is also not registered.

⁵⁶ All further information from Federal Statistical Office: Bericht zur finanziellen Lage der Hochschulen, Wiesbaden 2003, p. 130 seq. The latest figures come from the Web-service of the Federal Statistical Office www.destatis.de

Table 23 Income structure composition at private HE institutions in Mio €, 2001
(incl. church-maintained private HE institutions)

Source: Federal Statistical Office, Series 11, 4.5, 2002



Private institutions of higher education have access to public funds in Germany. On the one hand there are discretionary direct subsidies from the states, on the other hand private institutions can take part in the joint investment financing of federal and state level. Costs for larger investments such as buildings and large-scale scientific equipment are shared between the federal government and the states (1:1) according to the "joint task of construction in higher education" (Gemeinschaftsaufgabe Hochschulbau).⁵⁷

State-approved private higher education institutions can apply for financial aid through the states in which they are located. If the German Science Council agreed to their plans, the federal government includes the application into the joint-task-programmes and the states can then allocate money from their budgets to private higher education institutions. Currently, four private institutions are part of the Joint Task of Construction, namely University Witten/Herdecke; Fachhochschule Wedel; Nordakademie Pinneberg; International University Bremen.

In addition to public funds private HE institutions have various forms of private revenue sources: tuition fees, research contract income, fundraising, sponsoring, donations etc. Private HE institutions had a total income of 255 Mio € in 2001. With this sum, they are able to finance their total expenses to a degree of 81.5 %. This is a big difference to public HE institutions with expenditure coverage through non-public income was only 19.9 %.

⁵⁷ Lydia Hartwig, National Report of Germany for the OECD/HEFCE project on financial management and governance of higher education institutions, Munich 2004 (= Bayerisches Staatsinstitut für Hochschulforschung und Hochschulplanung, n.s., vol. 69), p. 5.

5.2 The degree of public funding of private HE institutions

As we have seen in the last chapter, private HE institutions cover most of their expenses via their own means. But universities in private ownership are not exclusively financed by private money. In Germany, most private HE institutions get some form of public financial support. The German states support private HE institutions through their legislation for non-profit organisations⁵⁸, through the allocation of former state property, or through direct financial support during the foundation process of a private HE institution. For example, the University of Witten/Herdecke receives from the state North Rhine-Westphalia an annual governmental subsidy of 15 % of its annual income (i.e. 28.2 Mio €).⁵⁹

The matrix of state support of private higher education institutions developed by Brockhoff shows various forms of involvement in public funds (Cf. **Table 24**).

Table 24 Type of state influence at Private Higher Education Institutions

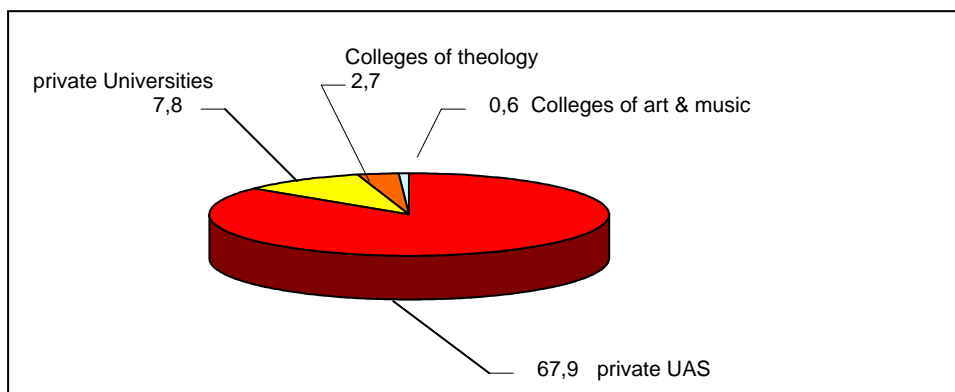
Source: Brockhoff, Management privater Hochschulen in Deutschland, p. 4.

		legal entity public	legal entity private
institutional support from public funds	existing	public higher education institutions	mixed private higher education institutions
	non-existing		private higher education institutions

Nearly all private higher education institutions get some sort of public funding (and therefore belong to the “mixed” category). In 2001, 79 Mio € went from public sources to private HE institutions. Five years earlier, this was 63.5 Mio €. In 2001, the biggest lump went to private Universities of Applied Sciences (67.9 Mio €). This is shown in **Table 25**.⁶⁰ The degree of public funding in private higher education institutions is currently under debate. Some institutions like the WHU – Otto Beisheim Graduate School of Management have the mission to operate completely without public funding.

Table 25 Funds from public sources in 2001

Source: Federal Statistical Office, 2003 -13- 8



⁵⁸ Cf. further down chapter 5.5.

⁵⁹ Universität Witten/Herdecke: Tätigkeitsbericht 2002/2003, p. 15. Notice that this is rather exceptional in the private HE sector.

⁶⁰ Federal Statistical Office: Bericht zur finanziellen Lage der Hochschulen 2001, Bonn Dezember 2003, p. 127-131.

Some examples will illustrate the amount of public financial aid for private HE institutions:

- The state Baden-Württemberg supported the foundation process of the International University in Bruchsal in 1998 by financing the infrastructure and the facilities of the university and gave an annual support of about 1 Mio € from 2000 to 2005.⁶¹
- The Stuttgart Institute of Management and Technology (SIMT) was part of the public budget for education of the state Baden-Württemberg with 15 Mio DM p.a. for the years 2000 to 2005. Due to financial difficulties, the SIMT was reorganised in autumn 2004. The 6 MBA degree courses were shut down. It is known that the financial difficulties arose from the fact that enterprises donated less money than beforehand assured, and from the fact that 90 % of the tuition fees were pre-financed by the SIMT. Under the supervision of the universities of Stuttgart, Hohenheim and Tübingen, the SIMT is currently under reconstruction and will possibly survive as a “Department for Continuing Education” of the above mentioned universities and as an in-training centre for local enterprises.⁶²
- The International University of Bremen (IUB) also reached an agreement with the city-state Bremen which supported the foundation process of the institution with a total of 109.7 Mio €⁶³ The total assets of the IUB in 2003 were 204 Mio €⁶⁴

5.3 Budget volume of private HE institutions

In 2001, private higher education institutions spent at total of 312.8 Mio €. This amount is only 1.1 % of the total expenditure figures of all HE institutions in Germany. Expenditure figures are very dynamic at private institutions and nearly doubled between 1997 and 2001. The expenditure of private universities of applied sciences grew also from 1997 to 2001 considerably.

171.3 Mio € were spent at universities of applied sciences, private universities spent 111 Mio €, and the church-maintained private colleges of theology spent 28.5 Mio €⁶⁵ The development of expenses at private HE institutions from 1997 to 2001 is summarised in **Table 26**.

⁶¹ Steinkemper (2002), p. 15.

⁶² Landtag Baden-Württemberg, Drucksache 13/2084 vom 16.5.2003. Drucksache 13 /2485 vom 2.10.2003.

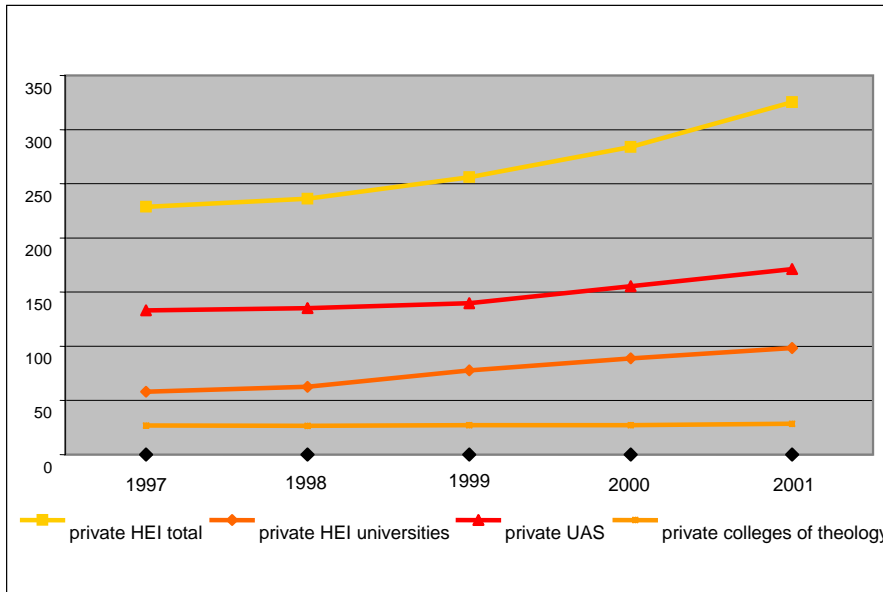
⁶³ IUB Bremen: Wissenschaftsplan und Hochschulgesamtplan IV für das Land Bremen 2005 bis 2010, p. 4.

⁶⁴ Cf. www.iub-bremen.de/about/quickfacts/index.php (Visited 04.05.2005)

⁶⁵ Federal Statistical Office. Bericht zur finanziellen Lage der Hochschulen 2001, p. 128-131.

Table 26 Expenditures at private HE institutions, 1997-2001 in Mio €

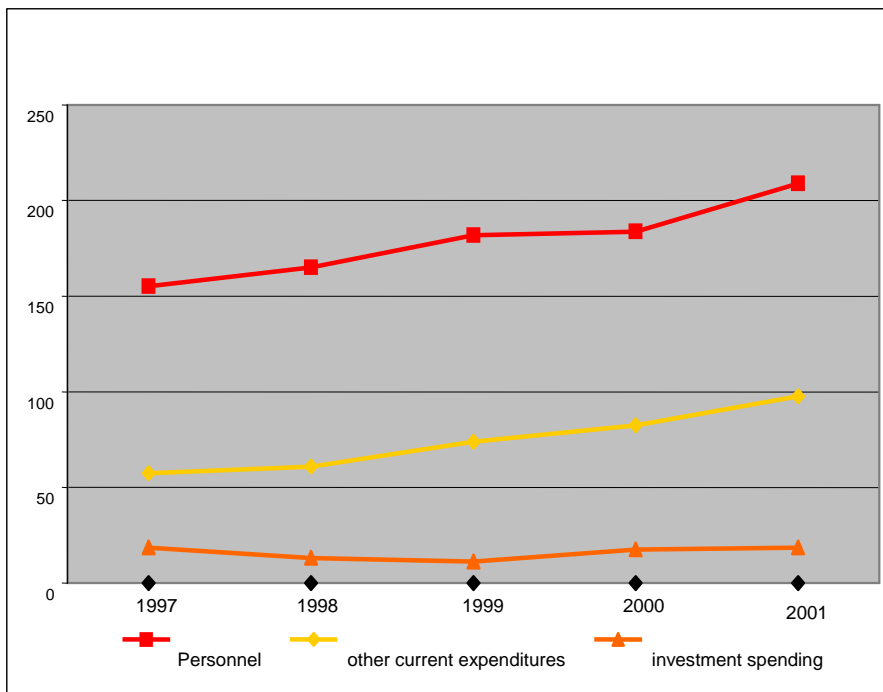
Source: Federal Statistical Office 2003-13-4



The level of investments was with 18 Mio € relatively low at the private higher education institutions (and it remained more or less stable while other expenditures rose, cf. **Table 27**). Investments into housing and buildings were low due to the fact that facilities were donated or rented. The low investment figure may also depend on the amount of distance-learning and e-learning in private study programmes.

Table 27 Structure and development of expenditures at private HE institutions, 1997-2001

Source: Federal Statistical Office 2003-13-4



5.4 Budget structure of private HE institutions

Concerning the revenue and expenditure structure of private HE institutions there is no general information available. Only some institutions publish detailed financial data, examples will be given.

WHU Koblenz / Vallendar

The WHU covers approximately two-third of its financial needs with yields from the foundation's capital, endowments by companies for academic chairs, and other contributions from enterprises and private persons. Among the founders of the WHU are numerous enterprises, private persons and organisations. Private donations make a vital contribution to the school's long-term existence. Cf. **Table 28**. Over 50 % of the funds are used for human resources. 34 % of funds are spent for other operating costs, and the rest goes to interest payments, depreciation and costs for outside lecturers.

Table 28 Budget structure of the WHU Koblenz / Vallendar, 2002/2003
Source: www.whu.edu/content/ger (11.02.2005)

Table 28 a Sources of funds (14.4 Mio €)

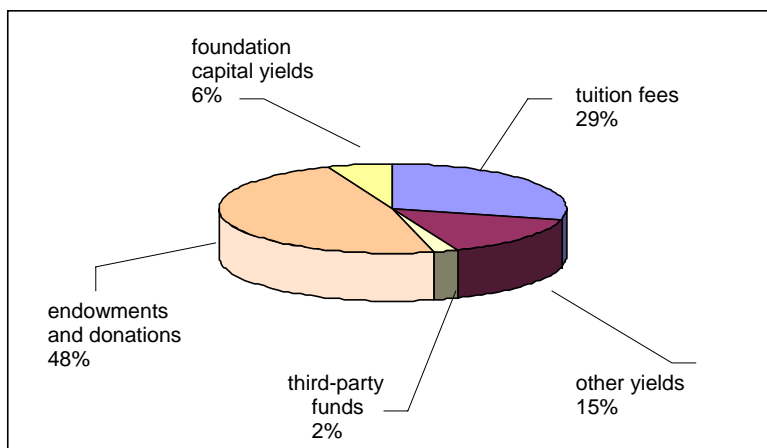
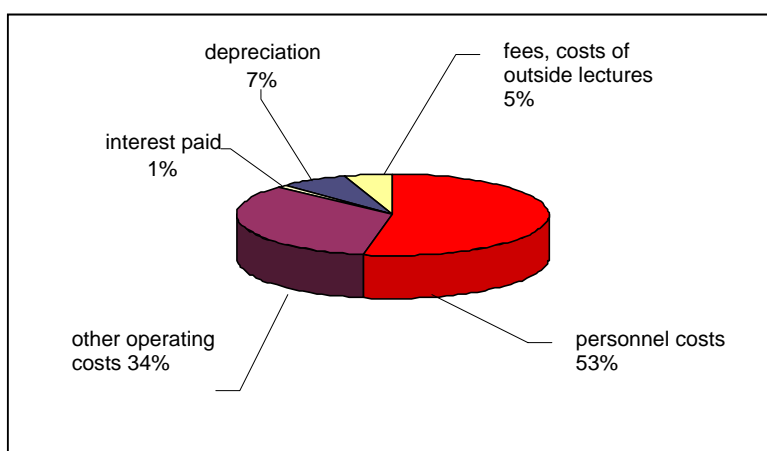


Table 28 b Expenditures (13.7 Mio €)



University of Witten/Herdecke

At the University of Witten/Herdecke, sources of funds come from the following entities: The proportion of governmental subsidies is 15 %. The UWH also has income from the Dental Clinic (18%). The amount of donations and the capacity to realise fundraising are also exceptional at the University of Witten/Herdecke. Cf. **Table 29**. The UWH uses 62 % of the budget for staff costs and another 25 % of the annual budget for other operating costs. Compared to other private university the UWH receives a considerable amount of income from research contracts (15 %).

Table 29 Budget structure of the University of Witten/Herdecke 2002/2003
Source: Geschäftsbericht 2003

Table 29 a Sources of funds (28.2 Mio €)

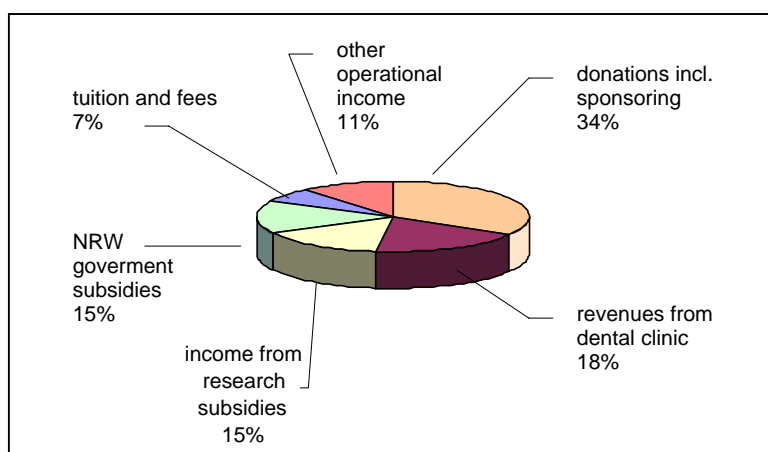
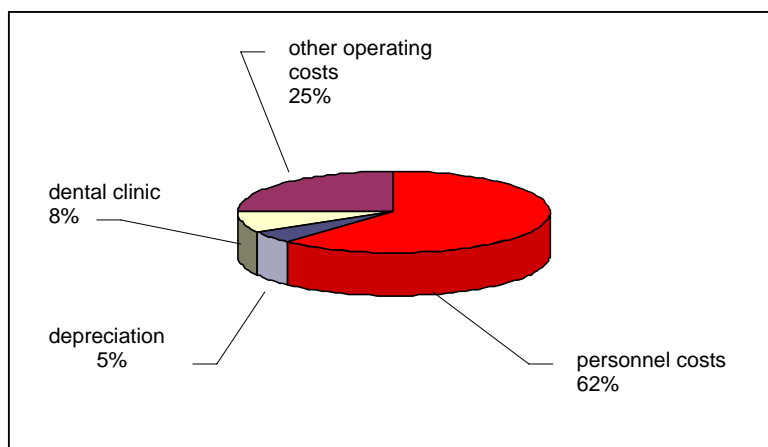


Table 29 b Application of funds (28.6 million €)



Comparison of four institutions

As we saw above, the WHU realises 29 % of its budget through tuition fees. The European Business School (EBS) at Schloss Reichartshausen is financing over 60 % of its budget through tuition fees. The Bucerius Law School receives 20 % of its budget from student's fees and the International University Bremen only 7 %. The variations in the budget structure of the few institutions that make their financial structure available to the public is shown in **Table 30**.

Table 30 Budget structure of WHU Koblenz/Vallendar, IUBremen, EBS Oestrich-Winkel, Bucerius Law School 2003

Sources: Geschäftsberichte

sources of funds in %	WHU	UWH	EBS	BLS
foundation capital yields	6		30	60
tuition fees	29	7	60	20
endowments, donations	48	34		20
third-party funds	2			
other yields	15	11	5	
dental clinic yields		18		
state		15	5	
research		15		

WHU = Wissenschaftliche Hochschule für Unternehmensführung, Vallendar

UWH = University of Witten-Herdecke

EBS = European Business School, Oestrich-Winkel

BLS = Bucerius Law School, Hamburg

5.5 Private HE institutions as non-profit organisations

Most private HE institutions have the status of non-profit organisations. Since non-profit organisations are exempted from any kind of enterprise tax and contributions to the university are tax-deductible, there is an implicit public subsidy (Gemeinnützigkeit).⁶⁶

Institutions can have the form of a foundation (Stiftung), a non-profit limited liability company (gGmbH) or non-profit joint stock cooperation (gAG). There are also regular limited liability companies (GmbH) and joint stock companies (AG) as well as incorporated societies (e.V.) and foundations under public law (KdöR). Four private HE institutions have the legal entity of a foundation of private law: EBS, WHU, OTA, FH Nürtingen.⁶⁷ Five private HE institutions are registered associations (e.V.).

Most private HE institutions in Germany have the legal status of non-profit liability companies (30 of the identified sample). Among them are the private research universities and most of the universities of applied sciences. Institutions with close connection to enterprises are often joint-stock companies (proবাদis, telekom Academy, AMAK AG, Allfinanz Academy).

There is also an interesting example of a joint stock non-profit cooperation. The Nordakademie Hochschule für Wirtschaft in Elmshorn is supported by a non-profit stock enterprise – which is unique in Germany. The shareholders include the NORDMETALL employers' association and 43 companies, predominantly from the northern parts of Germany. This supporting organisation is financed exclusively by equity capital. The share capital amounts to 3 162 000 €. The balance sheet total amounts to approx. 8 Mio €.

⁶⁶ Cf. Karsten Schmidt: Hochschulen in Rechtsformen des privaten Rechts, in: Jörn Axel Kämmerer, Peter Rawert (Eds.): Hochschulstandort Deutschland. Rechtlicher Rahmen – Politische Herausforderungen, Köln 2003, p. 105-117.

⁶⁷ One target of the reorganisation of public universities in Germany is the strengthening of autonomy by transferring state universities into foundations of civic law. Cf. Stiftung und Hochschule. Formeln für Erfolg in Forschung und Lehre? In: Deutsche Stiftungen. Mitteilungen des Bundesverbandes deutscher Stiftungen 3 (2002).

Since there are different ways in order to ensure the implicit subsidy there seems to be no strict preference for a certain form of legal entity in the private HE sector.

5.6 Private sources of financing

The previous examples and data made clear that private institutions of higher education experience a wide variety in their funding structure. They are also relatively free in their funding policy, whereas the budget of public universities is part of the state budget. Private HE institutions are also free concerning the publishing of their financial status and it is unfortunately not a common practise in Germany to publish a financial report annually. The sources of funds at private HE institutions range from tuition fees, research consultancies, fees from workshops, trainings for co-operation partners, bank loans, interest rats, equity finance, capital yields, third-party funds, endowments and donations. Some of the available sources of financing from the private sector should be analysed more detailed in this chapter.

Tuition fees and student support

The total income of private universities was 255 Mio € in 2001. Note that this sample comprises church-maintained institutions as well.⁶⁸ 90.1 Mio € were realised with income from tuition fees. Private universities cover on average 26 % of their income with tuition fees, whereas private universities of applied sciences cover on average 34.5 % of their income with tuition fees. But the individual examples mentioned before showed that this average proportion includes large differences.

Table 31 shows the development of tuition fee income at private HE institutions from 1997 to 2001. The total amount of revenue is rising and nearly doubled from 1997 to 2001. However, if we compare the dynamics of the revenue side with the trend in the development of student numbers, **Table 32** shows that the rising trend in number of students is even larger, meaning that the rising income of tuition fees is not due to rising prices.

⁶⁸ Federal Statistical Office: Bericht zur finanziellen Lage der Hochschulen 2001, Bonn 2003, S. 130-131.

Table 31 Revenue from tuition fees at private HE institutions in 1000 €, 1997-2001

Source: Federal Statistical Office, 2003 – 13 – 6

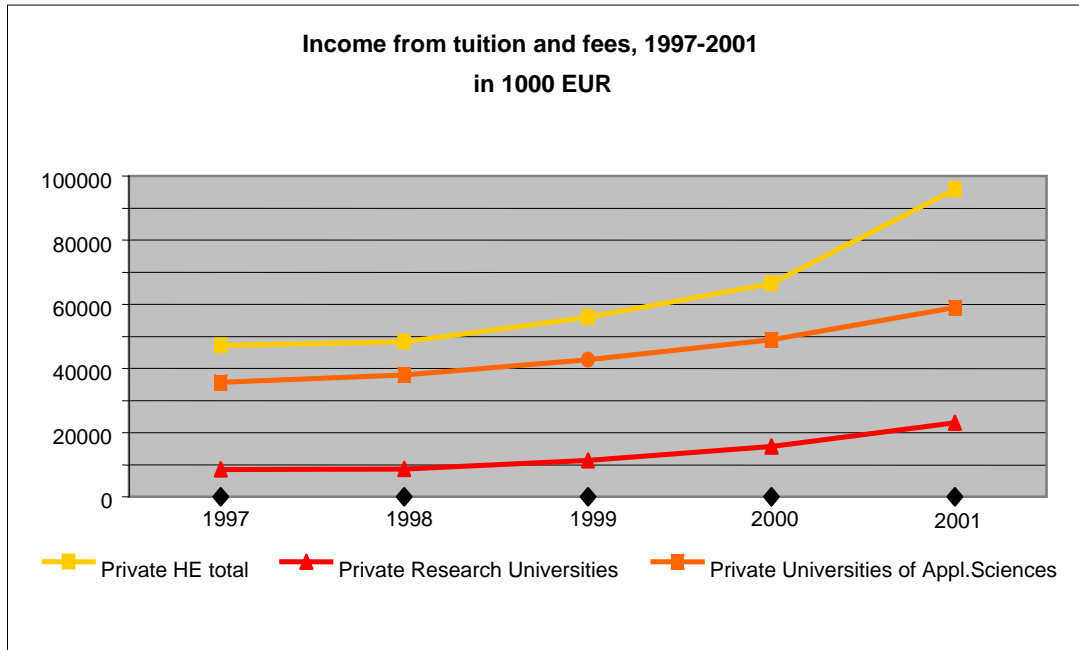
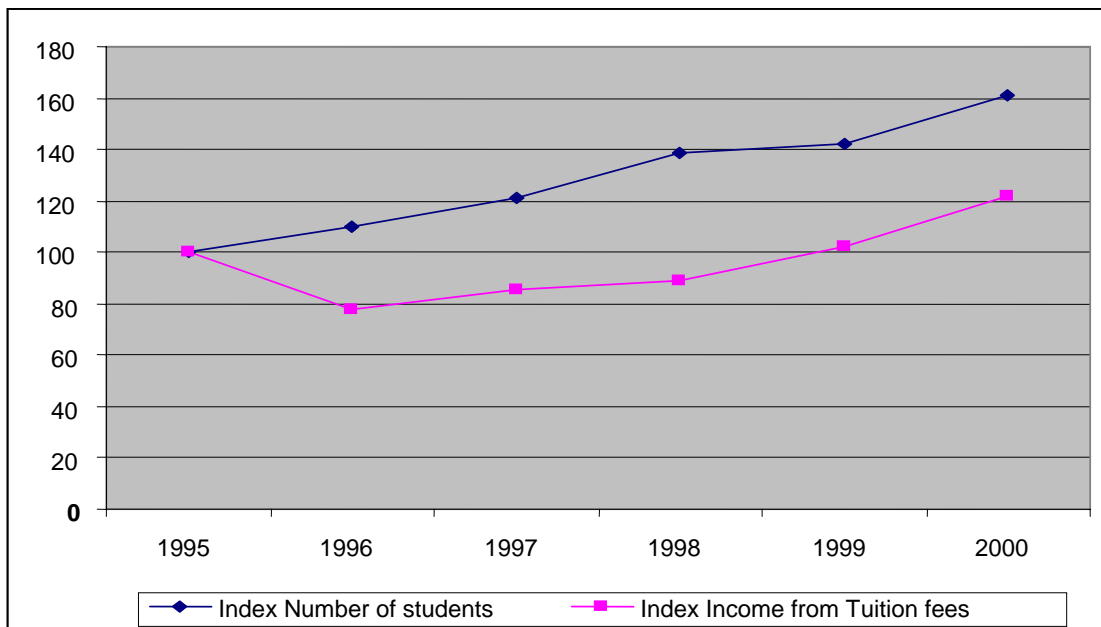


Table 32 Relative growth in number of students at private HE institution compared with relative growth of income by tuition fees 1995-2000 (base year 1995)

Source: Federal Statistical Office, 2003 – 13 – 6



Whereas private universities cover on average 26 % of their income with tuition fees, the single amount can differ considerably. Tuition fees at the International University Bremen are 15 000 € p.a. for an undergraduate and 20 000 € p.a. for a graduate course. Another 430 € monthly have to be paid for on-campus accommodation. Courses at the International University in Bruchsal cost 10 000 € p.a. for undergraduate and graduate courses alike. At the Bucerius Law School, the LLB will take 9 000 € p.a. At the European Business School ebs in Oestrich-Winkel, the undergraduate course is 9 000 € p.a. The WHU in Vallendar receives 10 000 € p.a. for the BA and the MA programmes. At the University of Witten-Herdecke tuition fees are calculated per total study course and cost round 15 000 € for medicine, business administration, dental medicine and health sciences. All of these private HE institutions have university-status and offer graduate and post-graduate courses. They have the right to defer doctoral degrees.

Tuition fees at universities of applied sciences are the following: Some 20 Bachelor programmes are already accredited with the FIBAA organisation and range in costs for a full-time programme from 2 400 € p.a. for a three years study programme preparing for a Bachelor of Science at the FH Wedel to 6 600 € p.a. for various Bachelor programmes at the Business and Information Technology School BITS at Iserlohn and 7 120 € p.a. for Bachelor programmes at the IFH Bad Honnef.

Postgraduate courses at the Northern Institute of Technology NIT cost 12 000 € p.a. plus 3 000 € p.a. for accommodation on campus. But most of the tuition fees are covered by sponsors from industry. This is also true for the various courses of the private International Department at the Technical University of Karlsruhe, where the 11 000 € p.a. for a Bachelor in Engineering programme and the 7 880 € p.a. for a student preparing for a Bachelor in Electrical Engineering are covered to 94 % by sponsors.

Tuition fees are closely linked with financial student aid. Students at private HE institutions are eligible for public maintenance grants and loans if the university is recognised by a state. Hence, 16 % of the students at the Bucerius Law School get financial aid according to the Federal Training Assistance Act (Bundesausbildungsförderungsgesetz – Bafög), and this group of BLS students also pays only 50 % of the tuition fees.

Furthermore, private institutions provide special financial arrangements for their students. At the International University in Bremen, 60 % of the students pay no tuition at all. Because of the ‘need blind admission’, questions about the financial situation of the students are raised only after their application according to excellence and personality was successful. The university follows the US tradition of “high tuition – high aid” policy. A special contract between students and industry is institutionalised at the Nordakademie. Here, local enterprises pay part or most of the study fees.

Other institutions experiment with refunding plans. The private FH Göttingen is cooperating with local enterprises in financing tuition fees. The Fachhochschule guarantees job offers upon completion and those students without a job offer after six months after graduation are refunded with the tuition costs of the last year (i.e. 7,600 €).

At the University of Witten-Herdecke, a so-called “inverted contract between generations” was created. The contract is managed by a student-organised association. The student association paid a total of 16.5 Mio DM in fees to the university between 1995 and 2001. The contract principles determine three different modes of payment for a student:

- a) Income-contingent repayment of course fees after graduation: Graduates passing a certain income threshold pay 8 % of their income over a period of eight years.
- b) Fixed up-front payment: For a full study course a student pays the total sum of 15,185 €. This sum is divided up into monthly instalments, with no payment after the end of the regular study period.
- c) Later payment by halves: This mixed version involves direct payment of the half of the fixed amount in monthly instalments during the study course, and income-related repayment of 8 % after graduation over four years.

As it is visible from the examples above, private HE institutions depend on the payment of tuition fees. At the same time, they are practising different forms of substitution and financial assistance

schemes. The design of socially acceptable tuition fee regulations is a crucial part of the marketing of study programmes.

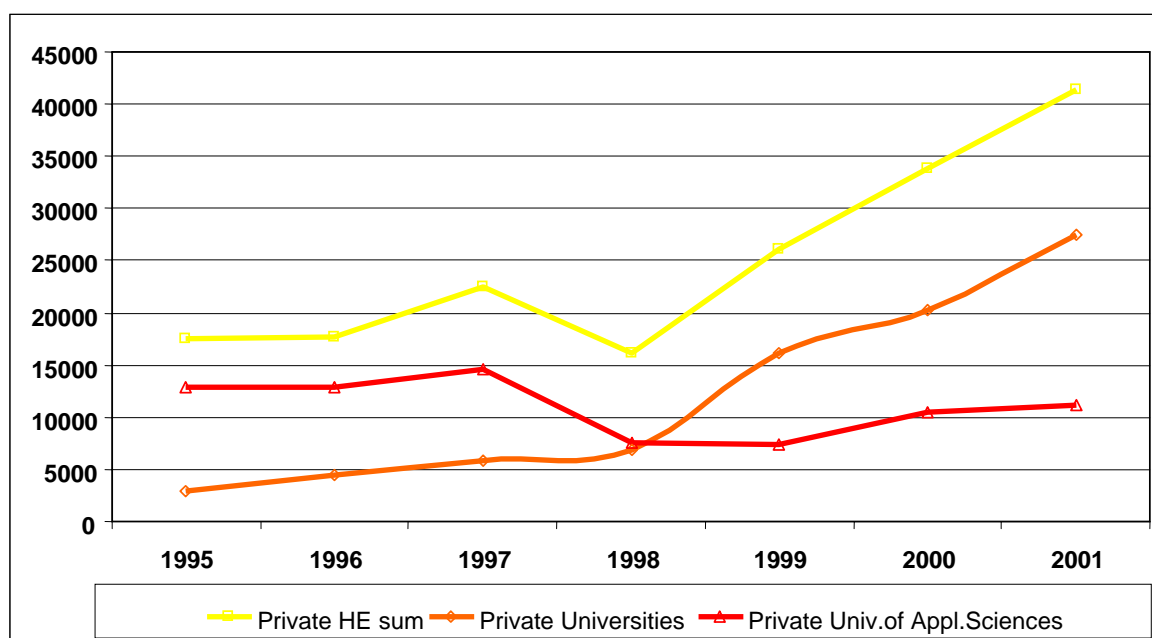
Joint funding of research and fundraising

Among the 54 private higher education institutions 14 are registered with the German Research Foundation (DFG). These 14 institutions can issue applications for financial support for their research projects. From 2000 to 2004 five private HE institutions got 8.7 Mio € in 93 different research projects.⁶⁹

Private and church-maintained HE institutions raised 41.4 Mio € in 2001 from third-parties. The research universities in private hands collected 27.4 Mio € and the Universities of Applied Sciences 11.1 Mio €. The ability to raise third-party funds is progressing. This is shown in **Table 33**. Compared to 1997 there is a rise by astonishing 79 %.

Table 33 Third-party funds for private HE 1997-2001

Source: Federal Statistical Office



A recent survey of the CHE Centre for Higher Education Development on fundraising capacities at German HE institutions encompasses eleven private HE institutions who answered questions on fundraising with specific information. It is clear, that investment in fundraising personnel was effective in view of raised funds. The University of Witten/Herdecke occupies 7.5 persons (FTE) in fundraising activities and was therefore able to organise 11.6 Mio € in 2004. The HfB Frankfurt raised with 0.5 persons a total of 1.47 Mio € and the WHU Vallendar organised in 2004 a total of 6.6 Mio € through fundraising. The Bucerius Law School raised 1.45 Mio € and HH Leipzig 1.9 Mio €. Smaller sums were raised by the Nordakademie and the Euro FH Fresenius.⁷⁰

⁶⁹ Email German Research Foundation to the authors 04.02.2005. DFG-research-funding was issued between 200 and 2004 to Bucerius Law School, FHWT Vechta, IUBremen, Uni Witten/Herdecke, Zeppelin University.

⁷⁰ CHE Centre for Higher Education Development, Questionnaire on fundraising.

Donations of chairs

A special instrument of funding is the donation of a chair or a research programme at a public or a private institution. The Donor's Association for the Promotion of Science and Humanities in Germany (Stifterverband) endowed a total of 13 chairs since 1985 to private universities, 95 to state universities and 24 to state universities of applied sciences.

This shows a financial success of the private institutions regarding the percentage of donated chairs is substantially higher than the percentage of students at these institutions. The Donor's Association is sponsoring the initiation of the chairs - the sponsored university have to guarantee further financing after a couple of years.

Currently, i.e. in February 2004, the following private sponsors and the Donor's Association endowed chairs at the following private universities:

- Bielefeld, Fachhochschule des Mittelstands: Chair in succession planning for enterprises, sponsored by a regional federation of banking
- Bremen, International University: Chair in management of small and medium-sized enterprises and the international market, sponsored by Commerzbank-Stiftung
- Bruchsal, International University, chair in information technology for logistics, sponsored by Dieter-Schwarz-Stiftung
- Bruchsal, International University: Chair in operation management, sponsored by Dieter-Schwarz-Stiftung
- Friedrichshafen, Zeppelin-University: Chair in corporate management, sponsored by ZF Friedrichshafen GmbH
- Friedrichshafen, Zeppelin-University: Chair in international management, sponsored by ZF Friedrichshafen GmbH
- Koblenz, WHU: "Daimler-Chrysler-Chair in Electronic Business", sponsored by Daimler-Chrysler Foundation
- Koblenz, WHU: Chair in macroeconomics and international economics, sponsored by Stifterverband
- Leipzig, Handelshochschule: "The Chamber of Commerce and Stifterverband Chair in marketing management", sponsored by CCI Leipzig
- Leipzig, Handelshochschule: "C&L Chair in Business Administration", sponsored by C&L Treuarbeit
- Leipzig, Handelshochschule: "E-Business and IT", sponsored by Dieter-Schwarz-Stiftung
- Leipzig, Handelshochschule: "Sustainability and Global Ethics", "Sustainability and Global Politics", sponsored by Dow Deutschland GmbH & Co

The proportion of endowed chairs organised through the Donor's Association is decreasing. Currently only 33 % of all activities in this field are initiated by the Donor's Association. The disciplines sponsored are clearly in the economic and IT-sectors. It is also noteworthy that most endowed chairs go to Universities and not to Universities of Applied Sciences.

6. Accreditation

At national level, the responsibility for the Bologna Process falls to a Working Group comprising representatives from the Federal Ministry of Education and Research, the KMK and the HRK as well as the German Academic Exchange service (DAAD), a body of students, the Accreditation Council and representatives from the economy sector.

The HRK and the Federal Ministry for Education and Research set up a “Bologna” service unit in autumn 2004 which coaches the implementation of new study programmes at public and private institutions of higher education.

The German accreditation system, as it is developing along the Bologna principles, is a two-fold accreditation of study-programmes and of institutions. We will describe the procedure of programme accreditation in Germany in chap. 6.1. The institutional accreditation that the German Science Council developed recently for private HE institutions is set out in chap. 6.2. And chap. 6.3 will give examples of the subject oriented BBA and MBA accreditation procedures at the FIBAA.

6.1 Procedures of programme accreditation in Germany

Germany runs a system of programme accreditation which is applied to public and private institutions in the same way. The rationale of the accreditation system comes from the Bologna process and the change from traditional degrees to a Bachelor-Master-structure. The creation of similar market conditions for public and private institutions, fair competition and access to markets by private universities is a side effect of the system, not the starting point.

In 1998, the Framework Act of Higher Education (HRG) paved the way for universities and universities of applied sciences to offer Bachelor and Master study courses leading to international compatible degrees. Under Article 9 of Germany’s Framework Act for Higher Education (HRG), the states are jointly responsible for ensuring equivalence of degrees, examination grades and qualifications and the possibility of a transfer from one higher education institution to another. The states have transferred this task to the Accreditation Council (Akkreditierungsrat). The Council is responsible for enforcing quality standards within a decentralised accreditation system in which the actual programme accreditation is performed by regional and/or subject related accreditation agencies.

The decision as to whether a HE institution can set up Bachelor or Master courses still lies with the ministry of the federal state in which the institution is located. State-approval is no prerequisite for accreditation, although some states nowadays prescribe accreditation for state-approval. The accreditation normally leads to an automatic state decision.

The accreditation system in Germany has become permanent on the basis of two resolutions of the KMK.⁷¹ The Accreditation Council has been set up in accordance with the resolution of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany (KMK) adopted on 3rd December 1998. Its task is to accredit agencies which – on their part – accredit the new Bachelor and Master degree programmes in turn. Such agencies as well as degree programmes accredited by them will bear the quality label of the Accreditation Council. The KMK sets up framework rules for the accreditation, for example that the combination of bachelor and master should always lead to 300 credits. Therefore, a 60 credits-MBA will not be accredited if the access requirement is merely a 3 years bachelor with 180 credits.

⁷¹ KMK: Future development of quality assurance in Germany across the Länder and across higher education institutions. http://www.accreditation-council.de/KMK_Qualitaetssicherung_engl.pdf (03.02.2005); Statute for an accreditation procedure across the Länder and across higher education institutions http://www.accreditation-council.de/KMK_041015_Statut_englisch.pdf (03.02.225)

As an independent institution, the Accreditation Council is made up of 17 members, who are representatives of the Länder, higher education institutions, students and professional practice. Next to its responsibility for accrediting agencies, the Accreditation Council acts as a co-ordinator and critical observer of the work carried out by the accreditation agencies and will also function as a central documentation office to guarantee transparency with respect to compatibility and equivalency of study courses.

Accreditation is based on the principles of assuring quality, verifying the feasibility of study courses, facilitating diversity and creating transparency. The review process carried out on the basis of specialist-content criteria aims to address the question of whether a degree course provides a logical and coherent picture as far as the goals are concerned which have been set and are to be achieved.

The internal evaluation consists of a standardised stocktaking and analysis by departments or faculties and ends with a report. The second stage is an on-site visit by external experts, who make recommendations in a final report.

Meanwhile, an increasing number of institutions that organise evaluation and quality assurance procedures in higher education have come into being in Germany. These are active partly on the regional level as evaluation agencies of the Länder, and partly on the federal level as interstate networks. A two-stage procedure of internal and external evaluation has become standard.⁷²

Among the regional and/or subject-related accreditation agencies cooperating with the Accreditation Council are the Central Evaluation and Accreditation Agency Hanover (ZEvA); The Foundation for International Business Administration Accreditation Bonn (FIBAA); The Accreditation Agency for Study Programmes in Engineering, Informatics, Natural Sciences and Mathematics (ASIIN); Accreditation, Certification and Quality Assurance Institute (ACQUIN); The Accreditation Agency for Study Programmes in Special Education, Care, Health Sciences and Social Work (AHPGS); Agency for Quality Assurance by Accreditation of Study Programmes (AQUAS).

In summer term 2005, some 2 925 Bachelor and Master degrees are offered at German Higher education institutions. This represents 26.3 % of all available degrees. A total of 805 degrees are accredited: 358 Bachelors and 447 Masters. Half of all accredited degree programmes are BA and MA courses at universities (404) and the other half are BA and MA courses at universities of applied sciences (401).⁷³ While only 1.8 % of new students opted for a Bachelor degree in the first term of higher education in 2000, the percentage has risen to 7.5 % of all students beginning a higher education in 2003.⁷⁴

⁷² For documentation of the procedure cf. www.akkreditierungsrat.de. Currently, procedures of accreditation and quality management are being discussed in Germany. See Müller-Böling, Detlef: Hohe Kosten, wenig Nutzen. Die Akkreditierung einzelner Studiengänge ist derzeit groß in Mode. Besser wäre es, auf Qualitätsmanagement an den Unis und Hochschulrankings zu setzen, in: DIE ZEIT (19.4.2001) p. 52. Federkeil, Gero: The Lack of a National Policy Regime of Quality Assurance in Germany - Implications and Alternatives, in: Journal of the Programme on Institutional Management in Higher Education 15 (2003) p. 63 – 72.

⁷³ German Accreditation Council: Daten zur Akkreditierung. Cf. www.akkreditierungsrat.de (16.02.2005). Unfortunately, the Accreditation Council has no information about the number of degree courses at private institutions.

⁷⁴ KMK/BMBF: Realisierung der Ziele des Bologna-Prozesses. Nationaler Bericht 2004 für Deutschland, Bonn 2005. www.bmbf.de/pub/nationaler_bericht_bologna_2004.pdf Summary in English: [www.bologna-bergen2005.no/ Docs/Germany/National_Reports_Germany_050118.orig.PDF](http://www.bologna-bergen2005.no/Docs/Germany/National_Reports_Germany_050118.orig.PDF)

6.2 Institutional accreditation of private HE institutions

Institutional accreditation in Germany aims to clarify the question whether a university establishment is able to procure educational programmes which can be regarded as belonging to the HE sector. This procedure serves to secure the quality of private universities and to produce transparency and comparability between the educational programmes of private HE institutions.⁷⁵

A committee of the German Science Council worked out recommendations on the institutional accreditation of private universities in 2000. Concerning teaching and learning, the following guidelines were recommended to be implemented at German private HE institutions as preconditions to be accredited by the Science Council:⁷⁶

- The recruitment policy for academic lecturers has to make sure that the number and working time of lecturers is in accordance with the degree programmes and ensures high quality teaching and best tutorial services for students. University lecturers have to pursue research topics and have taken an active part in publications.
- The recruitment policy has to be made public.
- Research facilities, laboratories and information technology have to be provided by the institution for the whole period of the accredited degree programmes.
- Curriculum and examination regulations have to be made public.
- Private HE institutions have to offer degree programmes that are comparable to programmes at public HEIs in time and quality. Students have to study at least three years in a degree programmes full-time, or the comparable length of time in dual degree programmes.
- The private HE institutions have to guarantee all services for their students starting a degree programme until the examination.
- The tuition fees have to be made clear and public. Access to students' grants and financial aid has to be granted to all students.

The German Science Council passed recommendations on the accreditation of the University of Applied Sciences in Heidelberg (2003), the Protestant School of Social Work in Freiburg, the FOM University of Applied Sciences and the International School of Management in Dortmund (all in 2004) as well as on the non-accreditation of the AKAD Scientific University Lahr (WHL) (2003). Most recently the Wissenschaftsrat gave positive recommendations on the Catholic University of Applied Sciences Freiburg and the Theological Seminary Reutlingen in 2005. Here are some examples from the expert's reports on institutional structures of some private HE institutions.

Example: FOM Essen

The university of applied sciences in economics and management (FOM) in Essen offers basic degree courses in economic, computational economics, law & economics, international management, and IT in engineering with "Diplom FH"-degrees or "Bachelor honours"-degrees. Postgraduate courses are offered in computational economics, law & economics, economic engineering, business administration (MBA) and an MBA in International Financial Management in cooperation with a Dutch college in Zeeland.

Courses are mainly for people working in small and medium-sized companies. Therefore, the programme has to be flexible. The FOM registered 3.634 students in winter term 2002/2003, 2,400 of which are studying economics. A modular degree scheme is developing and should be enlarged in the future. In order to develop a broader range of studies, the German Science Council proposed

⁷⁵ German Science Council (Hg.): Empfehlungen zur Akkreditierung privater Hochschulen. Januar 2000. www.wissenschaftsrat.de, Nr. 4419/2000 (03.02.2005).

⁷⁶ German Science Council: Leitlinien zur institutionellen Akkreditierung, press release no 6189/04 (09.05.2005)

courses in technical sciences and law. The different and flexible time-sharing models are positively noted by the Science Council, but the quality of distance-learning course material has to improve according to academic standards.⁷⁷

Here, some problems of the German accreditations procedures became visible. On the one hand, it is positively noted by the German Science Council that a modularised study programme exists. On the other hand, the Science Council sees to academic standards.

Example: International University Bremen

The guiding principles of the International University of Bremen (IUB) are excellence, internationalism and an interdisciplinary focus in study and research. The IUB is organised into three units: the School of Engineering and Science (SES), the School of Humanities and Social Sciences (SHSS) and the Jacobs Centre for Lifelong Learning and Institutional Development (JCLL).⁷⁸

The IUB is following the example of private Universities in the United States of America. It is the only private campus university with college structure in Germany. As an institutions claiming to be a “Research University”, it is organized in two Schools and offers a modularized study programmes with international degrees. The language at the IUB is English and the recruitment of students is international. Students have to reach 120 credits points for a Bachelor Degree. The grading system is comparable to American universities, but it is easily applicable to the European Credit Transfer-System (ECTS) as well. The types of courses and number of credit points for a Bachelor degree at the IUB are shown in **Table 34**.

Here, the institutional accreditation of the IUB by the German Science Council serves to strengthen new teaching and learning structures (called “campus university”) in order to promote innovative educational institutions in Germany.

Until now, only private HE institutions are undergoing procedures of an institutional accreditation. As the current debate is acknowledging heavy workloads for the HE institutions in the study programme accreditation and an overwhelming bureaucratic structure, new forms of institutional accreditation may be the future for private and public HE institutions alike. Thereby making sure, that public HE institutions comply with the same quality and evaluation standards.

Table 34 Grading System International University Bremen IUB

Source: German Science Council: Stellungnahme zur Akkreditierung der IUB.

ECTS	American Grade	Numerical Value	IUB
Excellent (A)	A +	4.33	1.0
Very Good (B)	A	4.0	1.3
	A –	3.67	1.7
Good (C)	B +	3.33	2.0
	B	3.00	2.3
Satisfactory (D)	B –	2.67	2.7
	C +	2.33	3.0

⁷⁷ German Science Council: Stellungnahme zur Akkreditierung der Fachhochschule für Ökonomie & Management (FOM) – Fachhochschule für Berufstätige in Essen, press release no 6093/04 (03.02.2005).

⁷⁸ German Science Council: Stellungnahme zur Akkreditierung der International University Bremen IUB, press release no 5068/01 (03.02.2005).

	C	2.00	3.3
Sufficient (E)	C –	1.67	3.7
	D +	1.33	4.0
	D	1.00	4.3
Fail (F)	D –	0.67	4.7
	F	0.00	5.0

6.3 Example: The accreditation of BBA and MBA programmes in Germany by FIBAA

The Foundation for International Business Administration Accreditation (FIBAA) accredits Bachelor, Master and, since 2003, "Diplom" courses in fields such as business administration, economics, business computing, engineering and business administration in Germany, Austria and Switzerland. The courses are provided by public or state-approved private higher education institutions. In most cases, the FIBAA accredits Bachelors of Business Administration (BBA) with the option to follow a consecutive MA study programmes in the future.

The range of Masters of Business Administration Programmes (MBA) accredited by FIBAA is extensive. It begins with a "Junior MBA" for students who have just graduated from university. The "Executive MBA", on the other end of the scale, is for managers of whom most have up to ten years practical business experience. There are full-time, part-time and distance-learning programmes plus modular programmes that enable the student to do any of the three. The fees for most MBA programmes range from EUR 10,000 to EUR 45,000, the average being EUR 17,000. In the late eighties, there were only 10 MBA providers in Austria, Switzerland and Germany, mostly from abroad. Between 1990 and 1995, this number increased to 35 providers and reached 100 by 2001.⁷⁹

Today, students can choose among 180 providers and over 200 Bachelor and Master programmes in those three countries. The number of MBA students in Germany has risen from 500 (estimate for 1990) to about 5 500 (2004). Some 50 % - 60 % of those students study abroad or within the framework of international joint ventures. Many of the MBA programmes on offer in Austria, Germany and Switzerland are the result of co-operation with American or British programmes.⁸⁰ 70% of all German MBA programmes were founded in the period 1999 – 2004, especially after the German Parliament officially approved Bachelor and Master's programmes as part of university education.

By December 2004, FIBAA accredited a total of 134 courses in business administration at German HE institutions, most of them privately maintained. The accredited courses can be subdivided as follows in **Table 35**. Between 2000 and 2004, we also count 31 courses (incl. Switzerland, Austria and Netherlands) for which accreditation were not granted due to serious shortcomings.

⁷⁹ Cf. www.fibaa.de

⁸⁰ WHU – Northwestern University; GISMA - Purdue University; Allfinanzakademie – University of Wales; USW – University of Toronto; etc.

Table 35 FIBAA accredited MBA courses in 2004

Source: www.fibaa.de (09.05.2005)

	number
Germany	134
by course type	
<u>Bachelor</u>	57
of which at private inst.	31
of which distance-learning	5
<u>Master</u>	77
of which at private instit.	29
of which distance-learning	5

Today, 31 Bachelor courses of German private HE institutions are accredited at FIBAA. They range from a Bachelor of Business Administration (BBA) of the provadis School of Management, to a Bachelor of Business Psychology of the BITS GmbH, and to a Bachelor of Arts at the distance-learning university of Bad Honnef.

Table 36 shows the FIBAA accredited courses at private HE institutions. Most of the Bachelor programmes take 3 years plus examination period, and it will take 3.5 to 4 years when the course is followed in part-time or in-service executive education programmes. If the FIBAA certificates mentioned the European Credit Transfer System, a Bachelor candidate normally has to gather 180 credit points for entrance to the final exam. Three programmes are held completely in English. Tuition fees are widely spread from 2300 € p.a. at the IT & Business College in Güstrow to 13680 € p.a. at the International School of General Management – now part of the Zeppelin University.⁸¹

⁸¹ Hans-Jürgen Brackmann, Detlev Kran: Der MBA-Guide 2005. Teilzeit-, Fernstudien- und Vollzeitprogramme zum Master of Business Administration, München 2005.

Table 36 FIBAA accredited study programs at private HE institutions in Germany, 2005

Source: www.fibaa.de (09.05.2005)

name	subject	Degree	length of time	full / part-time	tuition	TOEFL	ECTS	English
IFH Bad Honnef	Event Management	Bachelor of Arts	3 years +	full	7350 € p.a.	y	no	100%
H Sparkassen	Financial Information Systems	Bachelor of Financial Information Systems	3 years +	part	4200 € p.a.		y	
H Sparkassen	Corporate Banking	BSc	3 years +	in-service	4100 € p.a.	600		10%
IFH Bad Honnef	Internat. Hospitality	Bachelor in Internat. Hospitality	3 years +	full	7120 € p.a.	550		100%
IFH Bad Honnef	Aviation Management	Bachelor in Aviation	3 years +	full	7120 € p.a.	550		100%
Steinbeis	Business Administration	BBA	3 years +	part	2970 € p.a.		180	
IMS Dortmund	Business Administration	BA	3 years +	full	7000 € p.a.		180	yes
ISGM Bad Waldsee	Business Administration	BA	3 years +	full	13680€ p.a.	y		40%
HSBA FH Hamburg	Business Administration	BA	3 years +	dual	4680 € p.a.	y	180	
HfB Frankfurt	Finance	BA Finance and Management	4 years	distance	4200 € p.a.			
HfB Frankfurt	Finance	BA in Computer Science	3.5 years	in-service	6300 € p.a.	y		
accadis Bad Homburg	Business Administration	BA	3 years +	full / part	6533 € p.a.	550	180	
FDHW	Business Administration	BBA	3 years +	full + e-learning	?	y		
BITS	Business Information	BSc	3 years +	full	6600 € p.a.			
BITS	Business Management	BSc	3 years +	full	6600 € p.a.			
BITS	Business Psychology	B Psych.	3 years +	full	6600 € p.a.			
IT& Business College	Business Administration	BBA	3 years +	part	~ 2300 € p.a.			
provadis Höchst	Business Administration	BBA	3 years +	part	6600 € p.a.			
Bankakademie	Business Administration	BBA	3 years +	in-service	9350 € p.a.			
FH Wedel	Business Administration	BSc	3 years +	full	2400 € p.a.		180	

6.4 Quality management in private HE institutions

Besides the evaluation and accreditation procedures implemented by policy makers (cf. chap. 6), private HEIs are making efforts in adopting a wide range of approaches in order to improve the quality of teaching and learning. Different forms of criticism of lectures and tutorials by students are carried out on the faculty or departmental level. But, elaborated quality management procedures according to DIN EN ISO 9000ff or the TQM/EFQM approach are still rare in Germany.⁸²

Most of the procedures for quality management are concerned with individual professorships or research institutes and seldom comprise an entire institution.

The WHU in Koblenz / Vallendar is the first German business school to have received the European Quality Improvement System (EQUIS) Certificate in 1998. This Certificate is awarded to business schools with a marked international orientation. The joint WHU/Kellogg Executive MBA Programmes has been accredited by the FIBAA (Foundation for International Business Administration and Accreditation). Accreditation by the FIBAA simultaneously includes the quality award of the German Accreditation Council.

All WHU students are regularly assessed. The same applies to lecturers and the Schools general administration. In the PC-based lecturer evaluation system (DOBES), the students evaluate each and every course. When doing so, they assess, for example, whether lecturers present the subject in a clear and understandable fashion, whether they are well prepared, and whether the course is well structured and a syllabus and recommended literature were available in good time. Students may also propose improvements. One result of the assessment system is the "Best Teaching Award" which is conferred upon one lecturer and one assistant lecturer per semester. The students also use a PC-based appraisal system (VEBES) to evaluate the administration.

As a recent survey on Quality Management at German universities made clear, methods in quality management used at date in Germany are not orientated towards learning-outcome. The HRK is supporting a quality management project that will enhance the orientation towards learning-outcomes in correspondence to the "employability" concept of the Bologna process.⁸³

All 33 private HE institutions that answered our questionnaire had some form of teaching evaluation implemented in form of surveys or on-line evaluation. The Fachhochschule Fresenius in Idstein employs a quality management consultant who cooperates with the quality consultants of the faculties. The FH Heidelberg is a member of EFQM, a European initiative to enhance quality management in the services sector. The FOM Essen also has a central quality consultant. Certification according to DIN ISO 900/2000 standards apply for FH Heidelberg, FH Riedlingen, FHDW Ostwestfalen and FHWT Vechta/Diepholz/Oldenburg. The University of Witten-Herdecke applies the Six-Sigma management method for total quality control in the university's administration. And the FH Riedlingen evaluates its administrative services every second year.

The instruments of quality management at private HE institutions are summarized in **Table 37**.

⁸² German Rector's Conference (HRK): 2003 Guide. Quality Assurance at Higher Education Institutions. A Progress Report and the Results of a Survey of the Quality Assurance Project, Bonn 2004 (= Beiträge zur Hochschulpolitik 6 / 2004).

⁸³ German Rector's Conference (HRK): 2003 Guide, p. 18

Table 37 *Instruments of Quality Management at private HE institutions*

Source: CHE Questionnaire, total = 33

Instruments	Number
Teaching evaluation (partly online)	33
QM consultant (at faculty level or institutional level)	6
Alumni networks & surveys	5
DIN ISO 900 seq. certificates	4
Benchmarking activities	1
Member of EFQM ⁸⁴	1
Other instruments	6

⁸⁴ EFQM = European Foundation for Quality Management.
Antje Stannek / Frank Ziegele

7. Conclusions and recommendations

Summarising the situation in the private higher education sector, we come to the following conclusions:

The emergence of a private HE sector in Germany is the answer to specific problems in public HE, mainly inflexible study programmes, lack of programme profiles (like elite standards or practical experience etc.) and quality problems. Scarcity in capacities is not the overall dominating factor since Germany has a large and highly subsidised public higher education sector. Therefore, the *rationale* of private HE in Germany is mainly in the field of special quality, elite standards, specific teaching concepts and technologies or a clear orientation towards practical experience and labour market needs. Indicators such as low dropout rates lead to the impression that private HE institutions are rather successful in reaching their goals.

- The foundation of private HE institutions as a means to overcome scarcity might play some role concerning certain disciplines. In legal, economic and social sciences the dynamics in public and private HE institutions have been quite similar; the higher effect in the private sector is due to the higher percentage of these disciplines. So it can be assumed that the programmes offered by private institutions are a reaction to imperfect adaptation of public institutions to demand structures. The inflexibility in the public sector, for example through traditional funding mechanisms, created parts of the market for the private institutions. The question is if this is about to change since public HE institutions today are funded by “money-follows-student” mechanisms and benefit from more financial flexibility.
- The degree of *marketisation* of the HE sector is limited. Up to date, private institutions work to a certain extend with staff and facilities provided by the public sector (i.e. civil servants with part-time contracts at private universities). It is also a fact that private initiatives are successful in specific subjects like business administration and information technologies – other academic subjects like humanities are only scarcely offered at private HE institutions.
- The private HE sector is still very *small* in Germany. Only 2 % of all students in Germany enrol at private HE institutions. We have 54 state-approved private HE institutions that are not maintained by a church in Germany. Various forms of public-private-partnerships in outsourcing activities and initiatives of corporate universities enlarge the private HE sector and lead to more complex structures.
- The private HE sector was *dynamic* in Germany during the last decade. A rising trend in number of institutions and students was remarkable during the 1990ies. Concerning regional distribution, most private initiatives were supported by the state Baden-Württemberg. The largest number of students at private HE institutions is studying in North-Rhine Westphalia. However, there are few examples of private HE institutions in the new German states, whereas the proportion of students in the city-state of Bremen compared to the number of inhabitants is relatively large.
- Private HE institutions are small in *size* as well. Private HE institutions register on average 846 students; thereby ensuring a good staff-student ratio and a supportive learning environment. Various forms of coaching and career services ensure the overall successful performance of private HE students. Drop-out rates are minimal and the length of study is considerably shorter than at public institutions.
- The private HE sector is *heterogeneous*. Private institutions can be found in all segments of the HE sector. 13 institutions belong to the category “universities”; Most private HE institutions have the status “university of applied sciences” (39 institutions). Only eight private universities have the right to defer a doctorate (EAP Berlin, IUB Bremen, BLS Hamburg, HHL Leipzig, EBS Oestrich-Winkel, WHU Vallendar, UWH Witten-Herdecke, HfB Frankfurt). This relatively small group has to be differentiated from the universities of

applied sciences and the distance-learning universities of applied sciences that register the largest group of students in the private sector.

- The introduction of the *two-cycle study programme* is on its way in Germany. 26.5 % of all courses are currently transferred to the BA/MA course structure. At private institutions this proportion is to date at 15 %. Hence, private institutions are not necessarily more inclined to introduce the two-cycle system. The two-cycle system has a relatively good acceptance in the business administration field while covering a wide range of specialisations and combinations with engineering, biotechnology, new media or health care.
- A lot of private HE institutions concentrate on their expertise in a certain subject and supply study programmes and in-service academic training for specific occupational areas.
- *Internationalisation* at the graduate level is a slogan taken more seriously at private HE institutions. Although the amount of courses held completely in English is still small, students at private universities have exceptional opportunities to gain international experience. They spent terms at foreign partner universities, they work on international case studies and languages courses are compulsory in many programmes.
- Concerning personnel at private HE institutions, it is worth noting that 63 % of the qualified university lectures are working part-time. Due to the civil servant status of university lectures in the public sector, faculty composition in the public and the private sector can not be compared. It is assumed that private institutions depend on the public sector in their recruiting policy and offer jobs to the younger and more dynamic academic professionals.
- During the last years private HE institutions benefited from certain advantages compared to the public sector. Private institutions had the right to choose their students and more freedom in organisational and financial matters. They also use various forms of assessment tests ensuring the mission of excellence.
- Private institutions also have a right to charge *tuition fees*, whereas the study programme until the first degree is by now still free of charge in the public sector. However, students at private institutions also have access to public financial aid according to the Federal Training Assistance Act (BaföG). Apart from that, they are sponsored by enterprises and foundations or through institutional loan programmes.
- Private institutions are relatively free in their *funding policy*. Whereas public universities depend on the state budget, private institutions have various forms of income. The income from tuition fees is rising and covers sometimes 100 % of the budget, sometimes 60 % and in some cases only 7 %.
- *State support* is granted also to institutions in the private sector, but the public sector still is much more subsidised. A number of private institutions get state support via the University Construction Aid, some German states support the foundational process of private institutions with money from their national budget, and the German Research Association gives money to research projects at private universities. However, this kind of support is given mostly to the very few private institutions with university-status. The large group of institutions is supported indirectly through the non-profit status of their organisation.
- If we take together the comparative advantages of private institutions and the higher subsidy in the public sector it can be concluded that the role of private institutions described above is created by *market distortions*. Private HE institutions are forced into the niche role: The public university were not able to react on student demand for certain profiles because their structures were not flexible enough. Private universities are not able to offer programmes in humanities because the students' willingness to pay is lower and there is limited access to public funds. Because of these distinctive roles of public and private institutions the success of private institutions had merely no impact on the public sector. But the distortions get smaller – concerning access, tuition fees and organisational autonomy public universities get closer to the conditions for public universities. If public HE institutions will use their new potentials problems for private institutions might emerge. It is not clear if under these conditions the dynamic development will continue.

- *Programme accreditation* and quality assurance are enforced in Germany through the Bologna process. Private HE institutions do not enhance this development, but they take an active part by having their study programmes certified.
- *Institutional accreditation* of private HE institutions is coordinated in Germany at the German Science Council, where currently six institutions were evaluated and accredited for a certain period of time.

The conclusions from the analysis of private HE institutions in Germany guide us to the following recommendations:

- Whereas in some countries of Eastern Europe the breakdown of the state sector may have enlarged the opportunities for public initiatives in the HE sector, the role of the state in Western European tertiary education is still and will be vital. This is certainly true for Germany. Here, private HE institutions look for niches on the higher education market and offer at the moment no alternative to public financing of higher education. Public support should be maintained or even strengthened. This is especially true for research activities at German HE institutions. Public HE institutions cover basic research will continue to provide resources for research and development.
- There should be fair “rules of the game” with equivalent conditions for all suppliers on the HE market. Therefore, private and public HE institutions should have financial and organisational autonomy, should be able to charge tuition fees and should be allowed to implement performance oriented reward structures for professors. All three developments are taking place at the moment and should be consequently implemented. The public institutions should be allowed to act with a similar flexibility as the private ones. On the other hand private HE should get better access to public funds. For instance, German states have established formula funding on the state level by using “money follows student”-mechanisms. Fair market rules should allow private institutions to compete with the public ones for these formula-distributed funds. So the number of students at private institutions should be taken into account in state resource allocation. Other forms of competition for public funds could be implemented as well. A fair framework for HE markets will enhance competition and lead to greater diversity in study programmes.
- The introduction of output oriented remuneration for civil servants at public HE institutions in Germany might – on the long run – further cross-recruitments from the private to the public sector. Until now, there is no competition in this field, therefore performance oriented reward structures and incentives should be implemented in the public as well as in the private HE sector.
- Part of the framework for a functioning market is transparency. As described above the market for HE gets more complex. Many of the developments are for example not included in the HRK database. There should be efforts to provide information about the suppliers, structures and programmes in the whole field of higher education. This could be a task of the federal and state governments, together with institutions like the rectors’ conference or others.
- Private HE institutions still have some comparative advantage in experimenting with organisational structures, legal status, fundraising or the implementation of socially acceptable models for tuition fees. Public institutions which are about to follow on the path of autonomy and new financial sources should study the experiences of the private sector and try to learn through benchmarking of developments. This is an interesting field of experience that can offer solutions to the public sector as well. For example the Witten/Herdecke experience with income-contingent loans is important for the introduction of tuition fees in the public sector starting in the coming years.
- The system of accreditation and quality assurance might run into trouble in the near future. The accreditation (and later reaccreditations) of all programmes in German higher education (all public institutions will change completely to the bachelor-master-structure)

leads to an enormous consumption of resources in terms of workload and payments to accreditation agencies. And simultaneously evaluation procedures take place. The expectation that the system will get too complicated and too cost-intensive and time-consuming seems to be plausible. An alternative could be the use of institutional accreditation (and periodical reaccreditations) as a regular instrument for all HE institutions. All programmes of accredited institutions then would be accredited automatically; programme evaluations won't be mandatory and could be used for internal improvement of the HE institution. A procedure for institutional accreditation might be developed using the experience of the described method of the Science Council for the institutional accreditation of private HE institutions. Some experience has also been made in North Rhine-Westphalia, where an assessment of the quality management systems of HE institutions has been made which could be used as an element of the institutional evaluation.⁸⁵

- The accreditation process should not be overregulated by the KMK. If for example the 300 credits for bachelor and master are required and the idea of a 3-years-standard for the bachelor degree is realised, then German HE institutions will not be able to offer a 60 credits two-year study parallel to the job on part-time basis. This market segment then will be covered by British or Dutch universities and Germany will fall back in international competition.
- The introduction of the two-cycle study programme facilitates dual study programmes that combine advanced vocational training and academic education. These programmes are especially popular in new academic subjects like new media, e-business and business administrations plus engineering or computational sciences. Enterprises are more inclined to sponsor this kind of education and since it also furthers the permeability of the otherwise strict partitioning in the educational market in Germany, this trend towards a BA professional should be promoted; likewise, the Bachelor of Arts and the Bachelor of Science should determine a focus towards further academic training, a Master and the prospect of a Doctorate.

⁸⁵ Gero Federkeil, Petra Giebisch, Yorck Hener: Bewertung des Qualitätsmanagements in Studium und Lehre an staatlichen Universitäten und Fachhochschulen in Nordrhein-Westfalen. Bericht-Kurzfassung, Gütersloh: CHE Centrum für Hochschulentwicklung 2005. http://www.che.de/downloads/Bericht_QMNRW_Kurzfassung_301.pdf (09.05.2005)

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