



## RATIONALE FOR EXTERNAL QUALITY ASSURANCE IN HIGHER EDUCATION: HISTORY AND CURRENT TRENDS

**Odilov Asliddin Akhmatjonovich**

*Lecturer at Turin Polytechnic University at Tashkent, Head of main department on quality assurance of State Inspectorate on Supervision of Quality in Education. Tashkent, Uzbekistan*

### Abstract

The paper investigates the historical roots of the rationale for external quality assurance and analyzes the features of modern external quality assurance. Although the quality assurance has originally emerged in industry as the need for the improvement of quality of goods, its has increased for education sector to ensure better educational services to the public. The massification of higher education and cost-cutting strategies in education have forced to introduce modern quality assurance system. In particular, Uzbekistan is also experiencing the similar challenges due to the rapid expansion of the access to higher education, increasing the autonomy of higher education institutions and decreasing the public funding of them. The author examines these challenges applying ‘information asymmetry’ and ‘principal-agent’ theories and develops the solid rationales for the modern external quality assurance that needs to be introduced in Uzbekistan to address challenges in higher education.

**Keywords:** higher education, increasing autonomy, educational institutions, indicators, social contracts, information asymmetry, principal-agent problem, market failures, accreditation, monitoring, autonomy-accountability, implementation of licencing, state approval.

### Абстракт

В статье исследуются исторические корни обоснования внешнего обеспечения качества и анализируются особенности современного внешнего обеспечения качества. Хотя обеспечение качества изначально возникло в промышленности как потребность в улучшении качества товаров, оно усилилось в секторе образования, чтобы обеспечить более качественные образовательные услуги для населения. Массовость высшего образования и стратегии сокращения затрат в образовании вынудили внедрить современную систему обеспечения качества. В частности, Узбекистан также сталкивается с аналогичными проблемами из-за быстрого расширения доступа к высшему образованию, увеличения автономии высших учебных заведений и сокращения их государственного финансирования. Автор исследует эти проблемы, применяя теории «информационной асимметрии» и «принципиала-агента», и разрабатывает веское обоснование современного внешнего обеспечения качества, которое необходимо внедрить в Узбекистане для решения проблем в высшем образовании.

**Ключевые слова:** высшее образование, повышение автономии, образовательные учреждения, индикаторы, социальный контракт, аккредитация, мониторинг, автономия-подотчетность, осуществление лицензирования, государственное одобрение.

### Аннотация

Мақолада таълим сифатини ташқи таъминлашнинг тарихий илдизлари ўрганилади ва замонавий таълим сифатини ташқи таъминлаш тизимининг хусусиятлари таҳлил қилинади. Сифатни таъминлаш дастлаб саноат соҳасида маҳсулотлар сифатини яхшилаш зарурати сифатида пайдо

бўлган бўлса-да, жамиятга сифатли таълим хизматларини кўрсатиш учун таълим соҳасида ҳам фаоллашди. Олий таълимнинг оммавийлашуви ва таълим харажатларни камайтириш сиёсати бизни замонавий таълим сифатни ташқи таъминлаш тизимини жорий этишга мажбур қилди. Хусусан, Ўзбекистон ҳам олий таълим олиш имкониятларининг жадал кенгайиши, олий таълим муассасаларининг мустақиллигини ошириш ва уларни давлат томонидан молиялаштиришнинг қисқариши туфайли шундай муаммоларга дуч келмоқда. Муаллиф ушбу масалаларни “ахборот асимметрияси” ва “мулкдор-агент” назарияларини қўллаган ҳолда ўрганади ва олий таълимдаги муаммоларни ҳал қилиш учун Ўзбекистонда жорий этилиши керак бўлган замонавий ташқи сифат таъминоти учун кучли асосларни ишлаб чиқади.

**Калит сўзлар:** олий таълим, мустақилликни ошириш, таълим муассасалари, кўрсаткичлар, ижтимоий шартнома, аккредитация, мониторинг, мустақил-ҳисобот, лицензияни амалга ошириш.

## **Introduction**

Quality Assurance has originally emerged in industry in the Western world in the 1950's [1;]. The need for the improvement of quality of products and services to survive and further grow in competitive markets has forced business to develop and implement sustainable quality assurance procedures and tools. Quality has remained the most significant feature of product or service that provide competitive advantage to the business provider through creating value about the goods and services.

The importance of Quality assurance (QA) has increased for non-business organizations in particular education sector to assure better public services and products. Modern External Quality Assurance (EQA) systems emerged since the 1980s when higher education system faced severe challenges:

- the move from elitist to mass higher education resulted in obvious quality problems in the provision of higher education since the 1970s;
- growing financial constraints since the 1970s, inducing cost-cutting strategies (aggravated by the transition to mass higher education).

At the same time, the paradigm of new public management occurred in most Western states, in which governments were giving more autonomy to the administrations of various organisations and agencies responsible for the management of parts of public affairs such as national health, transportation, energy and indeed higher education. Autonomy was one side of the coin and accountability was the other.

For higher education this meant that Higher education institution (HEI) gained more autonomy but had to accept new accountability obligations. Although this shift was in some countries accompanied with privatisation, the balance between more autonomy and the introduction of a comprehensive QA system is crucial, as well as the concept that a QA system would eventually end in better public services and products. Hence, QA procedures and systems are to be acknowledged as one of the various new management approaches in higher education systems.

## **Need for external quality assurance: what can we learn from economic theory**

Organisations that provide quality and value in the provision of their educational services are likely to grow and prosper. Such organisations gain benefits like stronger student and staff loyalty, lower vulnerability to economic changes, ability to command higher funding and more autonomy from the state in policy development.

Uzbek higher education system is experiencing a revolutionary change: rapid expansion of access to higher education, increasing autonomy of higher education institutions, strengthening the linkages between universities and labor market, increasing the relevance of HEI for human capital development and economic development, emerging competition in higher education services market. On the other hand, the less regulation of higher education institutions, provision of autonomy to higher educational institutions without building enough capacity, introduction of mechanisms of market economy in education and decreasing the state funding of universities have pushed universities to work in “survival mode”. As tuition fees constitute main source of income of Uzbek universities, higher education institutions have focused more on increasing enrollment of students beyond their capacity, thus sacrificing the quality of educational services. As a result, ‘market failures’ have occurred in higher education services market<sup>1</sup>. Economic models of behavior emerged in information economics can be used to describe the situation in higher education [2;]. These changes related to market failures are requiring to introduce strong modern EQA mechanisms in place due to the following reasons:

First, providers of higher education services have more information about the quality of their services than students or consumers of these services and most of the times providers are not interested in sharing this information. It is similar to ‘information asymmetry’ problem in economics. Since students have insufficient information, they can’t make efficient choices. This motivated the introduction of quality assurance policies directed at providing the public with accurate data on the quality of education. Governments of the USA, UK and Netherlands, pioneers of modern quality assurance, insisted on open publishing evaluation reports of the quality of universities to support students in selecting high quality university. Increased accountability has motivated HEIs to assure and improve the quality of education. In most cases universities are not eager to provide information themselves. For this reason, governments tend to establish quality assurance body acting on the behalf of consumers.

Second, the higher education institutions can be viewed as public agencies implementing government policies through following laws and regulations or as a contractor in the implicit contract between government<sup>2</sup> and university in which roles and responsibilities of each party are specified. The principal-agent theory<sup>3</sup> can be used to describe the government-university relationships. Numerous researchers have applied this theory in understanding the relation between government and higher education institution [3-8;]. Interactions of government with universities have been changed significantly in the last two decades due to the massification of higher education and limitations in the availability of public funds. In particular, universities

---

<sup>1</sup> Market failures refer to situations where markets do not always lead to efficient allocation of resources due to the existence of externalities or spillovers, asymmetry of information and concentration of market powers in selected hands. Underinvestment in R&D, information asymmetry in the quality of education services, monopoly in the provision of education services are examples of market failures.

<sup>2</sup> Government includes Ministry of Education and Science, Department or Council responsible for higher education, intermediary bodies such as funding and research agencies

<sup>3</sup> Principal-agent theory is used to describe the relation between two parties in which one party (principal) hires another party (agent) to perform some service on the behalf of the principal. In this contractual agreement, the central idea lies on the establishment incentive mechanism and information exchange arrangements such that agents will be motivated to do their best in the interests of the principal.

have been under pressure to be more *accountable*<sup>4</sup> in the use of taxpayers’ money and to do more work at a lower cost.

The economic, efficient and effective use of public resources have been attention of governments. Therefore, there is a need of a government to monitor the quality of higher education services and to get reliable information on the operation of higher education institutions. In this regard, the principal-agent theory has played important role in the development of performance indicators, performance-based social contracts, accreditation, monitoring, thus increasing efficiency of universities (agents).

### **Common rationales for external quality assurance**

Nowadays EQA systems have become a common feature of modern higher education systems. Although, Odilov (2020) demonstrate a certain diversity and no blueprints for the design of an EQA system exist, the rationale of EQA is characterized by some features that can be generalized [9-10;].

**First of all**, the paradigm of new public management occurred in most Western states, in which governments were giving more autonomy to the administrations of various organisations and agencies responsible for the management of parts of public affairs such as national health, transportation, energy and indeed higher education. Autonomy was one side of the coin and accountability was the other.

For higher education this meant that HEI gained more autonomy but had to accept new accountability obligations. Although this shift was in some countries accompanied with privatisation, the balance between more autonomy and the introduction of a comprehensive QA system is crucial, as well as the concept that a QA system would eventually end in better public services and products. Hence, QA procedures and systems are to be acknowledged as one of the various new management approaches in higher education systems.

In practice, this autonomy-accountability link meant for higher education that state authorities stepped back from central management of internal affairs and the operations of the HEIs, while at the same time obliging them to demonstrate that they deliver the expected activities, such as programmes and research, with the expected quality, and that they spend resources in an effective and efficient way. Consequently, in the most countries accountability was an important purpose of EQA.

This new approach to manage higher education systems forms the roof under which EQA is one pillar among others. A component of utmost importance of this approach was the involvement of experts from higher education in the assessment if HEIs achieve the goals.

**Second**, the accountability function can be described also as ‘invitation’ to the state to use EQA as a regulatory instrument in order to compensate management mechanisms that ceased to exist in systems with higher level of autonomy of HEIs. The most widespread feature of EQA systems in this regard is the implementation of licencing/state approval/accreditation, which (usually) means a public authority decides whether HEIs and/or programmes can operate. Other features might be the link to state funding which is based on EQA results.

Accountability can also take a form limited to quality in the narrow sense, meaning that the HEIs have to demonstrate that they deliver expected quality. Expected quality most often means that the assessments are conducted against predefined standards or criteria.

---

<sup>4</sup> There are several definitions of ‘accountability’: (a) it is the responsibility to demonstrate the achievement by using different instruments; (b) it is the obligation of institution to report to the public on the use of public resources, to demonstrate that the operations/activities are in line with mission and strategic objectives, how successfully goals are achieved.

Whether EQA systems cover broad or limited regulatory functions depends mainly on the legal framework of the higher education system, especially the tradition whether higher education is regulated by the state or not. Whereas higher education systems such as in the UK show a low level of state regulation, systems like France, Germany and most eastern European and post-soviet systems show a high level of state regulation.

Although the accountability function and regulatory purposes play an important role in many EQA one must not forget that other functions and purposes exist as well, often based on other ‘roots’ of EQA. The above-mentioned challenges resulting from development of massification of higher education very often resulted in obvious quality problems because HEI were not growing as quickly as student numbers and because student population became more diverse than in the past. One important function of EQA was, from then beginning to support HEI in overcoming these problems without any links to regulatory purposes.

**A third ‘root’** is internationalisation of higher education, which brought a need of fair recognition of qualifications, in order to facilitate the transferability of academic and professional qualifications, in face of an increased mobility of students and graduates. This question is particularly relevant for the European Union, as a fundamental condition for ensuring the right to free mobility and support of common job market.

**A fourth ‘root’** is the greater awareness of demand for quality. Higher education institutions were faced with new challenges and expectations, namely the problem of how to preserve quality in the face of massive and sometimes uncontrolled growth, which made it necessary to consider quality from a more institutional perspective.

Typically, in most higher education systems EQA covers both functions. This development was not the least enforced by the Bologna Process. The emergence of national QA regimes was a common feature of European higher education already before the inception of the Bologna Process. In addition, since 2003 when the ministers of the Bologna signatory countries moved QA to the centre of the Bologna Process, the development process has been accelerated by establishment of national QA systems that comprise, among other:

- “evaluation of programmes or institutions, including internal assessment, external review, participation of students and the publication of results;
- a system of accreditation, certification or comparable procedures.” [11;]

As regards the function and the purpose the ESG paved the way for the above-mentioned combination of purposes: “At the heart of all quality assurance activities are the twin purposes of accountability and enhancement. Taken together, these create trust in the HEI’s performance. A successfully implemented quality assurance system will provide information to assure the HEI and the public of the quality of the HEI’s activities (accountability) as well as provide advice and recommendations on how it might improve what it is doing (enhancement).” [12;]

### **Conclusion**

The paper examines the historical roots of the rationale for external quality assurance and analyzes the key features of advanced external quality assurance systems in the world. Uzbek higher education has faced the similar challenges occurred in Europe in the 1980s. In particular, the massification of higher education and cost-cutting strategies in Uzbek higher education are forcing to introduce strong quality assurance system that can serve for both accountability and enhancement purposes. The author examines these challenges applying ‘information asymmetry’ and ‘principal-agent’ theories and develops the solid rationales for the

modern external quality assurance that needs to be introduced in Uzbekistan to address challenges in higher education.

According to the author, the Government of Uzbekistan needs to introduce the modern EQA today as soon as possible which must reflect three important features: enhancement (to support the HEI in delivering good quality), accountability (to assure the wider public, stakeholders and authorities that expected types and levels of quality are provided) and transparency (information to the wider public, stakeholders and authorities about the quality of HEI and their provision).

## References

1. D. Dill, 'Through Deming's Eyes: A Cross-National Analysis of Quality Assurance Policies in Higher Education', *Quality in Higher Education*, vol. 1, no. 2, 1995, p. 95-110.
2. D. Dill, 'Through Deming's Eyes: A Cross-National Analysis of Quality Assurance Policies in Higher Education', *Quality in Higher Education*, vol. 1, no. 2, 1995, p. 95-110.
3. J. Kivistö, 'Government-higher education institution relationship: Theoretical considerations from the perspective of agency theory', *Tertiary Education and Management*, vol.11, no.1, 2005, p.1–17.
4. J. Kivistö, 'Agency Theory as a Framework for the Government-University Relationship' (Doctoral dissertation) (Tampere: Tampere University Press). 2007
5. J. E. Lane, 'Agency Problems with Complex Principals: State Oversight of Higher Education: A Theoretical Review of Agency Problems with Complex Principals', *Paper presented at the annual conference of the Association for the Study of Higher Education* (Philadelphia, United States). 2005, November.
6. J. E. Lane, 'Spider web of oversight: Latent and manifest regulatory controls in higher education', *Journal of Higher Education*, vol.78, no.6, 2007, p.1–30.
7. J. E. Lane, and J. Kivistö, 'Interests, information, and incentives in higher education: Principal-agent theory and its potential applications to the study of higher education governance', in J. C. Smart (ed) *Higher education: Handbook of Theory and Research*. 2008, pp. 141–179 (Dordrecht: Springer).
8. I. Liefner, 'Funding, resource allocation, and performance in higher education systems', *Higher Education*, vol.46, 2003, p. 469–489.
9. A. Odilov, 'The Principles Of Modern Quality Assurance In Higher Education', *Scientific Bulletin of the Tashkent State Pedagogical University*, vol.7, 2020, p.61-68.
10. E. Elmurodov & A. Odilov, "Davlat siyosatini takomillashtirishda Ta'lim sifatini nazorat qilish davlat inspeksiyasining o'rni va ahamiyati: jahon tajribasi bilan qiyosiy tahlil", *Jamiyat va boshqaruv* # 4 (94), 2021.
11. 'Realising the European Higher Education Area', *Communiqué of the Conference of Ministers responsible for Higher Education in Berlin* on 19 September 2003 ([http://www.ehea.info/Upload/document/ministerial\\_declarations/2003\\_Berlin\\_Communique\\_English\\_577284.pdf](http://www.ehea.info/Upload/document/ministerial_declarations/2003_Berlin_Communique_English_577284.pdf); Accessed 20 March 2020)
12. Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG), [https://www.enqa.eu/wp-content/uploads/2015/11/ESG\\_2015.pdf](https://www.enqa.eu/wp-content/uploads/2015/11/ESG_2015.pdf), p.9, (accessed February 10, 2022).