

Private Higher Education in a Dominantly Public Sector: The Case of Germany

Abstract

This article presents the role of private higher education in Germany. It includes some statistics about the size of the sector compared to the public sector, discusses motives for establishing and running a private higher education institution, and focusses on the public debates and perceptions about the private sector.

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In Germany, all education, including higher education, is considered a public good and is therefore free: There are no tuition fees in the public sector. The system is devolved and the 16 German states have overall responsibility for all public educational institutions located on their territory. Germany is well known for having a state-funded and dominantly binary system of higher education, consisting of mainly two institutional types, universities and universities of applied sciences.

There is a private sector of higher education institutions as well. The state is present in the private sector insofar as these institutions have to obtain approval from the relevant German state to be established and they have to seek state recognition if they want to award academic degrees (bachelor, master, doctoral degrees). To achieve state recognition, private higher education institutions need an institutional accreditation awarded by the Science Council (an important buffer and advisory body in the field of higher education planning, funding, and policy) and an accreditation of their study programs awarded by accreditation agencies.

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Motives for Establishing a Private Institution

The majority of private institutions are considered to be too small, too specialized, and often too mediocre to merit much public attention. Thus, the sector does not really present a competition or a threat to the public sector, and public debates about private higher education in Germany are rather low key.

Nonstate actors play a major role in the private higher education sector. In her 2006 study on the reasons and motives to establish a private higher education institution, Sperlich distinguishes between six groups of actors: private individuals, companies, foundations, associations, the Church, and cities. All of these actors have founded and are running private higher education institutions for a variety of reasons.

Sperlich points out that there are three factors that play a role in basically all foundations of private higher education institutions: shortages in the supply of study places in the public higher education sector; deficits resulting from a capacity overload in the public sector; and a somewhat changed perception of education as a purely public good. Furthermore, she distinguishes between four key motives for establishing a private higher education institution:

- ▶ The need of certain sectors in the economy for higher education graduates with particular, branch-specific qualifications (e.g., banks, telecommunication).
- ▶ The wish for a better image and an increase of prestige, as well as opportunities to influence political and societal decisions. This motive can be found among cities and individuals as founders of private higher education institutions.
- ▶ Economic reasons, which can either take the form of gaining a profit or writing off profits to save taxes or complementing a particular company portfolio (for example, a publishing company).
- ▶ The intention to improve the existing higher education system by declaring the private institution to be a model with better prospects to overcome existing problems in the public sector, better opportunities to implement reforms, or by developing a particular educational profile due to the fact that a private institution has more freedom to shape its own structures and approaches and is less burdened by bureaucracy.