Bologna-style degrees in the labour market – the impact of qualification and curriculum reform in German higher education (0239)

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## Background

The reforms initiated in the aftermath of the signing of the Bologna Declaration in 1999 have fundamentally changed the degree structure of German higher education and the connection between higher education and the economic system (Staufenbiel 2010). The most tangible change in the German higher education landscape in the aftermath of the Bologna Declaration has been the introduction of Bachelor degrees as a new type of first degree. Bologna-style Bachelor degrees aim at providing students with an employment relevant first degree after three years. This represents a major shift in the German higher education landscape, traditionally geared towards first degrees that take a minimum of four to five years to complete. Since 2000, the number of Bachelor degrees offered by all types of higher education institutions has steadily increased. A majority of new higher education students in Germany enrolled in Bologna-style Bachelor degrees for the first time in 2007. Conversely, the proportion of students starting their higher education studies in one of the traditional degree programmes, concluding with the degree of Diploma or Magister or with a State Exam has decreased. Inevitably, and with a certain time lag, this shift has also resulted in a growing proportion of students who graduate with a Bachelor degree (Statistisches Bundesamt 2014).

As argued elsewhere (Author 2013), these changes have had implications for the binary institutional set-up of German higher education, comprising of universities and polytechnic *Fachhochschulen*. Since the 1970s, *Fachhochschulen* have had the role of providing shorter, more practically-oriented qualifications, aimed at the particular skills needs of local and regional employers. The degrees offered by *Fachhochschulen* have been more directly linked to careers in the private sector, for many subjects resulting in the smoother transition of graduates to the labour market, but this was usually associated with lower entry level salaries than for university graduates (Fabian and Briedis 2009, Rehn *et al.* 2011).

Against this background this contribution asks how employers view the post-Bologna changes and whether the introduction of new Bachelor degrees has changed labour market transition patters.

# Approach

Since it is only relatively recently that substantial numbers of students have graduated with the new Bologna-style degrees, it is only now that sufficient data on the transition of these graduates into the labour market are available. This contribution re-analyses and synthesises a number of studies (Pankow 2008, Dettleff 2011, Rehn *et al.* 2011, Stifterverband 2011) to investigate to what extent the new Bachelor degrees are accepted by employers and enable graduates to transition successfully into the labour market.

## **Selected findings**

With regard to employers' long-standing criticism of German higher education that graduates are studying with insufficient reference to the needs of the world of work it is not as yet clear whether the Bologna reforms have brought about significant change. Lack of 'practical' knowledge and skills is still the main reason why some graduates are not taken on as permanent employees after an initial probationary period. Employers are, on the whole, supportive of the Bachelor programmes at *Fachhochschulen* and are willing to reward relevant skills and knowledge (Pankow 2008). Income data indicate that salaries for Bachelor graduates from *Fachhochschulen* are very similar to salaries of their university counterparts, closing the traditional salary gap between graduates from the two types of institutions.

The data available also show difficulties for Bachelor graduates from universities with respect to another important aspect of labour market transition: when compared with graduates from *Fachhochschulen* they are less likely to find permanent positions and to reach management positions within the first year of employment. As a result of this, their pay levels are comparatively low. Therefore, it can be argued that the introduction of Bologna-style degrees has reshaped the traditional patterns of labour market access for graduates in Germany.

As for the duration and success rates of higher education studies, there are indications that the introduction of Bachelor degrees has contributed to a decrease in drop-out rates (Heublein *et al.* 2008, 2010). Due to the shorter time students take to complete their first degree, and also changes to the curricular underpinning the degrees, students are on average significantly younger when they graduate: compared with graduates from traditional degree types, Bachelor graduates are 3.2 (universities) and 1.7 (*Fachhochschulen*) years younger (Dettleff 2011). Therefore, the Bologna process seems to have addressed the long standing criticisms levelled at higher education by employers with regard to there being too few graduates, and that graduates were too old when they completed their studies.

However, it is important to stress that in 2010 77 per cent of graduates from university Bachelor programmes and 54 per cent of graduates from *Fachhochschule* Bachelor programmes were enrolled in a Master's programme one year after graduation. In addition, nine per cent of university graduates and 12 per cent of *Fachhochschule* graduates planned to embark on a Master's programme in the future (Stifterverband 2011: 66). This is an important finding considering that the degree obtained after the first, threeyear cycle of studies is deemed to be the qualification that allows entry to the graduate labour market according to the Bologna Declaration.

#### Implications

The Bologna process has changed the patterns of transition of higher education graduates into the labour market and has addressed some of the long-standing demands of employers. The process has also changed the basis for competition between different types of higher education providers, with *Fachhochschulen* finding themselves in a more favourable position. Employers seem to reward the more practice-relevant education offered by these providers. It can be expected that the signals that this sends to the higher education market will have an impact on the decisions students make regarding the higher education institution they choose for their studies. Testing this assumption and tracking the impact of labour market signals on higher education participation patterns will require further study and investigation.

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