Speech by Dorothee Dzwonnek, General Secretary of the DFG, on the occasion of a visit at the DFG New York office, 26th August 2013

“Where will the money go? The future of German research and its funding”

Ladies and gentlemen,
Dear colleagues and friends of DFG,

I extend my warm welcome to you in our DFG office in New York! It is a great pleasure to be here today. This is an occasion that is long overdue and which I have really been looking forward to. (And even though it is my first time here in the New York office, I do recognize quite a few familiar faces.) I had the wonderful opportunity to visit the German House today and I really enjoyed your hospitality here.

I would like to share with you a few thoughts on the significance and purpose of research funding, in particular the specific role of the universities in recent discussions in Germany. These discussions have raised some important questions concerning a fundamental reconfiguration in the distribution of functions and financial resources among the political parties and research institutions in Germany. It is the perfect time to reflect on these matters.

First let me give you a brief answer to a simple question: Money should, of course, go to the best research projects. If only it was that easy. But not only should we be wondering what the money will be spent on in the future, but also – and to be honest, I am a bit concerned about this – we should be thinking about where the money is coming from and, most importantly, where it will be coming from in the future, because after all: Money does not grow on trees. According to the German Ministry of Research and Education, the budget for 2014 to 2016 will consistently be 14.3 billion Euros per year. Obviously, the funding budget seems to have reached a turning point: It is already less than in 2013 (14.5 billion) and it is likely that there will be changes in funding priorities as well.

Allow me to briefly look back:
The German research landscape was marked by three major programs, the so called “pacts”, launched by the federal and the state governments (Bund und Länder) over the past years. First, a relatively robust economy has allowed the government to increase funding for the country’s major non-university research organizations – among them the DFG – by five percent per year since 2011 through the “Pact for Research and Innovation”.

Many university-based scientists, however, see little of this budget because the constitution prohibits the federal government from funding universities directly (Kooperationsverbot). One of the most discussed
issues by all German political parties concerns precisely this question of whether the constitution should be changed here. There is currently a great consensus to enable “cooperation” by financing universities with “governmental” money – under certain conditions. (Politicians are considering whether primary and secondary education (Bildung) should be financed in a similar manner). Furthermore, the “Higher Education Pact” invested billions of Euros into university research by funding the growing number of students.

And finally, the surely familiar agreement concerning the “Excellence Initiative” also supports university research and has helped propel German universities into the international spotlight. I will come back to add some thoughts on the Excellence Initiative shortly.

All three programs are, however, programs of limited duration: what they regulate, and the way in which they do so – these are questions that are going to require new answers. This means that we need to start thinking about how to ensure Germany’s competitiveness and the high quality of research in the future once these programs have expired. And there are more questions open to discussion: the relationship between research and teaching, teaching capacities and quality, the organization of research and research funding, just to name some of the most discussed subjects. New ideas concerning the financial distribution ratio for non-university organizations, new sources of money for research (for example through value added tax) as well as new forms of cooperation between the federal, state and local government are warmly welcomed.

Answers to questions such as these will be determined to no small extent by the intrinsic logic of the debt crisis (Schuldenkrise) and the upcoming federal election on September 22, the outcome of which will decide who determines the contours of these issues in the next legislative period.

By now, most of the research organizations have published statements concerning this matter. The DFG as Europe’s largest self-governing research funding body has of course considerable weight to bring to bear on these discussions. In recent months, we have offered varying views of how the system should be changed – and what should remain in place. You can find our position paper on the “Future of the German Research System” on our website.

As you might know, in Germany, it is the Länder that oversee educational matters. Many state budgets have – for various reasons – not been generous to research, so university-based researchers have become increasingly dependent on grant-based funding, particularly by the DFG. “The basic funding for the universities is eroding”, DFG president Peter Strohschneider pointed out, and I couldn’t agree more. As a matter of fact, the university’s lack in financing basic facilities is the key problem.

Therefore, the DFG is also engaging – along with its partners in the “Alliance of Science Organisations”, a coalition of the most important German research organizations – in a very intense and nuanced debate about these issues. We all share one idea outlined in a recently published paper (“Paket der Pakte – Weiterentwicklung des deutschen Wissenschaftssystems”), namely that funding for universities has to be increased.

Another statement has also drawn some attention lately. As you might know, the German Council of Science and Humanities (WR) recently set out its perspective on the future of the German scientific system (on July 15). The Council is guided by the belief that scientific institutions need to strengthen their
profile, that they need to be driven by competition and that they should collaborate in a variety of ways from the local to the transnational level. Most important, the Council puts the reason why funding has to be increased quite succinctly: “Universities are in fact the core of the research system”.

Allow me to emphasize that this is a statement of great significance, and the DFG’s position paper fleshes this point out: The university is the most important institution serving our society. It promotes education and learning, concrete problem-solving skills and fundamental, theoretical approaches to understanding the world. This applies to all branches of the natural sciences and the humanities, and it applies at all levels: from undergraduate studies to cutting-edge research.

These are the distinctive features that differentiate universities from other institutions in the academic system. They are what make non-university research institutions, scientific collections or institutions for strategic research all dependent on specific contributions from universities.

For this highly pragmatic reason I absolutely agree that universities are the heart of the academic system.

Their potential contribution is functionally constitutive of the academic system’s effective overall performance. To be sure, each of these partners makes an important and unique contribution to the scientific landscape; we have an intricate arrangement of universities, non-university research institutions and research-funding bodies, but universities are the most important partners via research and education. Therefore, they are situated at the core of this arrangement.

In my opinion, this must be taken into consideration when discussing the further political, financial and legal development of the academic system. Our position paper therefore underlines the urgent need to maintain a balance: a balance between the different functions and qualitative levels of research activity, but also an institutional balance between universities and non-university research organizations.

Research funding, ladies and gentlemen, is a highly differentiated, pluralistic and decentralized entity, both in its content and in its organizational forms.

Our vision, in a nutshell:
The DFG calls for better core support for universities and for the differentiation between research organizations.

Having said that, how would we shape future agreements in research between Bund und Länder?

The DFG calls for a dynamic development triggered by the three previously mentioned programs to be continued and enhanced, but in a new form. Instead of three joint initiatives with different objectives and durations, we are proposing a "framework agreement on cooperative research funding" between the federal government and the Länder.

The Council agrees and is urging the heads of Bund and Länder to agree as swiftly as possible on a “future pact” by strengthening higher institutions through a reliable increase in their basic funding, which would continue through 2025.

From the DFG’s point of view, this new “pact” would allow funding streams and the different research functions to be better coordinated, in terms of both content and timing.
As part of this, the program allowance for indirect project costs (Programmpauschale) financed by the federal government should be transferred to the regular DFG funding budget, continued and, where possible, increased. There is a great consensus among the political parties that the overhead costs do not meet the universities’ actually incurred expenses (overhead expenses recently requested by the political parties are running anywhere from 40% to 100% of the approved funding, a far cry from the 20% universities currently receive).

The scientific system has impressively demonstrated its capability for development. The Excellence Initiative in particular created a sense of optimism. Therefore, allow me now to briefly summarize a few of its main points, there is no need for me to talk about it at length.

The Excellence Initiative has been running effectively for many years now, and much has already been written about it: by spurring competition and differentiation, it has triggered one of the most significant shifts in decades and clearly raised the profiles of German universities. This fact was noted in the feedback from the international reviewers who dedicated much time and expertise to the evaluation stage.

To those of you here today who contributed as reviewers, I would like to take this opportunity to welcome you warmly and to express my thanks once again for your hard work on our behalf!

The government has allocated thirty percent more resources for this round – 2.7 billion Euros, or 3.6 billion US-Dollars for funding 45 Graduate Schools, 43 Clusters of Excellence and 11 institutional strategies to promote top-level research. All in all, the first phase already resulted in more than 6000 new research positions, including 330 professorships and 700 positions for postdocs. Almost a quarter of those recruited for these positions came from abroad and, of course, further jobs and opportunities for collaboration will be created. I am confident that this international presence will continue to have a very positive impact on the German academic culture and we look forward to welcoming more of you, more outstanding scholars from around the world onto our campuses.

It is now with great anticipation that we are observing the launch of the successful projects in the most recent phase of the competition, but all of this brings us to the question of what will happen when this second round comes to an end in 2017.

The continuation of the Excellence Initiative offers great opportunities; this much is certain. And we, the research and funding bodies as well as government policymakers, are thinking ahead, as well we should be. For reasons of fairness, and in keeping with those institutions awarded funding during the first round of the competition, new recipients should be given the opportunity for a second funding period to create the necessary medium to long-term structures.

One way to secure these funds is clear from our perspective: Ideally, Graduate Schools and Clusters of Excellence should be permanently transferred into the DFG’s funding portfolio. Continuing these two lines of funding would enable us to further extend the map of research excellence; that is one reason why German science needs additional funding, and this is a significant point of agreement between the DFG and the Council.

Furthermore, the Council proposes two new additional funding mechanisms to support top research at a broad spectrum of schools: establishing Merian professorships with 1 Million Euros per year to each of the 250 leading academics; and setting up roughly 40 Liebig Centers to boost key research areas. Council
Chair Wolfgang Marquardt estimates that the recommendations are also affordable, if Germany takes the goal of spending 3.5% of its gross domestic product on research and development seriously. We shall see.

But even beyond the Excellence Initiative, there is a need in all research areas for larger, purely quality-oriented, research-led, thematically open research clusters that require substantial resources. It goes without saying that the creation of a lively research landscape depends on the ability of individual researchers to operate within the available frameworks. Therefore, the DFG has been working to improve academic life in many other ways: The promotion of individual projects (Einzelförderung) remains – with 34 percent of the yearly budget – the core of DFG funding. Just in the past year, to give you an idea, the DFG funded about 31,000 research projects across all programs with a budget of over 2.52 billion Euros. Of these, around 15,000 projects were in the individual grants program, for which funding of nearly one billion Euros was approved.

I would like to mention another focus for the DFG both now and in the future: we will – of course – continue to place particular weight on nurturing young researchers with programs providing appropriate support at every phase of their qualification from graduate students through the postdoctoral phase, all the way to the stage at which an individual researcher is prepared to take up a professorial chair.

To date, the DFG has been the leading supporter of graduate education in Germany, funding roughly about 25,000 PhD students at the moment. We are especially committed to the early independence of young researchers. For example, with an annual budget of about 150 million Euros, the DFG is currently funding some 220 Research Training Groups in all academic fields (including about 60 International Research Training Groups, which cooperate with institutions in 23 different countries). You also might know about our highly prestigious Emmy-Noether and Heisenberg scholarship programs: In 2012, we funded 58 out of 256 proposals in the Emmy Noether program and 47 out of 109 proposals within the Heisenberg program. Regarding our temporary positions for principal investigators (Eigene Stelle) 324 out of 1255 proposals were funded.

Placing particular weight on young researchers also means supporting their future professional careers. In fact, in recent years there has been a growing awareness in Germany that the quality of the young scholars demands a new look at the career structures that have traditionally dominated German universities, another big issue. The degree to which German consciousness is influenced by the American system in this respect is clear, for example, in the way that we are now discussing the “tenure track” question in Germany – using the North American term. It is now a common sight to see “tenure track” positions advertised at universities. This is one sign of the forward-thinking approach to the situation confronted by Germany’s excellent next generation of researchers, and also stands as a signal of the increasingly international approach to a research career in Germany.

I would like to add, moreover, that alongside its scholarship programs, the DFG’s approach to career development is also dedicated to setting standards for gender equality and raising awareness of the need to accommodate family life for young scholars. We need to make sure that this become the norm rather than the exception in the years to come.

And finally, I would like to draw your attention to one further area in which the DFG has set some of the highest international standards. Safeguarding good scientific practice has recently been highlighted, since cases of scientific misconduct have been widely discussed in the German public. The DFG stands for the
implementation of quality in research and therefore of efficient guidelines. Thus, universities (and other research institutes) wishing to apply for DFG funding must establish rules at their institutions in accordance with our recommendations. Within the last year, we revised our guidelines concerning the existing mechanisms of professional self-regulation in science, added ways to deal with whistleblowers and underlined preventative measures. For example, we urge universities to provide young doctoral researchers with attentive and nurturing mentors.

From my point of view, there is an urgent need to raise awareness among the Länder, the universities as well as the next generation of researchers about these issues.

What is the DFG`s role in the future?
Our chief task will remain to promote excellent, discovery-driven, fundamental research by selecting the best research proposals at German universities on a competitive basis in all sizes and structures in a response mode – both with direct funding of proposals and also with its own strategic initiatives to support certain areas of research. The DFG thus will maintain its strong integrative force in the German research system.

I would, of course, not want to miss the opportunity to extend my thanks to our colleagues here in the New York and Washington D.C. offices for setting up this meeting. These two offices in North America – the US is the only country other than Germany itself in which we run two offices – are not simply outposts of the DFG. Rather, they play a central role in our work at home as well as abroad; work here has a direct impact on the developments in German academia as a whole and our colleagues are an important source of information to academics and research managers back in Germany.

And sometimes we even get the chance to actually meet our colleagues from these two US-offices in Bonn! Eva-Maria Streier and Max Vögler, I am very happy to see you here and it looks like North America has been treating you well.

I look forward to your insights and visions this afternoon and to a fruitful exchange with all of you. There certainly is no lack of material for discussion and I expect this congenial atmosphere will encourage a lively exchange.

Thank you very much!