

**MAJOR DEBATES ON THE TRANSPARENCY IN GERMAN UNIVERSITIES
AND RESEARCH INSTITUTIONS. FUNDING STRUCTURES
AND LABOUR CONDITIONS OF MID-LEVEL ACADEMIC STAFF**

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ABSTRACT

This article discusses the latest developments and most relevant facts with an impact on the transparency in German universities and research institutions. The context in which universities and research institutions have to adapt to and prove efficiency has profoundly evolved during the last decades. The funding of research and academia in Germany increasingly depends on donors and profitable third-party funded research projects. As a consequence, there is more and more academic staff at universities' departments and research institutions working mainly in third-party funded projects under fixed-term employment contracts. This may not just have important implications for the final purpose of research and academia, but as well on core elements of the transparency in universities' and research institutions' governance, management and funding.

RESUMEN

El presente artículo analiza los hechos más relevantes y últimos acontecimientos con un impacto sobre la transparencia en universidades y centros de investigación en Alemania. El contexto en el que las universidades y los centros de investigación deben adaptarse y demostrar eficiencia económica ha evolucionado profundamente durante las últimas décadas. La financiación de la investigación en Alemania depende en cada vez mayor medida de donaciones y proyectos de investigación financiados por terceras partes que sean rentables. Como consecuencia, cada vez hay más personal académico en los departamentos de las universidades y centros de investigación con contratos de trabajo de duración determinada que trabajan principalmente en proyectos financiados por terceras partes. Esto no solo podría tener importantes implicaciones para el propósito final de la investigación y la academia, sino también para la transparencia en el gobierno, gestión y financiación de universidades y centros de investigación.

**1. THE DEBATE ABOUT THE MEANING AND FINAL PURPOSE OF UNIVERSITIES
AND RESEARCH INSTITUTIONS IN GERMANY**

For many decades, there has been an ongoing discussion among academics about important deviations in the meaning and purpose of universities and research institutions. Several scholars argue that the so-called "economization" of research and academia has led to a certain distortion of their core values and final purpose. The economization in research institutions and

universities implied a reorientation from educational to entrepreneurial strategies in the frame of the New Public Management, a management system put into the practice in the public administration of numerous European states since the early 1980ies. The defenders of this theory state that the final purpose of universities has shifted from educational goals to a mix between those and profit maximization, for the reason that universities are increasingly accountable for a sustainable economic performance (see Münch 2011, Pasternack 2002).

The fact is that the context in which research and academia have to adapt to and prove efficiency has profoundly evolved during the last decades. The funding of research and academia in Germany increasingly depends on donors and profitable third-party funded research projects. As a consequence, there is more and more academic staff at universities' departments and research institutions working mainly in third-party funded projects under fixed-term employment contracts.

In the present contribution, the focus lies concretely on the difficult labour conditions mid-level academic staff¹ has to face to and on the funding structures in universities and research institutions which gradually become more dependent on third-party funds. These phenomena may not just have important implications for the final purpose of research and academia, but as well on core elements of the transparency in universities' and research institutions' governance, management and funding.

2. ABOVE AVERAGE TEMPORARY EMPLOYMENT FOR MID-LEVEL ACADEMIC STAFF: CAUSES AND CONSEQUENCES

The employment situation and the labour conditions of mid-level academic staff at German universities and research institutions have been subject to heated discussions in recent years. This can be traced back to the fact that the mid-level academic staff in Germany is mainly hired under fixed-term employment contracts. At the beginning of 2018, around 8% of all employees in Germany (excluding intern and trainees) had a fixed-term contract (Hohendanner et al. 2018). In comparison to other sectors of the German economy, the level of fixed-term contracts of the mid-level academic staff is vastly higher: the share of fixed-term employment contracts in the higher education sector is currently 87% and it has remained almost constant over the last decade (BUWIN 2016).

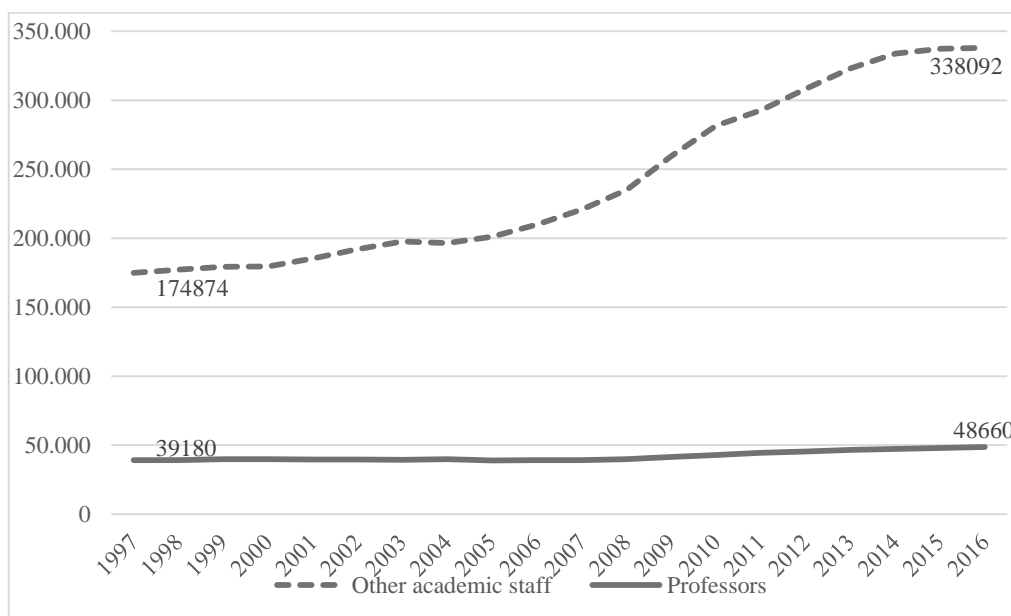
It is well known that according to certain political and economic perspectives, fixed-term employment contracts should enable flexibility employers in order to adapt their staff to short-term needs and thus enable employers to undertake fewer risks when hiring. It is also evident that hiring policies based on temporary employment generate an asymmetric situation between employers and employees. While fixed-term contracts may be useful for employers, those make employees undertake the risk of unemployment at the end of the contract. As a result, employees have to face several difficulties for example regarding their family planning and this risk of unemployment leads in many cases to health problems. Studies addressing this issue in the university and research sector actually conclude these phenomena (see Lesener/Gusy 2017; Seipel et. al 2015). A very similar debate can be found in the university and research sector where defenders of fixed-term contracts state that institutions can achieve more economic flexibility thanks to temporary employment and that it may ease the access of young generations to the university and research sector (see Hohendanner 2016).

However, even if there is an intergenerational rotation of academic staff in German universities, this sector is principally characterized by an exponential employment growth. The following figure shows that the academic staff in German universities (except for professors) has

1 The mid-level academic staff comprehends employees specialized in academic disciplines who are hired at universities, i.e. lecturers, academic advisors and scientific staff working at third-party funded projects.

almost doubled between 1997 and 2016. Figure 1 also shows that the gap between professorships and mid-level academic staff has increased continuously over the last two decades. The ratio of professors vs. other academic staff was 1:4 in 1997 and in 2016 it was approximately 1:7. In other words, the number of professors has remained nearly constant over the last two decades, while the number of other academic staff has almost doubled.

Figure 1: Number of professors and other academic staff at German universities (1997 – 2016)



Source: German Federal Statistical Office (2018).

This increasing gap also makes visible that the career opportunities in universities are becoming increasingly harder. Statistics show that there are four qualified candidates (holder of a habilitation) for every professorship. It is therefore evident that labour market offer in this segment is particularly scarce and this careers in academia extremely risky (GWK 2016). In addition, and this concerns a debate on transparency that has been going on for years, the allocation of professorships usually results from non-transparent mechanisms. Applicants have no access to information about of the criteria according to which universities award professorships (see Konsortium Bundesbericht Wissenschaftlicher Nachwuchs 2017; Dohmer/Wrobel 2018). In Germany, certain committees are responsible for the appointments.

Since there is a lack of transparency regarding the decision-making process applicants are subject (see Konsortium Bundesbericht Wissenschaftlicher Nachwuchs 2017), the possibility of personal conflicts of interests cannot be ruled out. This lack of transparency is very frustrating for the applicants and it not only concerns the highly qualified applicants for professorships but every person who decided to start a career in the research sector or academia. The discussion concerning the lack of transparency in academic careers is present across the whole political spectrum in German. However, and despite numerous claims from the civil society and unions, less has been achieved in the last years (see Hans-Böckler-Stiftung 2014, Verdi 2009, GEW 2018).

Apart from the lack of transparency regarding the challenges when a planning a career in the research sector or academia, the most debated aspect of the labour conditions of mid-level academics is the temporary employment, as stated at the beginning of the chapter. In order to reach a deeper understanding about the causes of the temporary employment in German universities and research institutions and its consequences in terms of transparency, the following two

topics will be enlightened: the latest policy actions tackling temporary employment and the legal basis which permits an increasing share of fixed-term contracts among mid-level academic staff.

2.1. Policy actions tackling temporary employment in the German labour market – the university and research sector remain unaffected

In February 2018, the coalition partners of the new German government agreed on a restriction of fixed-term employment contracts in the labour legislation. It was argued that a compromise between the flexibility needs of employers and the security of employees should be considered in the labour legislation. Coming legislation will insofar shorten the number of years in which employees can work under a fixed-term contract: first, the maximum period in which employees can work under fixed-term contracts will be reduced up to 18 months, and secondly, the maximum period in which employees can work under fixed-term contracts because of “substantive reasons”, e.g. temporary projects or parental leave, will be reduced to five years. This reform of the labour legislation (*Teilzeit- und Befristungsgesetz – TzBfG*) will be the most significant intervention addressing the temporary employment since 1985 (Hohendanner et al. 2018).

However, and this is one of the most significant facts to be underlined in this article, this reform included in the coalition agreement of the new German government does not apply to academic staff in universities and research institutions, since the labour conditions of academic staff are established in an additional piece of legislation: the Act of Academic Fixed-Term Contract (in German: *Wissenschaftszeitgesetz*). Considering the coalition agreement, it is obvious that the government does not intend to take policy actions on the temporary employment of academic staff enabled by the Act of Academic Fixed-Term Contract. According to the coalition agreement, this Act will just be evaluated by 2020 and, therefore, experts do not expect that the legislator will undergo any amendment in the present legislative period (Konsortium Bundesbericht Wissenschaftlicher Nachwuchs 2017).

2.2. The German legal basis promoting temporary employment in academic and research institutions

As we discussed in the chapter above, the fact that temporary employment is particularly spread among mid-level academics in comparison to the rest of the German labour market has definitely one cause in the German legislation. The Act of the Academic Fixed-Term Contract from 2007 (in German: *Wissenschaftszeitgesetz*) constitutes a special regulation for academic staff in universities and research institutions. Its limitation on fixed-term contracts is less restrictive than the TzBfG, the law mentioned in the previous chapter which regulates the possibilities and maximum periods of fixed-term contracts in the German labour market. According to the Academic Fixed-Term Contract, employees may work in universities for up to 12 years (6 years before and 6 years after the doctorate). The researcher must complete a doctorate within the first 6 years, otherwise, the employment contract may not be prolonged. The six years following the doctorate, the so-called post-doctoral phase, researchers sharpen the thematic focus of their work gradually in order to achieve a professorship. The usual practice along this process is based on short-term contracts, usually for one year. There are signed successively one after the other. Along with this process, academic staff faces both uncertainties regarding their next immediate contract and uncertainly regarding their career (Hohendanner 2016).

2.3. Contradictions in the higher education policies and the pressure of influential research associations

Analysing the political practices and the legislation displayed above, it is easy to observe great contradictions: While the federal government tackles temporary employment in the labour market, it has actively promoted the temporary employment in research and academia by legis-

lating special labour conditions in this sector and by investing millions of euros which were used to hire with fixed-term contracts, especially since 2006.

The public sector of the German federal states provides funding for universities and some selected research institutions since federal states represent the responsible the public administration instances for education policies and administration. Even though the central government is not accountable for universities in federal states, it is indirectly involved in research and academia through special programmes (e.g. the Higher Education Pact or the Excellence Initiative) or through the funding of individual research projects. In 2006, the competences in the education of the federal states and the federal government were last regulated, enabling the federal government to co-finance universities, however, this applies only to disciplines, topics and projects of interregional importance, and the federal states must permit the federal government's participation (Ambrosy 2014).

In 2015, the former Minister of Education and Research Johanna Wanka was the target of sharp critics. It was argued in the media and the public debate that she succumbed to the pressures of influential academic and political actors in the fields of research and academia which pleaded for a deterioration of the temporary employment for mid-level academics (Frankfurter Allgemeine 2018). At that time, the federal Government had plans to amend the Act of the Academic Fixed-Term Contract in order to curb the temporary employment in research and academia. The Alliance of Science Organisations in Germany (in German: Allianz der Wissenschaftsorganisationen), one of the most influential associations in the research field in Germany, opposed to these plans in a public letter to former Minister of Education and Research Johanna Wanka. As a part of the Alliance, the German Council of Science and Humanities (Wissenschaftsrat, WR), an influential political advisory committee appointed by politicians from the central government and the federal state governments, pleaded for a "science-friendly" reform by demanding more temporary employment not just for the academic staff except form professors, but also for the administration staff.

The letter also claimed for more decision power for professors and for the abolition of qualification agreements which enable doctoral candidates to use part of their working time in their own qualification. The intervention of Alliance of Science Organisations in Germany was effective. A large part of the former government including former Minister of Education and Research Johanna Wanka started to negotiate on the reform defending the measures proposed by the Alliance. After great critics by unions and some political parties those proposals were not part of the amendment of the Act of the Academic Fixed-Term Contract in 2016, which did not include any major variation on the essence of the Act, but rather some advantages for the reconciliation of family and longer minimum periods of fixed-term employment contracts for academic staff with disabilities.

3. FUNDING STRUCTURES OF UNIVERSITIES AND RESEARCH INSTITUTIONS: GRADUAL TRANSITION FROM BASIC STATE FUNDS TO THIRD-PARTY FUNDS

This chapter addresses the second key factor discussed in the present contribution which determines the transparency of universities and research institutions: these are gradually becoming more dependent on external funding, i.e. external donations and projects funded by state agencies or international companies in which the research is meant to shed light on questions which could be demanded by the contractors.

The number of third-party funded research projects in German universities has increased significantly in recent years. A recent study of the German Association of University Professors and Lecturers (Deutscher Hochschulverband, DHV) sheds lights on the evolution of the funding

structures in public universities between 1995 and 2015 (Dohmen/Wrobel 2018): Third-party funding is the second major pillar of the funding structure of German universities and it has increased from € 1.9 billion in 1995 to € 6.9 billion in 2015, i.e. the total growth of third-party funding was 263%. Third-party funding coming from public bodies rose from € 595 million in 1995 to € 1.9 billion in 2015 showing thus a growth rate of 220%. The difference between private and public external funding is largely due to the two semi-public financiers, the EU and the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG), a self-governing organisation for science and research in Germany which receives the large majority of its funds from the federal government and the states.

The orders of magnitude between private and public funding would be roughly reversed if the DFG and the EU were counted as public financiers. The amount and the growth in third-party revenues of private financiers, is significantly higher with a starting amount of € 1.3 billion in 1995, an increase of 102% in the first decade and 90% in the second decade. As a result, universities received nearly € 5.0 billion from private financiers in 2015, which means that it almost quadrupled between 1995 and 2015 with a growth rate of 284% - the greatest growth rate among those previously shown.

This development can be attributed to political decisions. In Germany, the financing of education and thus also of universities is principally part of the individual federal states' competences. As discussed in the previous chapter, since 2006 the federal government is able to co-finance universities under certain restrictions. The subsequent funding from the federal government has been limited to temporary programmes with limited durations and complex tendering procedures. This sort of financing has an impact on the scientific staff since employment contracts signed under these programmes and projects are fixed-term ones. It has thus led to an increasing number of academic staff employed under fixed-term contracts at universities. The following table shows the percentage of the academic staff of universities under permanent and fixed-term contracts according to the position's financial source. Currently, the proportion of scientific staff positions financed by third-party funds rose from 33% to 41% between 2000 and 2014 (BUWIN 2017, Statistisches Bundesamt 2016).

	2000		2005		2010		2014	
	Basic fund	Third-party funds	Basic fund	Third-party funds	Basic fund	Third-party funds	Basic fund	Third-party funds
Fixed-term contract	37	6	32	10	25	2	25	2
Permanent contract	63	94	68	90	75	98	75	98
Total	100	100	100	100	100	100	100	100

Source: German Federal Statistical Office (2016).

4. WHAT CONSEQUENCES DO HAVE THE LABOUR CONDITIONS AND FUNDING STRUCTURES IN RESEARCH AND ACADEMIA? MANY QUESTIONS AND FEW ANSWERS

In the present contribution, we discussed two issues of concern in universities and research institutions. First, the temporary employment and opaque career opportunities in academia and research, and secondly, the subsequent dependency on third-party funding. Facts and figures show that both problems have been gradually aggravated over the last decades.

From a political perspective, the policies of the federal government are unmistakably contradictory. While the government tackles temporary employment in the labour market, it has actively promoted the temporary employment in research and academia by legislating special labour conditions in this sector and by investing millions of euros which were used to hire with

fixed-term contracts, especially since 2006. Moreover, there are no policies or political commitment addressing these practices in sight. This may be a result of the lobbying of influential research and academic organizations that firmly reject changes in the legislation in favour of academic staff. By demanding temporary employment for the sake of flexibility and dynamic in research, these organizations, such as the German Rectors' Conference and the Alliance of Research Institutions, seem to have undertaken the old role of employers' associations. This can, in fact, be interpreted as a symptom of the economization in universities and research institutions, situated nowadays at the interface between entrepreneurs and education and knowledge centres.

Given this situation, a number of questions arise: Can we state that universities and research institutions depend on third-party funding? Has third-party funding any effect on the selection of research topics? Is the amount or acquisition of third-party funding considered as a benchmark to evaluate academic and scientific performance? May potential third-party funding influence the decisions on the allocation of the resources? Are the donation and third-party funding enough transparent?

The gradual transition from basic financing by the federal states to third-party financing may lead to a dependency of universities and research institutions on other private or public organisations and this could end up to some extent in a client-oriented performance among of staff, thus compromising the meaning of independent research. Since academic staff often has to work independently on new contracts in order to obtain their next employment contract, the contracts of academic staff may not depend on the quality of their work and their research skills, but rather on their ability to gain new third-party research projects. In addition, the dependency on third-party funding may compromise the quality of the research, if the academic staff has to employ a big part of their working time in complex bureaucratic applications for third-party research projects.

It is definitely difficult to give an answer to these questions posed above. However, it is possible to see the connection between the increasing share of third-party funds within the funding structures of universities and research institutions and some of the labour conditions and career opportunities for mid-level academics discussed in this contribution.

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