

Chapter 6

To Be or Not to Be? The Impacts of the Excellence Initiative on the German System of Higher Education

Barbara M. Kehm

6.1 Introduction: Traditional Characteristics of Higher Education in Germany

Germany is essentially a binary system consisting of 117 universities (including technical universities) and 207 universities of applied sciences. The latter offer professionally oriented higher education programmes and do not carry out basic research. There are also 55 tertiary level institutions for arts and music. In 2010, about 66% of all German students were studying at university, 32% at universities of applied sciences, and the remaining 2% of students at colleges of art and music. In this chapter, only the universities will be referred to. All universities are considered to be research universities. According to the Humboldtian ideal, there is a close relationship between teaching and research, and all professors are supposed to do both; that is, there is no official differentiation into teaching only or research only professorships.

The German higher education system is essentially a public system. There are 240 state institutions and 139 private institutions for higher education, although the latter do not enrol many students. Ninety-five percent of all students study in public, that is, state-funded higher education institutions. Furthermore, until very recently, the German public higher education system did not ask for tuition fees. When the federal government made an attempt to introduce tuition fees in 2008, there were massive student protests. Since Germany is a federal system and the individual states are responsible for the education sector (including universities), some of the

B.M. Kehm (✉)

International Centre for Higher Education Research, Kassel University, Kassel, Germany
e-mail: kehm@incher.uni-kassel.de

states opted out of the introduction of tuition fees from the beginning – especially the East German states – and several states introduced tuition fees but then had a change of government which eventually abolished them. Of the 16 German states, four currently require tuition fees and twelve do not.

Until recently, the German higher education system was also closely state controlled. Government was regarded as the ‘guardian angel’ of academic freedom on the one hand, but at the same time, it acted as a strong regulatory power on the other.

All universities have the right to award doctoral degrees; in fact, each professor can accept doctoral candidates as part of his or her academic freedom. As a rule, most professorships have one or two positions for research assistants, that is, doctoral candidates, as part of the infrastructure or resources of the chair which are negotiated when receiving the call or being offered a professorial position. These research assistant positions are fixed term (4–6 years) and part-time (50%) positions in the framework of which the assistants are expected to support the professor’s research and teaching activities and also write their PhD thesis. The traditional form of research training is then basically ‘on the job’. No formal training or coursework is required. The research assistants are employees in the civil service with a salary and all regular social benefits. As such, they are not considered students. However, ongoing reforms of doctoral education and training in Germany strongly promote the establishment of doctoral programmes or graduate schools to complement training on the job with more systematic training through coursework. Furthermore, for doctoral candidates not employed as junior researchers or assistants, it is the only opportunity to get systematic research and transferable skills training.

Another characteristic of the German higher education system is that until very recently, there was only moderate vertical and horizontal diversity. All institutions of one type were considered to be more or less equal, their treatment by the government was based on legal homogeneity (Neave 1996), and they received funding based on the number of students, the institution’s maintenance requirements and the salaries for all staff. Professors were paid according to the same salary scale with only limited differences. Institutions of one type were considered to have more or less the same level of quality. Of course, employers might prefer to recruit graduates from particular universities more than from other institutions, but legally all degrees were considered to have the same value. Finally, universities did not have a tiered structure of studies with undergraduate and graduate degrees, but all degrees (altogether three different ones: professional, academic, state) were master level degrees. There was no bachelor or undergraduate degree.

6.2 Major Areas of Change Since the 1990s

Many things have changed in the German higher education system in the last 15–20 years. A quick overview of the most pertinent reforms can be summarised in the following eight points (Teichler 2009b).

First, there has been state deregulation. That means the state has withdrawn to some extent – although not as much as in other European countries – from close control and granted more institutional autonomy. However, in exchange for more autonomy, higher education institutions have also been held more accountable and now have to report regularly about their performance.

Second, state funding changed from line item budgets to lump-sum budgets, and greater decision-making power was given to the institutional management concerning internal allocation of funds. However, lump-sum budgeting has been linked to budget cuts and performance contracts with the ministries.

Third, both these changes have given more decision-making power to the central level or institutional management leading to a certain degree of professionalisation in this area, but decision-making power has to be shared increasingly with external stakeholders (the state among them) represented in university boards. This has led to a weakening of the traditional collegial bodies of decision-making.

Fourth, there is a strong drive towards further internationalisation and an increased labour market relevance of degrees. The Bologna Process has acted as a catalyst in this respect also leading to far-reaching curricula reform and the introduction of the tiered structure of bachelor and master degrees and programmes.

Fifth, the initiative of the European Commission to establish a European Research Area (Lisbon Strategy), closely linked with the Bologna Process to establish a European Higher Education Area, has led to more expenditure on research. However, there is also a stronger orientation than before towards research contributing to economic growth and technological innovation. There is talk of a new triangle of education, research and innovation (a variation of the ‘triple helix’ model developed by Etzkowitz and Leydesdorff), but there remain considerable problems to articulate these three elements.

Sixth, there is a growth in evaluation activities. Governmental funding and internal budget allocation within higher education institutions are increasingly based on performance indicators, goal agreements and contract management.

Seventh, there is also an increased monitoring of the teaching and research activities of professors linked to the introduction of performance-related salary components.

Finally, we observe a shift away from horizontal or inter-institutional diversity towards increased vertical diversity.

6.3 The Breaking of a Taboo

In 2004, the then Federal Minister of Education and Research (a Social Democrat) proposed identifying Germany’s top-level institutions. That was surprising and also broke a taboo as the Social Democrats had always opposed the idea of elite institutions which in their mind was linked to the political perspective of the Conservative Parties (Kehm 2006; Pasternack 2008). The official reasons given for this proposal (Bulmahn 2007) were as follows:

- Germany needed to identify and support more cutting-edge research to secure its economic future.
- Ongoing demographic changes required the mobilisation of all available talent.
- The role of higher education institutions was becoming more important in the emerging knowledge society.
- The establishment of European higher education and research was leading towards further internationalisation as well as more global competition.
- Cutting-edge research and innovation was becoming more and more interdisciplinary and required additional support.
- There was an increasing demand for advanced research and highly qualified research staff not only within universities but also in the knowledge-intensive sectors of the economy.

Underlying needs identified included:

- A need to strengthen university research in the face of a growing migration of research into extra-university research institutions
- A need to strengthen the international visibility of German universities
- The government's desire to identify 'lighthouses' with the potential to become global players and to put German universities among the top-ranking institutions in international rankings.

Despite widespread criticism of global rankings (Marginson and Rhoades 2002; Zechlin 2006; Kehm and Stensaker 2009), these seem to have a strong appeal to national policymakers. At that point in time, there were only six German universities in the top 100 of the Shanghai Jiao Tong Ranking, although there were 41 in the top 500.

The German states criticised this proposal on the part of the Social Democrats because they insisted that higher education was their responsibility and the federal government was meddling in their affairs. After difficult negotiations, a compromise was reached in June 2004 to invest 1.9 billion euros into what then became known as the Excellence Initiative over the course of 5 years. The federal government contributed approximately 250 million euros annually, and the 16 German states between them contributed 130 million euros annually.

In 2005, the Federal Ministry for Education and Research announced that funding would be made available on a competitive basis for:

- (a) Forty graduate schools for doctoral training, each to be funded 1 million euros annually
- (b) Thirty clusters of excellence for interdisciplinary strategic alliances of partners to carry out cutting-edge research, each to be funded about 8 million euros annually
- (c) Ten institutional development concepts with the potential to become top-level universities, each to be funded about 25 million euros annually

Funding was promised for 5 years after which an evaluation would take place and possibly a review which institutions would be awarded further funds. Universities of applied sciences were not allowed to participate.

6.4 Outcomes of the Selection Process

Because of the lengthy negotiations between the federal government and the states, and the complexity of the application and selection process, it was decided to have two rounds of selection, the first in 2006 and the second in 2007. There was also some discussion as to whether this process should be undertaken every 5 years. In the meantime, a third (and probably final) round has commenced. Universities submitted their proposals in the fall of 2010, and candidates on the shortlist were named in March 2011. Final decisions are expected at the end of 2011.

The selection process is based on a two-step procedure. The first step consists of universities submitting an outline of their proposals in each of the categories. Following a preselection, a shortlist of successful proposals is announced. These universities are then asked to develop their full proposals. This is followed by a more rigid evaluation and the final selection which is a complex procedure including a review by international peers.

In January 2006, the results of the first round of applications were announced. For those universities who had submitted an institutional development concept, aiming for the ‘elite’ status, this was a day of hope and fear because it was publicly known that not all proposals would be accepted. There was concern that a rejection might negatively impact the reputation of the university. The media had been speculating for weeks about which universities might be among the ten chosen to officially become the first German elite universities.

The following table (Table 6.1) provides an overview of the outcomes of the first round when the winners were announced in October 2006.

The ten universities on the shortlist in the institutional development concepts category were the Technical University Aachen, Free University Berlin, University of Bremen, University of Freiburg, University of Heidelberg, Technical University Karlsruhe, University of Munich, Technical University of Munich, University of Tübingen and University of Würzburg. What is remarkable about this list is the fact that the majority of these institutions are located in the southern states of Germany; there is also no institution from any of the East German states. In the final selection, only three were announced as winners in the third category: the University of Munich, the Technical University of Munich and the Technical University of Karlsruhe. Munich is located in Bavaria and Karlsruhe in Baden-Württemberg. Both states are located in the south-west of Germany.

Table 6.1 Outcomes of round 1, German Excellence Initiative (2006)

	Graduate schools	Excellence clusters	Institutional development concepts
Number to be selected	About 20 (out of 40)	About 15 (out of 30)	About 5 (out of 10)
First proposals received	135	157	27
Selected for shortlist (full proposal)	39	39	10
Winners	18	18	3

Source: Fallon (2007:12), adapted by author

Table 6.2 Outcomes of round 2, German Excellence Initiative (2007)

	Graduate schools	Excellence clusters	Institutional development concepts
Number to be selected	About 22	About 12	About 7
New first proposals received	118	123	20
Round 1 proposals carried forward	21	22	7
Selected for shortlist (full proposal)	44	40	8
Winners	21	20	6

Source: Fallon (2007:13), adapted by author

In the two other categories, the distribution of winning institutions is interesting from a geographical as well as a discipline-related perspective. There were 18 winners in the graduate schools category from eight different states, the majority again located in southern Germany with only one in East Germany. The subject distribution shows a majority in engineering and life sciences (9), fewer in mathematics and physics (4) and four in the social sciences and humanities. One graduate school cannot be specified according to subject groupings. In the graduate schools category, it is notable that many of the proposals had a strong interdisciplinary orientation with the others showing close to an equal distribution across disciplines.

The 18 winners of excellence clusters are distributed over seven states, with the majority again in the south-west and only one in East Germany. Similar to the graduate schools category, the majority of the winners come from engineering, informatics and life sciences, with three clusters in mathematics and physics, and only one at the interface of social sciences and humanities.

The results show a clear bias towards hard and applied natural sciences and technical sciences. There was criticism regarding the selection criteria which seemed to favour these subject groups while being less compatible with the humanities and social sciences (DFG/WR 2006).

The outcomes of the second round were announced in October 2007 and are shown in Table 6.2.

The winners of the second round of selections in the institutional development concepts category were the Technical University of Aachen (North Rhine Westphalia), the Free University of Berlin (Berlin) and the Universities of Freiburg (Baden-Württemberg), Göttingen (Lower Saxony), Heidelberg (Baden-Württemberg) and Konstanz (Baden-Württemberg). Four of these six universities (Aachen, Berlin, Heidelberg, Göttingen) had already applied in the institutional development concepts category in the first round but had ultimately been rejected. The two universities rejected in this category in the second round were Humboldt University in Berlin and Bochum University (North Rhine Westphalia). Although the distribution is more varied than in the first round, there is still an over-representation of institutions located in southern Germany.

Table 6.3 Shortlisted new candidates for the third selection round (2011)

	Graduate schools	Excellence clusters	Institutional development concepts
Number to be selected in final decisions	24–60	37–97	12
New proposals	98	107	22
Shortlisted candidates	25	27	7

Taking both selection rounds together, we have four universities with elite status located in Baden-Württemberg and two in Bavaria, accounting for two thirds of the total located in the south of Germany. The winners in the second round of the graduate schools category are more varied. Berlin is strongly represented (4) but so is Baden-Württemberg (5). Two of the winners are in East German states. There is also a stronger representation of the humanities (3) as well as social sciences (3). With eight graduate schools in the life sciences and biology and four in engineering and computer sciences, these two subject groups are well represented, while the hard sciences (mathematics and physics) are represented by three graduate schools.

The winners of the second round in the excellence clusters category are distributed over ten of the German states, although none is located in East Germany. North Rhine Westphalia (4 clusters), Berlin (4 clusters) and Baden-Württemberg again (4 clusters) are strongly represented. The subject distribution is as follows: seven clusters in the fields of life sciences, biology, engineering and computer sciences, five clusters in the humanities and one cluster in physics (DFG-Pressmitteilung 2007).

Two trends which emerged in the first round of selections and confirmed in the second round were an increasing number of interdisciplinary approaches among the winning graduate schools and excellence clusters, and that there was a large number of cooperative projects, either in the form of a university cooperating with an extra-university research institute (as is the case for the Karlsruhe institutional development concept formalising cooperation with a Fraunhofer Institute which won elite status in the first round) or in the form of two universities cooperating within the framework of a graduate school or excellence cluster. The excellence clusters also frequently included the integration of private sector companies. These features were strongly emphasised in the guidelines and selection criteria.

In 2010, a third round of selections was announced for the same three categories and using much the same procedures. Funding was increased from 1.9 billion euros to 2.7 billion euros for the 5-year period from 2012 to 2017. Universities had to submit their proposals by September 2010. At the beginning of March 2011, the candidates on the shortlist for the third selection round were announced. Despite the fact that the final selection has not yet taken place, it is interesting to compare the results with the first two rounds. Table 6.3 provides an overview of the new applications followed by a geographical analysis. Universities which came out as winners in any of the three categories in the first two rounds did not have to submit

proposals for continued support but will enter into the competition with the full proposals of the new candidates in September 2011. The final decisions are expected in the summer of 2012.

Altogether 227 proposals were submitted in all three categories. A large number of proposals came from North Rhine Westphalia (51), Baden-Württemberg (36), Bavaria (31) and Berlin (22). These four states were also the most successful ones on the shortlist. Altogether 59 proposals in all three categories were shortlisted of which 16 came from North Rhine Westphalia (31%), 10 from Baden-Württemberg (28%), seven from Bavaria (23%) and eight from Berlin (36%). The most interesting information, however, is which universities will compete in the final selection round together with the existing nine universities to become a member of the 'elite club'. The seven newly applying universities shortlisted for the third category are the Humboldt University in Berlin (formerly East Berlin), the University of Bremen, the Technical University of Dresden (Saxony, formerly in East Germany), the University of Cologne (North Rhine Westphalia), the University of Mainz (Rhineland Palatinate) and the University of Tübingen (Baden-Württemberg). These seven will have to compete with the existing nine universities already supported in the third category. As support will only be given to a total of 12 universities in this category, four will not make it and it is undecided as yet whether they will be from the group of new applicants or whether some universities from the already existing group will lose the support.

Compared to the first two rounds, it is notable that two universities made it on the shortlist for the third category (institutional development concepts) which are located in former East Germany. Furthermore, the shortlisted candidates in all three categories are no longer so clearly concentrated in the south of Germany. Looking at the disciplinary fields of the graduate school and excellence cluster proposals which have been selected for the shortlist, we can observe an increasing number of interdisciplinary graduate schools and excellence clusters. Among the 25 shortlisted graduate schools, there are five in engineering and information technology, 11 in social sciences and humanities, five in life sciences and four in physics and mathematics. Among the 27 shortlisted clusters of excellence, there are five in engineering and information technology, six in social sciences and humanities, ten in life sciences, three in material sciences and three in physics. These results also demonstrate a degree of change insofar as the support for the humanities and social sciences has increased, an issue which was strongly criticised after the decisions of the first two rounds.

6.5 Restructuring the German Higher Education Landscape

6.5.1 The Systems Perspective

What have been the effects of this initiative on German higher education to date? At this point, one can only point to trends rather than identifiable effects because

the initiative is so recent (Kehm 2006; Kehm and Pasternack 2009; Fallon 2007; Hinderer 2007; Bloch et al. 2008). However, seven trends can be identified.

First, the Excellence Initiative is not officially regarded as a ranking of German universities but indicates a shift towards a more vertical differentiation of the system as a whole.

Second, while the initiative has triggered more competition among German universities, it is focused on research excellence only. Thus, some of the results are not very surprising. There were more universities among the winners in all three categories located in richer states which have been better able to financially support their universities.

Third, financial incentives have recently been introduced to reward teaching excellence. However, these are often just a onetime incentive and only a fraction of what is awarded in the Excellence Initiative. Consequently, universities continue to establish their credibility through research, while the importance of teaching is downgraded.

Fourth, the fact that no decision was made about the overall structure of the German higher education system was a missed opportunity.

Fifth, the question needs to be asked whether 'steep stratification' (or rankings) is the only solution or whether there are other more appropriate systems. Diversification in mass higher education systems is necessary, but this can also be achieved through intra-institutional differentiation or through functional (horizontal) diversification into different institutional types (Teichler 2009a).

Sixth, another issue to consider is whether there is more than one type of excellence. In both the Excellence Initiative and in university rankings, it is unclear what constitutes the unit of excellence. Is it the individual researcher or a research group; is it the department or faculty, a network of partners or the institution as whole? It is commonly accepted that no university is 'excellent' across the board (Teichler 2007).

Finally, what are the effects of the Excellence Initiative on German higher education as a whole? What about those universities which lost out in the competition, who did not apply because they assumed their chances to be selected were too low, or who did apply but were not selected? It is important to find a credible role for them within the national higher education system and not penalise them by reducing their funding. They too have a role to play. An example of such a role might be to educate the pool of talent from which top-level institutions will recruit future students, doctoral candidates or young researchers.

As Teichler (2009a) has pointed out, there are a number of historical phases in German and European debates on the role of diversification and differentiation of higher education systems. In the higher education expansion of the 1960s and 1970s, diversification was achieved through creating different institutional types (e.g. polytechnics, colleges) and internal (i.e. intra-institutional) differentiation through programme diversity. In recent years, this horizontal differentiation has gradually been replaced by vertical differentiation due to increased international competition and supported by the growing popularity of global and national rankings, particularly among institutional leaders and policymakers. It has become

an imperative to have ‘elite institutions’ or ‘world-class universities’ in one’s own national system. This has led to the view that national higher education systems should be more vertically stratified, that success at the top of the system is important and that the ‘top’ compares itself with other institutions globally rather than just nationally (Teichler 2009a). This perspective played a major role in the decision to commence the Excellence Initiative in German higher education.

What of the universities and other higher education institutions not in the top group? The first two selection rounds of the Excellence Initiative triggered a sense of being a ‘loser’, in particular among universities which participated in the competition but lost. The other German universities which did not participate also perceive themselves ‘the second league’ but seek to counter this by emphasising their difference in function and mission. If in the face of mass and even universal higher education a national system caters exclusively to the ‘top league’ of institutions, it is likely to lead to imitation of the best to the detriment of the national higher education system as a whole. In response to this possibility, Marginson and Rhoades (2002) argued for a closer relationship between global, national and regional higher education activities in the face of globalisation, which they describe as a ‘glonacal’ process.

Rarely discussed is the question raised by Teichler (2007) as to how the emergence of a top stratum of elite institutions will influence the rest of the system. We have mentioned the danger of mimetic isomorphism (i.e. imitation). It is doubtful whether the decision to establish the Excellence Initiative was based on a clear understanding of the need for a new structure of the system as a whole. Decision-makers wanted ‘Harvards’ in Germany as a matter of prestige without being able or willing to provide funding at the required level (Zechlin 2006; Hinderer 2007). The issue of a reconfiguration of the system never came up in the public debates.

Salmi (2011) warned of the dangers in the race to develop world-class universities. German universities not only lacked the three factors necessary to become a world-class university, that is, a concentration of talent, abundant resources and favourable governance, but in terms of policy, it is much more important to support the development of a world-class university system. It is easier for the German higher education system to attain this goal than to develop up to 12 world-class universities as envisioned by the Excellence Initiative.

Overall, the question whether steep stratification will dominate the restructuring of future national higher education systems or whether other forms of differentiation will emerge is unclear. Within Europe, certainly the Bologna reform process will intervene into the trends towards steep stratification because it promotes cooperation and mutual recognition of degrees and credits as equally valid. In addition, those higher education institutions ranked in the middle or lower strata of a vertically stratified system will have to reorient their functions and missions as well as improve the marketing of those elements where they excel.

6.5.2 *The Institutional Perspective*

At the urging of the Berlin-Brandenburg Academy of Sciences, an interdisciplinary working group was established late 2008 to provide an independent assessment of the positive and negative effects of the Excellence Initiative. Initial findings and suggestions for the next round of competition were published in 2010 (Leibfried 2010).

There is general agreement about the positive effects of the initiative – for example, institutional profiles and structures, the growth in interdisciplinary cooperation and opportunities for young researchers, especially in the post-doc stage (Zürn 2010). However, the interdisciplinary working group also identified four problem areas (Interdisziplinäre Arbeitsgruppe Exzellenzinitiative 2010): institutional governance, human resource development, the impact of priority setting and equal opportunities for disciplines.

(a) *Tensions in institutional governance*

Recent thinking about institutional governance has emphasised the need to strengthen leadership and management to enable universities to develop an organisational identity. However, the graduate schools and the excellence clusters so generously funded by the initiative are becoming independent players with their own agendas. The clusters and schools are increasingly managed in a professional manner, and this allows them to influence institutional decision-making processes by the deans, the leadership and the boards. Gaethgens (2010) talks about ‘islands of competence’ and ‘parallel entities of authority’ for which the usual rules of procedure do not apply, leading to an internal fragmentation of the institution.

(b) *Human resource development*

The clusters and the graduate schools were able to provide a number of positions for junior researchers and post-docs, but most post-doc positions were filled without having a tenure track because of the 5-year funding time limit. Additionally, most clusters carry out their research in a highly specialised field which may not be offered at other universities. Planning for exit options after the 5-year funding period has been neglected. Where tenured professorships have been filled in the framework of clusters, these must be financed by the university after the end of the funding period through the Excellence Initiative, leading to imbalances in departmental teaching and research portfolios, especially where the departments were not involved in the selection process.

(c) *Impacts of institutional priority setting*

In universities applying to the Excellence Initiative, careful thought was given to which research groups should be supported in the application on the basis that if successful the clusters and graduate schools were going to be important components of the institutional profile. However, profile building is not about priority setting only. In Germany, universities typically have a rather

broad portfolio of disciplines. The internal structure is based on teaching and the provision of degree programmes. Consequently, those departments which were unsuccessful felt threatened, especially because considerable institutional overhead was provided in support of promising applications and then on the establishment of clusters and graduate schools. The Excellence Initiative can thus unintentionally threaten a balanced portfolio of subjects in favour of priority areas winning the extra support and funding.

(d) *Equal opportunities for disciplines*

The Excellence Initiative has been criticised for preferring certain disciplines or preferring particular research cultures which are not always found in all disciplines. For example, the humanities and social sciences did not win much support in the first round of decisions. By contrast, life sciences, natural sciences and engineering had a much higher success rate. Zürn (2010) discusses the different assessment and reviewer cultures in different disciplines. In those disciplines in which reputation is based on one or two criteria such as number of publications, the reviewing culture tends to make simple yes/no decisions based on a number. In those disciplines with a multidimensional culture of reviewing and assessment, for example, considering publications in the best international journals, societal and theoretical relevance, innovation potential and number of published monographs, it is rare that reviewers come to the same conclusion. This reduces the chances of a successful application.

To date, no published analysis has focused on the impacts of the Excellence Initiative from the perspective of the individual academic. Such research should include the views of winners, losers and nonparticipants.

6.5.3 *Excellence in the Making and Its Side Effects*

Besides the impact of the Excellence Initiative on the national system and the universities, the selection process has been criticised.

Some have cast doubt on the legitimacy of the procedure itself and whether it is assessing the quality and style of the application, or institutional excellence? In other words, have winners been selected on the basis of their performance promises or past achievements? Only those universities selected for the overall institutional excellence shortlist (i.e. the third category) were actually visited by the reviewers. The divide between ‘excellence achieved’ and ‘excellence in the making’ is all the more difficult to determine when it comes to drawing the line between which institution is awarded the final winning place in any of the categories and the very next institution, or even the one equal to it but not selected (Pasternack 2008; Zürn 2007).

A second point of criticism is the inconsistency between the first two categories (graduate schools and excellence clusters) and the third (institutional development concepts). While the first two categories are clearly based on an evaluation of research output and evidence-based strategies designed to increase this output, the

third category actually awards institutional management concepts. These may have merited their own Excellence Initiative – like teaching excellence as well – but the relationship between excellent management strategies and excellence in research is not a given. Instead, the Excellence Initiative made eligibility for awards in the third category dependent on winning at least one graduate school and one cluster of excellence, thus excluding universities that could have provided evidence of overall management excellence but did not score in the other two categories. One might argue that it is the combination of excellent research and excellent management which will, with considerable additional funding, enable a university to achieve world-class status. The criticism highlights the fact that the first two award categories (graduate schools and excellence clusters) are of a different nature from the third (institutional development concepts). In addition, the bigger the institution, the more heterogeneous it is likely to be. So the question remains: are the awards in the third category, which are supposed to identify potentially elite institutions, in fact the result of a compromise because there was no trust in the forms of excellence evaluated in the other two categories (Teichler 2009a)?

A third issue concerns the unintended side effects of the Excellence Initiative on the system as a whole. It is not yet possible to determine how the elite institutions will influence the rest and vice versa. It is also unclear whether the competition for excellence status will lead to increased resource concentration among institutions in terms of funding and best talent (Teichler 2007).

Fourth, there is concern about the status and reputation of those universities which were not successful in the competition or did not participate in it. The winners not only gained additional resources, but they have become more attractive partners for top-level institutions abroad and are now recruiting outstanding academics from other universities. On the other hand, those universities which did not win extra funding in the Excellence Initiative have lost out twice which makes their effective participation in the next round all the more difficult. There may be a trend towards a new stratification of the German higher education system, but it also raises the issue as to whether the system will develop more heterogeneity or more homogeneity as all institutions try to achieve the same officially valued goals (Teichler 2007).

Fifth, the winners have complained about a loss of time for research, thanks to the additional time-consuming administration (e.g. establishing the infrastructure, recruiting staff). There has been a trend towards fragmentation in some universities. Graduate school and excellence clusters have started to develop independently in some cases because they are typically outside the departmental structure. This leads to envy from the departments where every day university life and work tends to be less prestigious.

6.5.4 Critical Discussion and Conclusions

In summary, it can be said that the Excellence Initiative was based on a political prognosis of the global competitiveness of the German higher education, research

and innovation system which had identified a number of problems. While the solution for the problems in teaching and learning is sought in the implementation of the Bologna reforms, the solution for the problems in research was sought in a steeper stratification of the system by identifying top research universities and providing them with considerable extra funding. The process established in achieving this goal was based on academic selection based on peer review to provide legitimacy. Due to time constraints and some inconsistencies in the selection procedures, in particular when the first and the second rounds of selections are compared with each other, some criticism has been voiced that the procedures lacked sufficient legitimacy (Zürn 2007). To improve the situation, a number of suggestions have been made:

- Repeat the competition for excellence in research every 5 or 6 years.
- Improve the selection procedures.
- Clarify the relationship of the selection criteria to each other.
- Focus on an assessment of the ability to perform.

As Pasternack (2008) recently pointed out in an analysis of the Excellence Initiative as a political programme, the initiative has changed its focus. Formally, it was established as a primarily government-funded higher education support programme. Seen from a content perspective, it turned out to be an open acknowledgement of existing differences among universities within the German higher education system and forced the system as a whole to focus more on research. With regard to terminology, it introduced a particular concept of excellence into the public discourse and established the term as code language for ‘the highest quality’, without clearly defining which functions are central to the definition of excellence. In terms of political and public discourse, tacit knowledge about differences among higher education institutions became visible, and opportunities were offered to the winners to gain more attention and reputation. In the context of higher education policy, it meant the termination of the long-standing fiction of a qualitatively homogeneous higher education system supported by de facto legal homogeneity.

But does that mean that the Excellence Initiative is just a new form of competitive funding or does it imply a paradigmatic shift for German higher education? According to Pasternack, it is possible to conceptualise the initiative in three different ways: (a) as a catalytic funding programme, that is, to achieve critical mass for later unassisted development, (b) as a compact funding programme, that is, long-term additional funding for the winners under conditions of suspended competition for them, or (c) as permanent competition for funding, that is, a succession of calls for tenders in the most important category, the institutional development concepts, possibly with a slightly changing focuses. In the current stage of development, especially when we also look at developments in other European countries, Pasternack concludes that the Excellence Initiative cannot yet be cast as a paradigmatic shift but must be regarded rather as a component of an increasingly competitive culture in the

field of higher education. The initiative therefore has a potential catalytic function for the German higher education system. But much will depend on further decisions to continue the competition periodically or not.

What will be its effects on the overall German system of research funding? Will it not only entail decisions about the concept and configuration of the system as a whole but also about its overall forms of funding, and the relationship between organisation and innovation within universities? It is almost certain that the initiative will be an important factor in the establishment of new hierarchies at the national level, within the individual states, within institutions among the subjects and departments or faculties and finally within departments or faculties (e.g. between those being involved in a graduate school or excellence cluster with funding from the initiative and those not funded). Consequently, it is worthwhile to analyse the effects of the Excellence Initiative on the overall system's configuration and to see how the system as a whole actually performs (Teichler 2007).

But there are further conclusions which can already be drawn. First, there is a general trend to integrate research funding within the framework of programmes and projects. The Excellence Initiative is part of this development. In this respect, Germany is a latecomer again as this form of competitive research funding was introduced some years ago in a number of other European countries. Secondly, there is a trend towards increased competition for funding. Many academics currently have to engage in some form of competitive bidding for even minimal resources. This requirement pertains not only to third-party research funding but also to a variety of funding possibilities within their institutions, for example, tutors and research assistants, seed money, contracts for doctoral students and funding for participation in conferences. A growing amount of time is spent on writing applications, submitting reports and the possibility of exposure to further evaluation requirements. In addition, institutional management also expects that academics be involved more than ever before in such competitions, which diminishes the time actually spent on research.

Finally, looking at the use of the term 'excellence' in public and political discourse, we note the inflationary character it has acquired. It is also infiltrating the language of calls for proposals, tenders and applications. Everything has to be 'excellent' in order to justify funding at all. This brings to the fore a tension between performance and status in which it becomes difficult to distinguish between reputation on the one hand and performance on the other. The social construct of excellence based on reputation and the assessment of objective performance become intertwined and raise questions about the validity of peer review. If we cast the Excellence Initiative as a process of differentiation and distribution of reputation, 'objective' measuring and assessment are hardly possible any longer, at least not within the classical forms of peer review led by scholarly and scientific criteria (Hornbostel 2008). Time will tell whether in the future a legitimate balance between attributed status and reputation and objective performance and achievement can be found.

References

- Bloch, R., Keller, A., Lottmann, A., & Würmann, C. (2008). *Making Excellence. Grundlagen Praxis und Konsequenzen der Exzellenzinitiative*. Bielefeld: Bertelsmann.
- Bulmahn, E. (2007). *Die Exzellenzinitiative: Genese einer bildungspolitischen Idee*. Paper presented at the conference making excellence. Grundlagen, Praxis und Konsequenzen der Exzellenzinitiative, 23–24 November, Institute of Higher Education Research Halle-Wittenberg, Wittenberg: HoF.
- DFG/WR. (2006). *Gemeinsame Pressemitteilung von DFG und WR Erste Runde in der Exzellenzinitiative entschieden*. <http://idw-online/pages/de/news179792>. Accessed 3 Dec 2007.
- DFG-Pressemitteilung. (2007). *Zweite Runde in der Exzellenzinitiative entschieden*. http://www.dfg.de/aktuelles_presse/pressemitteilungen2007/presse_2007_65.html. Accessed 3 Dec 2007.
- Fallon, D. (2007, March 26–27). *Germany and the United States, then and now: Seeking eminence in the research university*. Paper presented at a symposium organised by the Centre for Studies in Higher Education, University of California at Berkeley.
- Gaethgens, P. (2010). Die Dritte Säule der Exzellenzinitiative – eine offene Agenda? In S. Leibfried (Ed.), *Die Exzellenzinitiative. Zwischenbilanz und Perspektiven* (pp. 269–279). Frankfurt a. M./New York: Campus.
- Hinderer, W. (2007). *Die deutsche Exzellenzinitiative und die amerikanische Eliteuniversität*. Berlin: Liberal Verlag.
- Hornbostel, S. (2008). Evaluation der Exzellenzinitiative. Gibt es objektive Kriterien für Exzellenz? In R. Bloch, A. Keller, A. Lottmann, & C. Würmann (Eds.), *Making Excellence. Grundlagen Praxis und Konsequenzen der Exzellenzinitiative* (pp. 49–63). Bielefeld: Bertelsmann.
- Interdisziplinäre Arbeitsgruppe Exzellenzinitiative. (2010). Bedingungen und Folgen der Exzellenzinitiative. In S. Leibfried (Ed.), *Die Exzellenzinitiative. Zwischenbilanz und Perspektiven* (pp. 35–50). Frankfurt a. M./New York: Campus.
- Kehm, B. M. (2006). The German “initiative for excellence” and rankings. *International Higher Education*, 44, 20–22.
- Kehm, B. M., & Pasternack, P. (2009). The German “excellence initiative” and its role in restructuring the national higher education landscape. In D. Palfreyman & T. Tapper (Eds.), *Structuring mass higher education. The role of elite institutions* (pp. 113–127). New York/London: Routledge.
- Kehm, B. M., & Stensaker, B. (2009). *University rankings, diversity, and the new landscape of higher education*. Rotterdam/Taipei: Sense.
- Leibfried, S. (2010). *Die Exzellenzinitiative. Zwischenbilanz und Perspektiven*. Frankfurt a. M./New York: Campus.
- Marginson, S., & Rhoades, G. (2002). Beyond national states, markets and systems of higher education: A glonacal agency heuristic. *Higher Education*, 43(3), 281–309.
- Neave, G. (1996). Homogenization, integration, and convergence: The Cheshire cats of higher education analysis. In V. L. Meek et al. (Eds.), *The mockers and the mocked: Comparative perspectives on differentiation, convergence, and diversity in higher education* (pp. 26–41). Oxford: Pergamon.
- Pasternack, P. (2008). Die Exzellenzinitiative als politisches Programm. Fortsetzung der normalen Forschungsförderung oder Paradigmenwechsel. *die hochschule*, 17(1).
- Salmi, J. (2011). *Establishing world-class universities*. Keynote speech presented at the International Higher Education Congress: New trends and Issues on 27 May 2011 in Istanbul, Turkey.
- Teichler, U. (2007, December). *Exzellenz und Differenzierung: Auf der Suche nach einer neuen Systemlogik*. Paper presented at the conference “Exzellente Wissenschaft im 21. Jahrhundert oder Harvard weltweit in fünf Jahren?”, Berlin, Germany.

- Teichler, U. (2009a). Between over-diversification and over-homogenization: Five decades of search for a creative fabric of higher education. In B. M. Kehm & B. Stensaker (Eds.), *University rankings, diversity, and the new landscape of higher education* (pp. 155–181). Rotterdam/Taipei: Sense.
- Teichler, U. (2009b, April 22). *Innovation in higher education in Germany and the academic profession in comparative perspective*. Presentation at the innovation forum of the German Federal Ministry of Education and Research and the Korean Ministry of Education, Science and Technology, Berlin. Unpublished manuscript.
- Zechlin, L. (2006). Im Zeitalter des Wettbewerbs angekommen. *Forschung & Lehre*, 8, 446–448.
- Zürn, M. (2007, November 23–24). *Legitimität, Transparenz, Partizipation. Zur Praxis des Begutachtens*. Paper presented at the conference making excellence. Grundlagen, Praxis und Konsequenzen der ‘Exzellenzinitiative’, Institute of Higher Education Research Halle-Wittenberg. Wittenberg: HoF.
- Zürn, M. (2010). Ein Rückblick auf die erste Exzellenzinitiative – Es geht noch besser! In S. Leibfried (Ed.), *Die Exzellenzinitiative. Zwischenbilanz und Perspektiven* (pp. 219–229). Frankfurt a. M./New York: Campus.