

Policy Forum No. 20

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# **Accreditation and the global higher education market**

**Edited by Gudmund Hernes and Michaela Martin**

International Institute for Educational Planning

## **Accreditation and the global higher education market**

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## LIST OF ABBREVIATIONS

AACSB	Association to Advance Collegiate Schools of Business (formerly American Assembly of Collegiate Schools of Business)
AACUP	Accrediting Agency of Chartered Colleges and Universities in the Philippines
AB	Accreditation Board
ACSCAA	Association of Christian Schools and Colleges Accrediting Agencies
ADMU	Ateneo de Manila University
AICTE	All India Council for Technical Education
AIFUCTO	All India Federation of University and College Teachers' Organizations
AIU	Association of Indian Universities
AMAES	AMA Education System
AMBA	Association of MBAs
ANEJ	<i>Association nationale des étudiants juristes</i> (French National Law Students Association)
AQUAnet	African Quality Assurance Network
AUT	Auckland University of Technology, New Zealand
BCI	Bar Council of India
BITS	Birla Institute of Technology and Science
BPO	Business process outsourcing
CANQATE	Caribbean Area Network for Quality Assurance in Tertiary Education
CAPES	<i>Coordenação de Aperfeiçoamento de Pessoal de Nível Superior</i> (Co-ordination of improvement of high-level personnel), Brazil
CCH	Central Council of Homeopathy
CHED	Commission on Higher Education
CCIM	Central Council of Indian Medicine

## List of abbreviations

CESU	<i>Consejo Nacional de Educación Superior</i> (National Council for Higher Education)
CHE	Council on Higher Education
CHEA	Council for Higher Education Accreditation
CII	Confederation of Indian Industries
CMO	Commission on Higher Education Memorandum Orders
CNA	<i>Consejo Nacional de Acreditación</i> (National Accreditation Council)
CNAP	<i>Commission nationale d'accréditation publique</i> (National Commission for Accreditation)
CNE	<i>Comité national d'évaluation</i> (National Evaluation Committee)
CNRS	<i>Centre national de la recherche scientifique</i> (National Centre for Scientific Research)
CNU	<i>Conseil national des universités</i> (National Council of Universities)
COA	Commission on Accreditation
CONEAU	<i>Comisión Nacional de Evaluación y Acreditación Universitaria</i> (National Commission for University Evaluation and Accreditation)
CONICYT	<i>Comisión Nacional de Investigación Científica y Tecnológica</i> (National Commission for Scientific and Technological Research)
CPGE	Preparatory schools for the <i>grandes écoles</i>
CQAHE	Centre for Quality Assessment in Higher Education
CSE	<i>Consejo Superior de Educación</i> (High-level Council on Education)
CSO	CHED Special Order
CTI	<i>Commission des titres d'ingénieur</i> (Engineering Qualifications Commission)
DCI	Dental Council of India
DEA	Development Education Association
DEC	Distance Education Council

DECS	Department of Education, Culture and Sports
DepEd	Department of Education
DOLE	Department of Labor and Employment
ECS	Education Commission of the States
ECTS	European Credit Transfer System
EDS	Electronic Data Systems
EHEA	European Higher Education Area
ENQA	European Network for Quality Assurance in Higher Education
EQA	External quality assurance
ESADE	<i>Escuela de Negocios</i> , Barcelona, Spain
ESIB/ESU	The National Unions of Students in Europe ( <i>In May 2007 ESIB was renamed ESU: European Students' Union</i> )
EU	European Union
EUA	European University Association
EURASHE	European Association of Institutions in Higher Education
FAAP	Armando Alvares Penteado Foundation
FAAP	Federation of Accrediting Agencies of the Philippines
FAQs	Frequently asked questions
FEDCUTA	Federation of Central University Teachers' Association
GATE	Graduate Aptitude Test in Engineering
GEI	Global Education Index
HAC	Hungarian Accreditation Committee
HEDF	Higher Education Development Fund
HEI	Higher education institution
HEQC	Higher Education Quality Committee
HERC	Higher Education Research Council
ICAR	Indian Council of Agricultural Research



## List of abbreviations

ICFES	<i>Instituto Colombiano para el Fomento de la Educación Superior</i> (Colombian Institute for Fostering Higher Education)
ICT	Information and communication technology
IDP	IDP Education Australia Limited
IGNOU	Indira Gandhi National Open University
IHMES	International Hotel School (UK)
IIE	Institute of International Education
IIEP	International Institute for Educational Planning
INC	Indian Nursing Council
INDEC	<i>Instituto Nacional de Estadística y Censos</i> (National Institute of Statistics and Censuses)
INQAAHE	International Network for Quality Assurance Agencies in Higher Education
INSERM	<i>Institut national de la santé et de la recherche médicale</i> (National Institute for Health and Medical Research)
INTASC	Interstate New Teacher Assessment and Support Consortium
IQAC	Internal Quality Assurance Cell
IT	Information technology
ITESM	<i>Instituto Tecnológico de Estudios Superiores de Monterrey</i>
LA	Latin America
LCC	London City College
LTHEDP	Long-Term Higher Education Development Plan
MAHE	Manipal Academy of Higher Education
MBA	Master of Business Administration
MCI	Medical Council of India
MECESUP	<i>Programa para el Mejoramiento de la Calidad y la Equidad de la Educación Superior</i> (Programme for the Improvement of Quality and Equity in Higher Education)
MEM	Master of environmental management

MEXT	Ministry of Education, Culture, Sports, Science and Technology, Japan
MHRD	Ministry for Human Resources Development
MFN	Most-favoured nation status
MOU	Memorandum of Understanding
MS	Microsoft
MSME	Micro, small and medium scale enterprise
MSTP	<i>Mission scientifique, technique et pédagogique</i> (Scientific, Technical and Educational Mission)
NAAC	National Assessment and Accreditation Council
NAB	National Accreditation Board
NAO	Netherlands Accreditation Organisation
NBA	National Board of Accreditation
NCATE	National Council for Accreditation of Teacher Education
NCC	Network Computing Centre
NCTE	National Council for Teacher Education
NEDA	National Economic Development Authority
NGA	National Governors Association
NGO	Non-governmental organization
NNC	Network Norway Council
NOKUT	Norwegian Agency for Quality Assurance in Education
NPE	National Policies on Education
NST	National Scholarship Test
ODL	Open and distance learning
OECD	Organisation for Economic Co-operation and Development
OL/DE	Open learning and distance education
PACU	Philippine Association of Colleges
PASCN	Philippine APEC Study Center Network
PCI	Pharmacy Council of India
PIDS	Philippine Institute for Development Studies
POA	Programme of Action

## List of abbreviations

PRC	Professional Regulations Commission
PSGs	Policies, Standards and Guidelines
QA	Quality Assurance
QAA	Quality Assurance Agency
QCS	Quality Convergence Study
R&D	Research and development
RCI	Rehabilitation Council of India
RIACES	<i>Red Iberoamericana para la Acreditación de la Calidad de la Educación Superior</i> (Iberoamerican Network for the Accreditation of the Quality of Higher Education)
SEC	Securities and Exchange Commission
SFC	Southville Foreign Colleges
SFI	Students Federation of India
SHEEO	State Higher Education Executive Officers
TESDA	Technical Education and Skills Development Authority
TIBS	Thames International Business School, Philippines
TNHE	Transnational higher education
UGC	University Grants Commission
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCO-CEPES	United Nations Educational, Scientific and Cultural Organization / European Centre for Higher Education
UNICE	Union of Industrial and Employers Confederation of Europe
USF	University of San Francisco
UTPRAS	Unified TVET Programme Registration and Accreditation System
UWA-GSM	University of Western Australia, Graduate School of Management
WB	World Bank
WTO	World Trade Organization

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## EXECUTIVE SUMMARY

Higher education systems throughout the world in developed and developing countries are undergoing diverse types of changes that are often interrelated. One of these changes is the considerable growth in the private provision of higher education over the last decade, in particular within developing countries. Globalization also affects higher education systems widely. The globalization of professions and mobility of professionals create both stronger pressures on institutions to deliver qualifications recognized in the international labour market and concern over the comparability of educational standards.

There is pressure to adopt a common qualification structure as well as comparable systems for external quality assurance (EQA). Cross-border providers of education are entering the field in many countries and, at the same time, an international market of accreditation services is emerging.

It was in this context that the IIEP Policy Forum on *Accreditation and the Global Higher Education Market* was held in Paris from 13 to 14 June 2005. It hosted a policy discussion on how to design accreditation systems in line with international 'good practice' and national policy agendas for higher education. The Policy Forum brought together policy-makers, representatives from agencies in charge of EQA, specialists of EQA and policy-makers from ministries of education and national intermediary organizations, from both developed and developing countries. International agencies and donor agencies committed to the development of EQA also participated.

The Policy Forum started by identifying the most recent trends and findings of trade in higher education and by discussing the international driving forces that push national governments to establish quality assurance systems for their higher education institutions and programmes. The Bologna process, implemented by the European Union, was an example of a regional integration processes and its dynamics for external quality assurance.

Individual countries respond to international constraints and, at the same time, must be attentive to national policy objectives. Countries have different systems for quality assurance and are going through different phases. For example, in the United States of America (USA), accreditation practices are evolving that stress co-ordination, consistency and quality, whereas India is facing different challenges with its massive and diverse system of higher education. Evaluation can also be used to create more transparency and joint planning, as is currently occurring in France. And, as we could see, quality assurance in Norway has traditionally been managed at the institutional level. This is the reason why the Norwegian EQA system has adopted an audit approach that assesses institutional capacity to manage quality.

Many challenges are often related to the issues of regulation and quality assurance of cross-border providers, one of the most prominent phenomena within the context of globalization of higher education and also an issue addressed in the Policy Forum. Cross-border providers represent a special challenge but also offer important opportunities, especially for developing countries. The Policy Forum presented different options for designing a regulatory and quality assurance system, drawing from particular country experiences and diverse national policy objectives: options such as increasing and widening access, as in Oman; diversifying training opportunities with cross-border providers, as is the case in the Philippines; or regulating a widely privatized system, such as the Chilean system, through quality assurance. In South Africa, the overall situation in the aftermath of liberalization creates pressure in designing a common framework for public and private providers to serve national goals. This question was often brought up in discussion on other country experiences: “How to regulate and quality assure cross-border providers to achieve national policy objectives?”

Two recent IIEP research projects were also presented in the Policy Forum – the first on organizational and methodological options in accreditation, and the second a case study on regulation and quality assurance of cross-border higher education, both concentrating on several countries and their different policies. These research projects

and other studies presented during the Forum did not give a straight answer to the earlier question. Instead, they gave important insight to different policies and inevitably helped participants to understand the need for international frameworks and co-ordination that, at the final panel, were presented by UNESCO and OECD in the form of their guidelines for cross-border higher education.



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## INTRODUCTION

### HIGHER EDUCATION: SUCCESSFUL CREATURE OR ENDANGERED SPECIES?

*Gudmund Hernes*

The topic for IIEP's sixth annual Policy Forum is *Accreditation and the Global Higher Education Market*. The format of the forum is the same as in previous years. The topic chosen is:

- on an emerging issue;
- one that is common to industrialized and developing countries;
- one for which there is, as of yet, no general consensus on what is the one best way to address it;
- one that is of joint interest to researchers and policy-makers, and hence for which both groups can benefit from presentation of results and positions;
- one for which research can be guided from a richer set of experiences and policy *can be informed* by what we know about what is already in place.

Given this format, the composition of the participants was more or less given: We invited representatives from ministries and from research institutions for two days of active exchange.

Why the topic *Accreditation and the Global Higher Education Market*? The answer is simply this: We are witnessing profound changes in one of the most successful institutional innovations in human history. I am, of course, talking of universities.

#### **Successful creature**

Since their inception some 800 years ago, universities have *spread to all continents and all countries*. *Student enrolment* has vastly

## Introduction

increased – we talk of the massification of higher education, and last year the number of students enrolled at universities passed the 100 million mark. If universities were a country, that country would rank twelfth among the world's largest, just after Mexico. In several countries now, about half of each cohort of young people enters universities – and in several countries, *young women* constitute not just the majority that enrol, but also the group that graduate from the longest studies, such as medicine. Not only has the number of students increased, so has the *range of topics one can study at the university level*. At first, there were only seven components in the canon of higher learning at universities: the *Trivium*, consisting of grammar, rhetoric and logic; and the *Quadrivium*, consisting of arithmetic, geometry, music and astronomy. Later, universities increasingly took on another function that is in constant expansion: training for professions, i.e. for types of work that require elaborate theoretical and technical knowledge, such as law, theology and medicine – but now cover everything from engineering to philology, and from bio-computing to environmental economics. Part of the success story of universities are the number of fields they cover – fields that have been *built* as a consequence of the knowledge developed at universities, for universities have become successful also as *the prime movers of the frontiers of knowledge*. They provide the most usable of all knowledge: the *pure research* that is most general and hence has the widest applications, whether it be in mathematics or molecular biology. In addition, they carry out *applied research* in all fields of human endeavour, from blood clotting to data storage. Hence the *links* between universities and industries are also expanding constantly. So by all these criteria – historical survival, geographical extension, numerical enrolment, gender equalization, topical expansion and promoting knowledge growth – universities are almost unrivalled as successful institutions.

## Origins of quality

Originally, the quality of universities was maintained as in the institutions they first emulated: the guilds. This is seen from the fact that university titles – ‘Bachelor’s’ and ‘Master’s’ – were taken from guilds.

The *rites de passage* were organized in the same way: by *certification* conferred after *passing tests* administered by a *collegium* of already *authorized practitioners* and expressed in a *publicly issued and valid document*, a certificate with the seal of the guild. As for members of guilds, the community of scholars was international in nature and, like other apprentices, students often had their *Wanderjahre*, wandering from one institution of learning to another. Hence the standards set tended towards international equalization.

Clearly standards were not always kept – poor teaching often caused student revolts in the Middle Ages – and clearly the actual standards kept by universities have evolved continuously. A good example is provided by the revolution introduced by the German research universities in the nineteenth century. These universities set a new benchmark that little by little has been emulated all over the world. The prime example is American universities, which transformed themselves into research universities. This was kicked off by Johns Hopkins University, which was established on the German model in 1876, and started what has since been universally envied and copied: graduate schools where the transmission of learning takes place in the context of the advancement of knowledge, and training of students takes place by their doing research.

### **Victims of success**

So what is the problem now? Simply put, it is this: Universities are caught out by their own success. The fact that the number of universities has increased does not mean that they all offer the same quality. Some are more equal than others – and though the name is the same, what is hidden behind it may differ widely. With millions of students and thousands of universities, how can we be sure of what is behind the name? And who is interested in keeping standards?

Three groups are interested in keeping standards: universities themselves and their professors; students who want an education; and employers who wish to ensure that what they see in certificates is what they get in qualifications.

## **Introduction**

Knowledge is by its nature knowledge without borders – the Pythagorean theorem is as valid now as it was 2,500 years ago, everywhere, and there is no national law of gravity. When researchers co-operate, they do of course want to know that what is produced or taught is, as the saying goes, ‘good Latin’. Enormous effort goes into ensuring that what is produced in research is valid and sound, such as by peer reviewed journals or collegial critiques.

Students increasingly study abroad – they are also increasingly students without borders. Current expectations state that by 2025, the number of foreign students enrolled in institutions abroad will quadruple and will be most prevalent in the Asian region. But to invest time and funds, they must be sure of what they are getting. It is not enough to have a name – ‘university’ – the label must come with a guarantee. Hence there must be some form of international quality control in place, since threats to quality come from different sources.

Universities themselves are moving into business. And they have an interest in knowing that their self-presentation can be taken at face value. They also have an interest in students’ qualifications being much like a convertible currency, so that credits can be transferred and therefore students can be mobile.

Employers are not interested in curriculum vitae that look good, but rather in candidates that are qualified. Clearly also, the broader public has an interest in the professionals upon whom they depend having real skills – amateur surgeons or aeroplane engineers are not public favourites.

### **Demand for diplomas and business opportunities**

So, with expanding enrolments, expanding transborder education, expanding university subsidiaries abroad, and expanding education via the Web, the demand – not just for education, but for certified education – is increasing. Programmes must be standardized in order to be and remain internationally valid – to be a currency in the international market for scholars, so to speak.

There is also another reason: As universities are successful, many want to share in their success, and there are big financial incentives for doing so. Education is for sale, as are certificates. I remember that I first encountered this phenomenon as a 15-year old, when I started to learn German and was told that at some German railway stations they would announce: “*Fünf Minuten Aufenthalt, um einen Dokortitel zu erwerben*” – “15 minute stop to acquire a PhD”. But what used to be small-scale dubious operations have become an unpretty big business.

If you search the Internet under ‘bogus diplomas’, you get nearly 206,000 hits, and the term ‘diploma mills’ will give you 256,000. The Chinese media in 2003 reported at least 600,000 more college or university graduates than the actual number of degrees awarded.<sup>1</sup> Likewise, in 2003, there were more than 400 diploma mills and 300 counterfeit diploma web sites.<sup>2</sup> Such schemes for conferring counterfeit diplomas or pseudo-credentials are quite lucrative for their producers – and buyers. Clearly the opportunities for fraudulent practice expand with the opportunities to study without being at a campus, going to class and being taught and supervised by live, real-time professors – i.e. by distance and online courses; there are, so to speak, opportunities for deceit at both ends of the line.

The multiplication of higher education providers and the increasing suppliers of fraud documents therefore also increase the demand for organizations that can accredit – i.e. authoritatively recognize institutions of higher education as maintaining the required standards that qualify graduates for admission to higher or more specialized institutions, or for professional practice. The only problem is that some organizations which say that they accredit are bogus themselves;<sup>3</sup> and much of the material provided by diploma mills is itself fictitious: pictures of buildings; university catalogues; even laminated library cards. So we are up against the classical problem posed by the Roman

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1. See CNN, “Fake diplomas a booming business in China”, 5 August 2002, <http://cnnstudentnews.cnn.com/2002/fyi/teachers.ednews/08/05/diploma.fakery.ap/>
  2. Stephanie Armour, “Diploma mills insert degree of fraud into job market”, [www.usatoday.com/money/workplace/2003-09-28-fakedegrees\\_x.htm](http://www.usatoday.com/money/workplace/2003-09-28-fakedegrees_x.htm)
  3. *Ibid.*

## Introduction

Senator Juventus: “*Quid custodit ipsos custodies*” – who shall guard the guardians?

### Topics for the forum

This is the broad background for and setting of this Policy Forum. Its purpose is to:

- *disseminate, discuss and validate* findings from two earlier IIEP research projects, i.e.:
  - methodological and organizational options in accreditation systems, with case studies from five countries (Colombia, Hungary, India, Philippines, and the USA);
  - regulation and quality assurance of transborder providers of higher education (Argentina, Chile, Kenya, Oman, Philippines, Russia and South Africa);
- *share experiences on policy rationales* and their relationship with particular methodological and organizational options in EQA:
- since policy rationales condition the basic choices when developing a quality assurance system; and condition mechanisms for the regulation and quality assurance of transborder providers of higher education, who offer new opportunities but pose particular challenges for quality assurance;
- pay special attention to the *potential for academic fraud* enhanced through a globalized market for higher education; and
- *address the potential of international frameworks*, such as the *UNESCO/OECD Guidelines for quality provision in cross-border higher education* (UNESCO and OECD 2005), the action of regional quality assurance networks and their implications for developing countries.

IIEP’s work on quality assurance is important not just for the Institute’s own programmes and training. It has also been conceived and conducted as a direct contribution to the UNESCO *Global Forum on International Accreditation, Quality Assurance and Recognition*. Both case study projects have provided empirical evidence from a selected number of countries. UNESCO intends to work in this area as a standard

setter, clearing house and capacity builder. IIEP is contributing directly to this last objective through the ongoing elaboration of training materials on quality assurance and accreditation. These materials were used in 2006 in a distance education setting to assist countries in developing their quality assurance systems for both national and international purposes.

More broadly, the question is: How does one guard and guide the assurance of quality of higher learning institutions so that universities are up to standards, students must do bone fide work to reach them, and the world outside that depends on them can rest assured that what they see is what they get? If we cannot achieve this collectively, what has so decidedly been a successful creature could end up as an endangered species.

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**PART I**

**QUALITY ASSURANCE AND ACCREDITATION:  
WHAT DRIVES THE POLICY AGENDA  
AT THE INTERNATIONAL LEVEL?**



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# 1. POLICY RATIONALES AND ORGANIZATIONAL AND METHODOLOGICAL OPTIONS IN ACCREDITATION: FINDINGS FROM AN IIEP RESEARCH PROJECT

*Michaela Martin*

## **Introduction**

Over the past three decades, most systems of higher education have been confronted with an overall trend of system expansion that is due in many instances to both a growing social demand for higher education and a governments greater inclination to focus on investment in human resources. UNESCO statistics show that the student population increased from 51 million in the year 1980 to nearly 120.4 million in 2002/2003. As systems of higher education have expanded, institutions of higher education have become more numerous, and systems more diversified in many respects. Many countries have accepted private higher education institutions (HEIs) as a means to satisfy the social demand within a context of a restricted financial budget. In addition, public and private international providers are opening branch campuses in other countries or entering into franchising arrangements with local universities. Virtual education from universities or consortia of universities worldwide offer access to higher education and increase the availability of higher education.

The expansion, diversification and privatization of higher education systems has generated growing concern worldwide for the quality of higher education processes and outputs, in both developed and developing countries. Many of them are currently in the process of devising new systems of external quality management at the national level. One common approach to tackling this task is the setting up of so-called *accreditation systems*.

According to Adelman (1992: 1313-1318), accreditation refers to a “process of quality control and assurance whereby, as a result

of inspection or assessment, an institution or its programmes are recognized as meeting minimum acceptable standards”.

In spite of this apparent conceptual similarity in the purpose of accreditation (which is indeed more apparent than real), many important differences are apparent in a comparative analysis of methodological options.

The International Institute for Educational Planning (IIEP) has launched a research project to explore and compare methodological options of accreditation systems through a limited number of case studies. The case studies were chosen from contexts of varied development, and from within diverse continents and types of higher education systems: Colombia, a highly diversified system of higher education in Latin America; Hungary, a country in economic transition in Central Europe; India, a low-income South Asian country with a huge higher education system; the Philippines, an East Asian medium-income country. The last case study is from the USA, a western industrialized country that was the first to develop accreditation, providing many other countries with a model for the development of their own accreditation system.

### **The national context: What factors both inside and outside the higher education system trigger the establishment of an accreditation mechanism?**

The driving forces for the establishment of accreditation systems are rather similar among the five case study countries, even though the periods during which these systems were established vary widely from one country to another.

The oldest system of accreditation was established in the *USA* during the late nineteenth century. Between 1885 and 1895, four regional associations were established for institutional accreditation, while two other associations were later created at the beginning of the twentieth century. The establishment of an accreditation system occurred during a period of growing student enrolment. In 1890, only 1.7 per cent of 18-24 year olds were enrolled in a higher education institution, while in 1900, the participation rate was already 2.3 per cent. Most of this higher

**Quality assurance and accreditation:  
What drives the policy agenda at the international level?**

education was private and, in the absence of a strong co-ordinating state, there was an increasing call for collaboration among institutions to ensure the comparability of standards, in particular for the transition from secondary to higher education. At this point in time, secondary schools and colleges were accepted as members because they could demonstrate acceptable standards. The initial development of programme accreditation also appeared in the early twentieth century, which was an accreditation more concerned with outcomes, i.e. how well the colleges and universities prepared their graduates.

In the *Philippines*, accreditation mechanisms were developed between the 1950s and 1970s. This happened in a highly diversified and pluralistic higher education system where Catholic private higher education coexisted (as it still does) with Protestant private and non-sectarian private education, as well as with the public sector. This segmentation is a legacy of the colonial history of the Philippines, where structures for higher education were established consecutively under Spanish and American rule. The accreditation movement in the Philippines began in 1951, when a group of educators from the private higher education institutions decided to establish a system of common standards for Catholic institutions. This occurred shortly after independence from the USA, which had created a strong legacy – in particular within the education system and where practices and procedures could be easily imported because they were perceived as legitimate. Four accreditation agencies were created successively for each segment of the higher education system, each of which developed its own accreditation standards and structures and was made responsible for the accreditation of institutions within its specific segment. In 1976, an umbrella organization called the Federation of Accrediting Agencies was created in order to serve as a co-ordinating body.

More recent accreditation systems were developed in India, Colombia and Hungary during the past decade.

The driving forces for accreditation in India were basically the expansion of the system and the growing diversification of institutions within the context of diminishing public resources for higher education.

From 1950 to 2000, the number of universities increased from 30 to 259, and the number of colleges from 500 to 10,750. Within the context of the 1980s, when basic education was not yet universalized (and is still not to this day), political pressure was created to shift funds from higher education to basic education. From 1980-1985 to 1992-1997, the percentage of public resources allocated to higher education decreased from 22 per cent to 8 per cent of the total expenditure for education. Within this context, legislation for the establishment of private higher education was relaxed, leading to the creation of manifold private establishments, especially within the college sector. This resulted in an increasing concern for the development, within the system, of a mechanism to ensure minimum standards, while at the same time introducing competition that would also enhance the quality of the already favoured institutions. Preparatory work for the establishment of an accreditation system was carried out within the framework of the National Policy on Education (1986 and 1992) and subsequent committee work, which culminated in the creation of the National Assessment and Accreditation Council (NAAC) in 1994.

In Colombia, the accreditation system arose from a mandate put forth by the higher education law of 1992. Colombian higher education forms a heterogeneous group of both public and private higher education institutions that are quite different in size and vocation, as well as in their available resources and quality. Besides a university sector, there is also a non-university sector of HEIs. More recently, the system has grown rapidly and the private sector dominates the public sector in terms of the number of both students and institutions. In 1965, 2 per cent of 18-24 year-olds were enrolled in the private higher education sector, and in the year 2002 this figure increased to 16 per cent. In 1990, 1,809 programmes were registered; by 1997, this number had grown to 2,948. Until approximately 1950, public universities enrolled over 60 per cent of all undergraduate students; in 2001, the private sector captured more than two thirds of the total tertiary enrolment. The growing importance of private higher education, similar to the Indian case, is due to decreasing public funding for tertiary education in the period 1990-1999. In 1990, 23.6 per cent of the total education

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budget was allocated to tertiary education while the figure was only 16.5 per cent in 1999. All of these factors raised concern over quality, regarding both minimum standards and enhancing already acceptable or high-level quality education. In Colombia, the creation of the accreditation system was supported by a World Bank project for higher education that provided the financial support for its creation.

In Hungary, accreditation of higher education came about mainly in response to the political changes of 1991. Under the former regime, higher education institutions were run in a tightly bureaucratic fashion, but the steering mode based on administrative fiat and bureaucratic control had become discredited for academia, whose managers were claiming administrative autonomy for the institutions and broader access of youth to higher education as a democratic right. The new government conceded the right to establish private higher education and many new private institutions were created. At the same time, there was major concern over the relevance of curricula, and in particular their comparability in terms of level and content with Western study programmes. In addition, there was no possibility for students to transfer from one institution to the other. In the area of graduate education, the former Academy of Sciences had to concede to universities the right to establish graduate programmes. All of these changes created the need for a 'content control' of a rather different type than the traditional bureaucratic control that operated through the Ministry. This led to the conception, as early as 1992, of an Accreditation Committee, which was also supported by a World Bank project.

The above discussion of contextual factors shows that the conditions leading to the establishment of accreditation systems are rather similar across countries, even if the period of creation is rather different. Accreditation systems usually appear in large, rather diversified systems where the private sector plays an important role. Government control tends to be relatively weak or has been weakened by the sheer expansion or diversification of the system, or as a response to broader political changes. Where systems of higher education move either more slowly or more rapidly than the market ideology, such as in

Hungary, accreditation appears to be a mechanism of quality control that is more acceptable than direct governmental interference. Support – both political and financial – from an international agency such as the World Bank is obviously another strong factor that sustains the establishment of an accreditation mechanism.

### **The nature of accreditation systems: What is accreditation focusing on?**

As pointed out previously, the concept of accreditation gives the wrong impression that its objective is homogeneous. This is not the case, and a comparative analysis of accreditation systems quickly brings to the fore that objectives can vary considerably and be made with either an assumption of ‘fitness for purpose’ or a ‘standard-based approach’. The former assumes that quality is equal to objectives and goals established by the institution, whereas the second assumes that quality is equal to predefined standards.

A second basic option relates to the question of whether accreditation is concerned with ensuring minimum quality standards, or whether it emphasizes accountability or improvement of quality. The specific functions essential for a newly-established or changing accreditation system are those functions yet to be fulfilled within the institutional set-up of already existing mechanisms for quality assurance in a higher education system.

A third basic option refers to the focus of the accreditation mechanism. It may be on subject, programme or institutional accreditation. In subject accreditation, the focus is on specific subject matter – whatever the programme may be in which this subject matter is taught. Programme accreditation focuses on study programmes, whereas institutional accreditation judges the overall quality of an institution.

A fourth option relates to the nature of the accreditation process: whether it is a compulsory or voluntary process. Under the first option, all institutions or programmes must undergo accreditation by state order, whereas under the second, the institutions may put forth a specific request for it.

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The *American system* of accreditation comprises a complex institutional set-up of six regional accreditation bodies in charge of institutional accreditation, as well as a great number of professional bodies involved in the accreditation of professional study programmes. State governments are responsible for licensing higher education institutions and their programmes, but do not check on changing quality levels of existing institutions. Nor do they have any responsibility for quality improvement. For this reason, regional accreditation agencies focus on supervising changing educational capabilities of universities. Until recently, they tended to use a 'fitness for purpose' approach that assessed quality on the basis of the institutional mission and set objectives. Nowadays, they tend increasingly to adopt a 'standard-based approach'.

In the *Philippines*, the system also focuses on both institutional (general) and programme accreditation. Similar to the USA, this is a voluntary accreditation system whereby institutions acquire a status that certifies that they exceed the minimum standards set by compulsory governmental licensing. Institutional accreditation examines the characteristics of the whole establishment and assesses it as a total operating unit. Programme accreditation focuses its attention on a particular academic course. Institutional and programme accreditation are conducted as part of the same accreditation procedure (depending on the level of accreditation to be obtained), whereas their programmes may only be partially accredited.

The *Indian system* of accreditation puts a similar focus on quality improvement. It emphasizes institutional accreditation due to varying levels of quality among institutions within the system. Since the issue of accreditation for granting greater autonomy to universities was more broadly discussed, accreditation to be conducted at the institutional level was also perceived as an appropriate accountability mechanism. While concentrating on institutional accreditation, NAAC has also decided to develop instruments for programme accreditation.

The *Colombian system* of accreditation is a mixed batch of diverse procedures, but complementary to other national procedures of

quality management. The National Council of Accreditation (Consejo Nacional de Acreditación, CNA) operating under the Colombian Institute for Fostering Higher Education (ICFES) is responsible for a so-called “high-quality programme evaluation” of a voluntary nature. This evaluation is mainly geared towards the quality improvement of programmes that already exceed the minimum requirements stipulated by the ministry. At the same time, the CNA also operates the *accreditation previa*, which certifies minimal standards of quality for education programmes. Other national bodies, such as ICFES, are in charge of certifying the minimum standards of other programmes, thus performing an administrative supervision of institutions. The ministry plays an important role in assessment at the initial opening of an institution. As a consequence, high-level programme accreditation is only part of a more complex system with a particular focus on enhancing and certifying high-level quality. While programme accreditation provides a very interesting entry into quality assessment where quality varies considerably, CNA has understood that it can offer only incomplete coverage. For this reason, and in order to be more comprehensive in its approach, CNA has decided to develop a methodology for institutional accreditation that would be implemented jointly, as in the Philippines, during programme accreditation.

In *Hungary*, the Hungarian Accreditation Committee (HAC) also offers a complex set of activities of joint programme and institutional accreditation. The questioning of institutions and their programmes being under state control led to the establishment of an accreditation system through which HAC attempts to ensure minimum quality standards. HAC started with the accreditation of doctoral programmes, which was a newly-gained competence for Hungarian universities. This accreditation is based on the availability of permanent staff at the university as well as the existence of undergraduate programmes in the same area as the proposed doctoral programme. Criteria for the accreditation of undergraduate programmes relate to the availability of staff and material requisites. The accreditation focus used by HAC could be described as an intertwined programme and institutional accreditation. This is because institutional accreditation depends on



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the successful accreditation of a minimum number of study fields that must be either exceptional or very strong (the two highest quality labels out of the existing four).

The above-mentioned discussion concerning the focus of different accreditation systems shows that most systems are, in all cases, of a voluntary nature (with the exception of accreditation of teacher training programmes in Colombia). They have been developed to fill existing gaps as compared to other quality assurance practices in other countries. Most countries, with the exception of Hungary, tend to focus on quality improvement rather than on accountability. Only where existing government systems of ensuring minimum standards have been discontinued, or where the state has a special responsibility for programmes such as teacher training, does accreditation tend to concentrate on assuring minimum quality levels.

Countries usually start off with a focus on either the institution or its programmes. However, they eventually understand that both are very complementary and nurture each other. Systems such as those in Colombia and India, which have a clear focus on one specific aspect, have over time incorporated the other aspect; other countries, such as Hungary and the Philippines, used and built on both. Only the system of accreditation in the USA possesses both aspects performed by different actors, but there is an attempt to co-ordinate the two so that they enlighten each other.

Finally, regarding the tendency to focus on either the 'fitness for purpose' or 'standard-based' approach, one can notice that 'fitness for purpose' was once preferred, until a recent shift to the latter occurred. If accreditation systems began by analyzing the *mission* of an institution, they do tend increasingly to concentrate on standards and the extent to which such standards are reached. As a result, accreditation is becoming more and more standard-based.

## **The agency for external quality assessment: Who initiated it, who is in charge and under which institutional affiliation?**

Based on earlier discussions, we have seen that all the accreditation systems in our case studies are run by one or several external agencies. The initiative for setting up accreditation may come from the government or from one of its already-existing buffer agencies (as was the case in Colombia and India), or it may be an initiative of the higher education community or of one of its representative bodies (as was the case in the USA, the Philippines and Hungary).

Ownership of accreditation systems is a highly debated issue and generally related to considerations linked to the fundamental purpose of accreditation. If the government has ownership of accreditation, it may be conceived as control-oriented and geared towards accountability. If ownership is the affair of the higher education sector, often through their collective bodies, then it is understood that the system has a higher chance of becoming more improvement-oriented. This dichotomy simplifies available practices and our case study experience shows that institutional affiliation of the external agency for accreditation is more in line with already-existing administrative set-ups, more so than with the overall purposes of the system. Our case studies illustrate that accreditation agencies are either totally private entities (USA and the Philippines) or semi-autonomous agencies (Colombia, India and Hungary).

Accreditation agencies may also play a more or less substantive role in the process. In all of the case studies, these agencies are in charge of planning and organizing the accreditation process and developing a methodological framework. As a result, they have, at the least, extensive administrative responsibility. In some systems, such as in India, accreditation agencies play a substantive role in the accreditation procedure, such as taking part in the site visits or being in charge of training external experts. In all cases, however, there seems to be a clear distinction between the role of the agency and the external visiting team, which is a very important element for the credibility of the accreditation system.

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In terms of the organizational structure, most accreditation agencies make a distinction between a governing body (or council) and the secretariat. In the USA, regional accreditation agencies are steered by boards of trustees who are also the decision-making bodies for accreditation. In the Philippines, each accrediting agency, including the Armando Alvares Penteado Foundation (FAAP), has its own board of directors and a Secretariat headed by an Executive Director. The boards of directors of all accreditation agencies have regular meetings, and both the board and members meet on an annual basis. In Colombia, the Council, which is the decision-making body for accreditation, is made up of seven high-repute academics. The National Council for Higher Education (CESU), which also has a supervisory role *vis-à-vis* the CNA, selects them. Not only do CNA council members have a supervisory role over the accreditation process, they also take part in visiting institutions and in training external experts. In addition, the CNA has an Executive Secretariat that is in charge of running the day-to-day operations of the Council.

In the *Indian* case, NAAC is also a semi-autonomous body, even though it is supervised to a certain extent by the University Grants Commission (UGC), which is the buffer organization for policy-making, planning, supervision and resource allocation to higher education institutions. The work of NAAC is controlled by its General Council and Executive Committee, comprising senior academics and educational administrators from universities, colleges and professional bodies, as well as representatives from the University Grants Commission, the Ministry of Human Resources Development and the Association of Indian Universities. The General Committee directed by the chairperson of UGC currently consists of 35 members, who are in charge of steering policy decisions. The Executive Committee, which is indeed the decision-making body of NAAC, is composed of members of the General Council.

In *Hungary*, the HAC was responsible for granting accreditation to doctoral programmes and for proposing accreditation programmes and institutions to the Ministry of Education, which makes the final

decision. Another body, the Higher Education Research Council, was charged with making recommendations on the appropriateness of setting up new programmes and institutions, mainly on the basis of social relevance. This rather similar function poses problems and creates tensions. HAC is composed of a Council similar to that of Colombia, which brings together academics from the different segments of Hungarian higher education, the majority being from the university sector. The Hungarian Rectors Conference delegates 12 members to the committee, 10 members from the Hungarian Academy of Sciences, and a few from other segments. Universities are strongly represented because the first task of the HAC was to accredit doctoral programmes.

From our case experience, we can conclude that accreditation agencies are usually either totally private (however non-lucrative) or semi-autonomous bodies. There may be, nonetheless, a considerable amount of informal government control due to the composition of governing bodies. In other systems, it appears that the academic community dominates governing bodies. The distribution of power to control accreditation agencies seems to be quite a function of the overall distribution of power within the higher education system, and in particular of the relative power of academia as opposed to government control.

### **The methodology: How does accreditation function?**

The global methodology used for accreditation is amazingly similar among the five case studies. There is nearly always a phase of eligibility testing, which functions as a filter to admit institutions or programmes for accreditation according to a set of minimum quality criteria that are checked at this very first stage. The eligibility is followed by a self-study and peer review phase that culminates both a decision over accreditation, and most commonly with preparation and sometimes publication of a qualitative report.

## **Standard setting**

By definition, accreditation systems imply decisions on what does and does not constitute desirable quality. Consequently, accreditation should be based on predefined standards that refer to a core definition of quality. As they cover different areas in education and research, and because of the different focus, the standards differ in both institutional and programme accreditation.

Standards for accreditation are usually communicated through instruments such as guidelines or manuals. Guidelines refer to official documents that clarify in an exhaustive manner the general standards as well as their sub-categories, and are considered to be statements of official quality standards. Guidelines can also suggest aspects to be considered when assessing the quality of a given standard. In some cases, a manual for evaluation and assessment is also distributed that consists of practical information on the way institutional self-evaluation and external assessment should be carried out.

The manuals may provide different levels of flexibility for self-evaluation and/or peer assessment. At one extreme, they may adopt a strict format (such as a check list) with predefined questions; at the other extreme, they may be stipulated as open-ended questions.

Quality standards cover several areas that are mainly related to education (e.g. teaching, curriculum, etc.). These areas are accordingly included in the self-evaluation report. The information required from the institution may be related to the educational input and/or output, or to the whole process, depending on the applied quality model. Input information refers to information on resources such as teachers, buildings, funding, etc. This type of information can be measured directly. Output information refers to employment statistics, satisfaction of graduates or others, and/or information related to the outcome of the educational process. The process evaluation relates to more complex and value-based items such as the assessment of the general aims of a field of study. Depending on the accreditation model, the institution is required to submit qualitative or quantitative information.

In our case studies, the terminology attached to ‘quality standards’ is not used in a coherent way, but the main process (developing quality criteria, sub-categories for each criterion and a detailed definition of procedures in a formal documentation) is more or less similar in all of the case studies. Accreditation agencies are responsible for standards setting and for developing formalized documentation such as guides and manuals. The standards are usually developed in co-operation with other stakeholders.

### **Eligibility criteria**

Most accreditation systems begin by requesting institutions applying for accreditation (under the voluntary option) to indicate that they already comply with some minimum quality standards, or alleged eligibility criteria. As a rule, only eligible institutions may apply for accreditation – verifying their eligibility is the logical starting point of any accreditation processes.

In the USA, there are baseline requirements that relate to the organizational structures of the institution. Criteria for eligibility allow agencies only to accredit institutions that already have an adequate base, or that have made serious progress towards quality education programmes. Such eligibility refers to the formal authority from a government agency to award degrees, specific requirements regarding its management structure and minimum available resources, as well as having been in operation for a minimum amount of time. In the Philippines, the system operates in a similar way.

In India, another institution, recognized by the University Grants Commission or by an acknowledged university, can grant eligibility. The institution should either have existed for at least five years, or sent out at least two batches of students after they completed their programme.

In Colombia, 12 *original conditions* are assessed before the National Accreditation Council decides to proceed or not with accreditation. These conditions are based on material submitted by the institution and operate at the same time as an overview of the whole

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institution. Members of the Council will pay a visit to the institution before the accreditation process begins.

In Hungary, if the institution is applying for institutional accreditation, it must have at least one accredited faculty and doctoral programme. In the case of the accreditation of a faculty, one of its programmes must have been accredited. Eligibility consists of the minimal quality level set for higher education.

### **Self-evaluation**

Self-evaluation and report are the bases for the process of external assessment. It is generally believed that an institution that truly understands itself is more likely to be successful in its educational mission than a system that does not. Guidelines for self-evaluation are normally clearly structured and operate as a tool to configure the self-evaluation process. The level of detail and nature of the criteria used in the self-evaluation process (quantitative or qualitative) may nevertheless vary from one accreditation system to the other.

In the USA, the self-survey has always played an important role, but the standards and emphasis have changed during the years. It has been difficult to maintain a particular set of standards due to the variety of institutions. The aim of the evaluation guidelines provided by the agencies is to assist the institution in performing its self-analysis. The agencies provide alternatives for conducting the self-evaluation, so that the model truly fits the institutional structure. In some cases, agencies in the USA organize workshops for the institutions where an ideal self-analysis is described and where the institution can raise questions and share information with other establishments undergoing the accreditation process. This is an example of an agency functioning in the role of advisor for the institution to ensure a learning experience (Centre for Quality Assurance and Evaluation of Higher Education, 1998). Varying and flexible models for evaluation provide the possibility for special emphases within selected areas and thus promote institutional autonomy. There are different types of standards for diverse kinds of institutions according to their mission, but the current accreditation

generally continues to examine the strengths and weaknesses of the institution. In programme evaluation (such as law and medicine), the quality focus is important and there is little flexibility in the evaluation.

In the Philippines, institutional self-evaluation allows for documenting institutional strengths and weaknesses in relation to its mission, goals, objectives, faculty and manpower resources, financial capabilities and other structural factors of a higher education institution. A consultant may assist the institution in preparing the survey. There are eight categories to be covered in self-evaluation, but each agency sets its own criteria for assessment. After the self-evaluation report is made, the institution must solve problems identified in the self-survey report. The report will then be presented to the Board of Trustees of the accreditation association.

The Indian case study shows a detailed tick-list for institutions and departments. Seven main areas are to be included: curricular aspects; teaching/learning and their evaluation; research; consultancy and extension; infrastructure and learning resources; student support and progression; organization and management and healthy practices. The first part of the evaluation should contain data on the criteria. In the second part, the institution should analyze its functioning and performance. There are different guidelines for different institutions, and contextual factors are thus taken into consideration.

The process of self-evaluation in Hungary consists of institutional, leadership and faculty self-evaluation. These different areas are divided into sub-categories. Teachers and students assess the entire process of education by means of a questionnaire. The data is thus both quantitative and qualitative, and concentration is placed on both the input and output.

In Colombia, the institution must abide by criteria set by the National Accreditation Council, the guidelines being stated in the *Lineamientos para la Acreditación* and in the *Guía para la Autoevaluación de Programas de Pregrado*. However, institutions create their own



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self-evaluation model based on the guidelines. The programme evaluation concentrates on the clarity of programme objectives and concurrence between programme contents and methods. Institutions perform weighting (e.g. *fully achieved, achieved to a high degree*, etc.) in order to stress their priorities as well as strengths and weaknesses. The guidelines provide possible sources for the information (e.g. interviews, statistics and documentation), but the institution can decide which to use. The institution makes a conclusive report based on self-evaluation and submits it to the accreditation agency. The self-evaluation report is the basis for the on-site visit, which is the next phase in the accreditation process.

### **The on-site visit**

An on-site visit is usually composed of an external visiting team – normally a composition of academic peers – but may also include professionals or members of other public administrations. The external visit is an important element, since it is also an internationally accepted methodology for external quality assurance and expected to provide the objectivity needed for an accreditation decision. An acceptable level of different types of expertise needs to be put together and, as a result, the procedure for choosing experts is essential.

### ***The composition of the team***

In Hungary, the visiting committee is elected by the Plenum and the members can be HAC members or other academics. In any case, they must be PhD holders, which somewhat constrains the composition of the teams.

In India, members of the peer team can be selected unofficially through nomination. In the past, peers were identified through databases of other national bodies. However, NAAC has now created a database of its own from which the peers/experts can be selected. The composition and size of the team depend on the nature of the unit of accreditation. There have been suggestions to involve other stakeholders, but currently the experts are academics only. As the assessment (by NAAC) concentrates on the institution as a whole, the

visiting team should also be composed of experts with a generalist point of view.

In the USA, regional accreditation agencies and programme accreditation agencies differ; in programme accreditation, the members have a specific profession, and as far as institutional accreditation is concerned, the members must have wide administrative experience. The reviewers are selected only through nomination and interviews.

In Colombia, peers must be selected within the relevant paradigm of a discipline to be examined and should be involved in the discipline. They do not represent the institution but are experts in the field. An external peer-bank is being developed.

The integrity of the members is extremely important and the composition itself can affect assessment. In most cases, the institution can express its opinion on the selected members, or at least oppose the inclusion of some outside experts on the basis of existing or potential conflicts of interest.

In the USA and India, the institution is provided with a list of names of the possible members for the visiting team and is able to oppose the composition. In India, selected members of the visiting team must sign a 'no conflict of interest' agreement to affirm their objectivity. In other case studies, the procedure is not as transparent, even though neutrality is clearly a central concern in all selection processes.

Peers for the visiting team are also selected in accordance with the focus of the evaluation. In Colombia, accreditation focuses on the shortcomings and strengths of programme-related concerns. The external members are therefore chosen to have the capability to assess self-analyses prepared by the institution. In the case of programme accreditation, professional peers (representing the labour market) are often included, since programme accreditation usually adopts an output-based approach focusing on professional competences.

### ***The preparation and the visit***

Once selected, the team makes arrangements with the institution and a suitable date for a visit is fixed. In Hungary, the chairman of the elected visiting team pays an instructional pre-visit to the institution. The same procedure takes place in Colombia. The schedule for the external visit is between three and five days.

General procedure is to introduce the guidelines to the external visiting team via short training or by distributing the handbook for the assessment, so that the members have time to truly familiarize themselves. In Hungary, members receive the guidelines and the first volume of the application for accreditation prepared by the institution and have one week to examine the information and distribute the various tasks of the on-site visit between themselves. In India, Colombia, the Philippines and the USA, a training programme is organized for the members of the team before the on-site visit. In India, NAAC assesses the peers after the training in order to identify their strengths and weaknesses. If there are regional accreditation agencies, as in the case of the USA, the agencies have different procedures for the training and orientation of external members. An assessment manual is handed out to the peers in all case studies.

Information during the on-site visit is mainly collected via interviews with the staff, students and management, and through an assessment of various documents. In India, the NAAC provides interview guidelines for relations between different participants of the institution. The team visits the department and facilities, interacts with different participants and analyzes documentary evidence. In addition, interviews are done with past students and parents.

The aim of the on-site visit depends on the unit (institution, department, faculty or programme), but the aim is mainly to verify the truthfulness of the self-evaluation as well as to take a close look at issues that may not have been emphasized by the institution that could be essential to quality assessment. The site visit promotes the clarity of the self-study and the team has the opportunity to come to a different conclusion.

The visit is not based on external observation, but rather on discussions and interaction between the peers and people involved in the institutional activities. In the programme evaluation, the peers have a similar role; only the unit of analysis is different.

### **The result of assessment: grading systems**

Accreditation implies by definition a yes/no decision. However, it may also use a grading system, which is intended to make the distinction between different levels of quality. This is expected to operate as an incentive for institutions to strive for improved quality in order to enhance their status within a higher education system. In the case of India, the result of assessment is pronounced by using a numerical scale. There is also a weighting system for different criteria, so that an overall numerical score can be calculated for each institution.

In the Philippines, numerical assessment on the scale of 1-5 is also used for each of the accreditation criteria. At the end, an average grade is produced for all individual grades obtained.

In Hungary, quality assessment for programme accreditation consists of four qualitative scales: exceptional; strong; adequate; and inadequate.

In addition to determining a grade, all accreditation procedures include a more qualitative report that is usually prepared by the leader of the visiting team and based on different inputs from other members of the team. Usually, the institution has the right to make written comments on the report. In India, for instance, the head of the institution can give his opinion on the report. Modifications can be made if the peer team agrees that information used for the assessment was incomplete. There is a confidential part for NAAC that is not sent to the institution. The whole process, from writing the report to final grading, is highly standardized and thus transparent.

In Colombia, the procedure is similar to that in India and Hungary. The external team drafts an External Evaluation Report, which the institute can comment. Their work should be instrumental to the whole

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system for the improvement of the quality of the programme and/or institutions. The same is true in the USA, where the first oral feedback for the institution is given during the visit and the institution can also comment on the written report. In the Philippines, the institution receives oral feedback at the end of the three-day visit, after which the external team drafts an official report to the Board of Trustees of the agency in question.

### **The final decision**

The final decision to grant or withhold accreditation is based mainly on the self-evaluation report, on the external report, and on the institution's comments on the external evaluation. There is a specific timescale during which the decision must be made.

In Colombia and Hungary, the executive bodies of the agencies make a recommendation to grant accreditation or not. The report is then delivered to the ministry in charge of making the final decision. A list of accredited programmes is published by the CNA. In Colombia, if the assessment is unsatisfactory, the institution receives recommendations on a confidential basis. After two years, the institution can submit its programme to be accredited if the recommended changes have been implemented.

In Hungary, the Plenum of HAC makes the final recommendation to the minister. The recommendation is adopted in a closed meeting by open vote and published in the Official Gazette of Cultural Matters and sent to the minister. The final decision is pronounced by the minister and can be either "yes, may be accredited" or "no, may not be accredited". The scale serves to determine the quality of the university/university faculty/college/college faculty of a school.

In the Philippines, the accreditation team of the agency makes the final decision and grants a level of accreditation ranging from Level I to IV. Level I indicates that the unit will be capable of acquiring accreditation in one or two years. Level II indicates accredited status, and Level III indicates re-accreditation status. Level IV corresponds to excellence in education.

In India, the Executive Committee of the NAAC makes the final decision. The institution is first given a score and then grading. The decision for accreditation is marked with the letter 'A' and a five-point star scale after the letter refers to the status of the accreditation, A\*\*\*\*\* being the highest grade and A\* the lowest. The publication is placed on the NAAC Internet pages after final grading. Non-accredited institutions are not given a grade.

In the USA, the Board of Trustees by the Commission of the accrediting agency makes the decision for accreditation. After a meeting, an official written notice is handed out to the institution.

The accreditation is always temporary and its duration varies. In Hungary, a quality assessment is completed every eight years, whereas in India accreditation is granted for five years. In the USA, the duration varies from five to 10 years, and is performed within three and 10 years. As a result, accreditation is always periodic and must be renewed.

### **Incentives linked to accreditation**

The accreditation system is often connected either to some funding incentive or to other kinds of benefits to the institution, such as more institutional autonomy. Such benefits are all the more important, as accreditation is voluntary in most cases.

In the Philippines, the Level IV institutions receive subsidies from the Higher Education Development Fund. Level II gives the institution partial curricular autonomy and priority for government subsidy for faculty development. With Level III status, institutions enjoy full curricular deregulation and the authority to offer new courses, whereas Level IV renders institutions eligible for subsidies from the Higher Education Development Fund for programmes of qualified tertiary education institutions.

In India, only universities that undergo the assessment are eligible for a development grant from UGC.

In Hungary, funding and accreditation are only indirectly related. Those programmes, which have received accreditation

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and recommendation for final ministerial approval by the Higher Education Research Council (HERC), can receive state funding. Since accreditation is not a requirement for granting degrees, programmes without accreditation may not be advertised on the self-funding market of different stakeholders.

In addition to material benefits, all case studies indicate that accreditation enhances institutional status and is ever more important in a context in which institutions are becoming more market-sensitive and in which stakeholders are increasingly becoming customers.

**What lessons can be learnt from the comparative study of accreditation systems to make them run successfully?**

The comparative analysis of the five case studies from different continents has brought to light the similarity of the basic processes used for accreditation. There is nearly always a phase of eligibility testing followed by self-study and peer review. The objective of accreditation is quality improvement, but the concern to ensure accountability is moving increasingly to the fore, mainly due to over government pressure. A growing use of standards for accreditation testifies to this.

Within this overall similarity of accreditation systems, there are, however, manifold options that we have tried to identify in this paper. Options cannot be discussed without taking into account the particular context of a higher education system, and in particular its tradition and culture. We have seen, for instance, that accreditation systems tend to fill existing gaps in quality assurance and that they focus on functions that are not yet occupied by another agency. This explains part of the observed differences. Other sources of divergence are academic traditions and culture. Detailed procedures must be seen as legitimate within a given system, and what is legitimate varies from one context to another.

However, a number of lessons learnt from the case studies can be seen as generic. **The division between programme and institutional accreditation** exists in all cases. Some systems, such as that in Colombia, focus on programme accreditation, while others

concentrate on institutional accreditation. Still others, such as those in Hungary and the Philippines, use a combination of both, and a minimum number of accredited study programmes are a precondition for institutional accreditation. Accreditation systems tend to start with either of the two, but once the accreditation has been approved among the academic sphere and stakeholders, the other accreditation process is also adopted.

**The accreditation agency plays a crucial role.** The role of the accreditation agency is either solely administrative, or both administrative and substantive. The agency is usually involved in developing the methodology and procedures for accreditation. It plans and organizes the accreditation processes. It is often involved in selecting the team of peers and may take part in its training, or at least in its briefing. Sometimes the accreditation agency sends one of their regular staff with the peer team so as to ensure the greater comparability of processes. The case studies have brought to the fore that the agencies tend to start with an administrative role, but they also begin to play a more substantive role, just as soon as they gain legitimacy in the system. In order to maintain transparency in the process, it is, however, very important to clearly distinguish the role of the agency and the peer team, the latter being exclusively in charge of making a professional judgment.

**The accreditation agency must be independent.** Our case studies demonstrate that it has become good practice for accreditation agencies to have a sufficient level of autonomy both from the state bureaucracy and the academic community. As a result, in all cases they either function as a private or as a semi-autonomous agency. This is necessary because the agency must develop trust within the academic community. The agency either works independently (e.g. the Philippines and the USA) or it operates as a buffer between the government and the higher education sphere (e.g. Colombia, Hungary and India). As stated in the Hungarian report, once the role of the buffer organization is fully approved, it may try to become independent from state administration



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and gain a new role. In all cases, co-operation and communication between the government and the agency is nevertheless important.

The development of the accreditation system requires the development of a model for desirable quality. **The setting of standards and clear guidelines** for assessment are crucial for a well-operating and transparent accreditation system. While accreditation systems used to adopt a 'fitness for purpose' approach, our case study experience has shown that they are now moving increasingly towards a 'standard-based model', but both approaches are not used exclusively. Standards once related to input concerns, but systems are also progressively trying to embrace the output standards to a greater extent. This is often done with difficulty due to measurement problems. The standards are communicated to assessors and institutions via operational handbooks; in some cases, these handbooks are quite detailed (the Indian self-evaluation report), and in others, institutions are given greater freedom to conduct the evaluations (e.g. Colombia and the USA).

**The choice and training of external peers must be conducted with care given their important role in applying the quality model.** Peer teams must be put together to represent a wide range of expertise, in particular when accreditation is conducted at the institutional level. Some case studies (India, Hungary) are still hesitant to include professionals in peer teams. This practice seems to be changing slowly. It is also good practice to establish a database of experts, especially in large higher education systems. Such a database should include those who were taking part in a peer visit and proved to be adequate assessors. It is also good practice to provide peers with an external site visit manual in order to conduct visits and data collection in a transparent way. The level of professional autonomy that peers enjoy in their judgment varies from one case study to another. In the US system peers tend to be rather free in their qualitative judgment, while the Indian system obliges experts to use a predefined quantitative grid.

**Developing trust** is crucial during the initial stages of an accreditation system. Several cases reported that their academic

community complained about a lack of transparency during the earliest accreditation processes (Colombia, India and the Philippines). Trust can be gained through transparency and enhanced, when the institution has a say in the composition of the external team and can oppose peers due to a conflict of interest (e.g. in India and the USA). The institution may also be able to make comments on the external report (Colombia, Hungary, India, and the USA). Transparency can also be increased through active information dissemination to the public, both of accreditation instruments and reports. In India, the accreditation report is published on the Internet, as well as criteria and guidelines for assessment and grading. In Hungary, the outcome is published in a professional journal, which makes it public. In Colombia, written recommendations are kept secret and only the institution knows about them.

All case studies stress that **accreditation must be a voluntary process**. Only when the institution is motivated and committed to change can accreditation operate as a development tool for higher education. Strong academic commitment is needed for accreditation to become an instrument for quality enhancement. Several of the case studies (i.e. India, Colombia and the Philippines) show that only a small proportion of institutions or programmes manage to become accredited. For reasons of equity, such systems need to reflect on procedures that generalize the accreditation practice and make accreditation available to institutions that most need quality enhancement.

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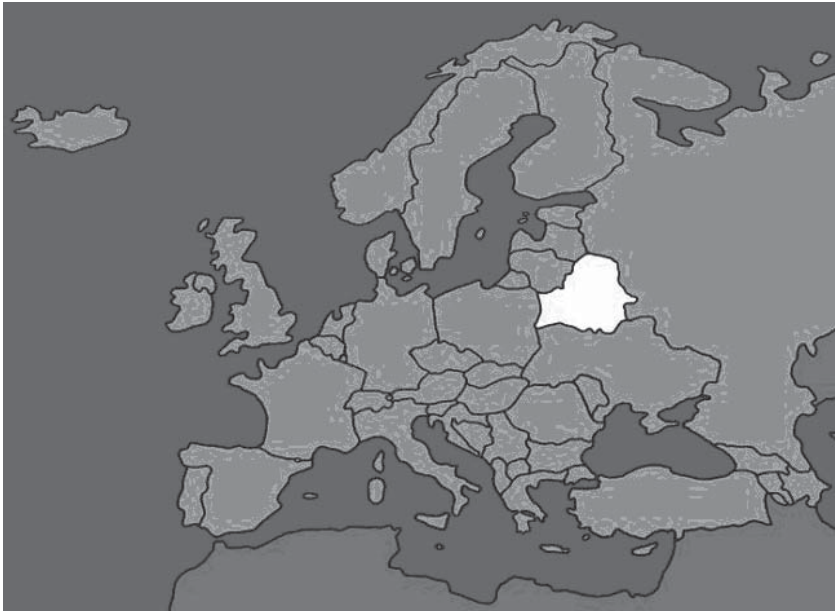
## 2. REGIONAL INTEGRATION PROCESSES AND THEIR DYNAMICS FOR EXTERNAL QUALITY ASSURANCE: WHAT CAN OTHER REGIONS LEARN FROM THE BOLOGNA PROCESS?

*Birger Hendriks*

### Introduction

The Bologna Process has a positive reputation in Europe, which explains why 45 signatory states have already joined: from Iceland to Turkey, from Portugal to Russia, from the UK to Azerbaijan. The last five members joined at the Bergen Conference (Norway) in 2005, during the meeting of all European Ministers of Higher Education.

**Figure 2.1** Member states of the Bologna Process



Source: Norwegian Ministry of Education and Research, 2005.

Advisory members include the Council of Europe and UNESCO/CEPES, the European Rectors Conference (EUA), the European student organization ESIB (which was renamed ESU – European Students' Union – in May 2007) and EURASHE, the European Organization of Higher Education, Education International and the Union of Industrial and Employers Confederations of Europe (UNICE).

The European Bologna Process is not a legal entity. It has more to do with a flying carpet or a virtual power than with directives, laws or other legal instruments. The authority representing the Bologna Process is the Conference of Ministers, which takes place biannually. The presidency of the European Union then in office functions as the presidency of both the conference and the entire Bologna Process. The conference decides upon a communiqué, which has indirect but not a legally binding effect. The Bologna Process has gained strong influence on the development of higher education in European countries. The newest report called *Trends IV: European universities implementing Bologna* by Reichert and Tauch came to the conclusion that “actors in institutions are now facing and tackling the challenges of implementation with commitment and energy” (Reichert and Tauch, 2005: 8). Implementing reforms needs time and support. Indeed, the report notes that: “[g]overnments must be sensitive to the fact that the goals will not be achieved simply by changing legislation” and that “Europe’s strength derives from the conception of higher education as a public responsibility responding to societal needs, and this requires the commitment to a long-term and sustainable public funding base” (Reichert and Tauch, 2005:8). This also needs quality enhancement. It is important to note that the process of exchange must start in the mind and that the commitment of all stakeholders on all levels is most relevant.

In this article, the Bologna Process shall be described with regard to its development and goals, its relations to the European Union, and its mechanisms. We shall then focus on quality assurance, European standards and guidelines, and the necessary peer review system for the quality assurance of agencies. The further development of quality

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assurance will be considered, keeping in mind the European quality assurance framework. Furthermore, the results of progress made in implementing quality assurance in the Bologna Process shall be described. Finally, answers shall be given to the major questions posed by IIEP in this regard.

## **Development and goals of the Bologna Process**

The Bologna Process is still a delicate plant, at the tender age of six years. Twenty-nine European ministers for higher education agreed in 1999 on a Declaration in Bologna, Italy. This Declaration initiated the widest-reaching reforms to European higher education in recent decades. The initiative for this movement has its roots in a meeting of ministers for higher education from France, Italy, the United Kingdom and Germany in 1998 at the Sorbonne University in Paris. The idea behind it must be seen in connection with the European Union. Ministers at the meeting said Europe should not only focus on economic development, but also on improving education, in particular higher education and lifelong learning. It is nonetheless evident that higher education in the European context is also closely related to economic development in the context of the Single European Market. We are aiming to increase the mobility of students and scientific staff, to open up labour markets, and to raise the overall quality of higher education and training. Mobile students need their degrees to be recognized and to receive credits for study undertaken. Last but not least, higher education is a worldwide market. The global lure of European universities and their study programmes should therefore be improved.

The Bologna Declaration included six goals, including quality assurance. It was the first basis for the whole process and lent its name to it. Meanwhile, three other conferences in Prague, Berlin and Bergen followed, each of them with a communiqué. These communiqués are milestones for the European Higher Education Area (EHEA) in 2010. The Prague conference came up with three additional goals. Berlin opened up the process of taking stock and of realizing the goals. Finally, the Ministerial Conference of Bergen accepted both standards and

guidelines for quality assurance and a qualifications framework at the European level.

The breadth of the process refers both to the extent of reforms at the European, national and institutional level. In particular, it relates to different goals such as the two-cycle degree structure (if you include the doctoral level there are three cycles); quality assurance; the recognition of qualifications; or a qualifications framework. European countries are committed to creating the European Higher Education Area aimed at increasing the mobility of students and scientific staff and at improving the competitive power of the European higher education sector in the global market. At the same time, all stakeholders wish to avoid creating a 'Euro-pudding' in which the cultures of European countries would be harmonized. The signatory states of the Bologna Process want to preserve their respective cultural identity and heritage, the diversity of their political systems and higher education systems, and socio-cultural and educational traditions, languages and expectations. On the other hand, creating a European Higher Education Area requires a functional network between all stakeholders and, to a certain extent, joint standards, such as a co-ordinated degree system, mutual recognition of degrees and a system of quality assurance. An important prerequisite for the mobility of students and staff and for the provision of joint cross-border study programmes, indeed for the Bologna Process as a whole, are consistent reliability, mutual trust and transparency. It is evident that quality assurance plays an important role in this context. Indeed, it is the cornerstone of the whole Bologna Process. It is also very important in terms of opening up relevant information to all students and other stakeholders.

## **The Bologna Process and the European Union**

The Bologna Process is more like a network than the centralized European Union, which aims in many ways to harmonize the legal basis for all member states. There is no central harmonization of structures or instruments. Rather, in a bottom-up process, Bologna member states show a willingness to adapt certain structures to the accepted Bologna



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standards. As a member, the European Commission supports the Bologna Process in a very constructive manner and subsidizes several activities. Why? The Commission is driven by the Lisbon Strategy dating back to the year 2000, which aims to make Europe “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion by 2010” (Lisbon European Council, 2000: §5). In the words of the 2005 *Mid-term review of the Lisbon strategy*, “In advanced economies such as the EU, knowledge, meaning R&D, innovation and education, is a key driver of productivity growth. Knowledge is a critical factor with which Europe can ensure competitiveness in a global world where others compete with cheap labour or primary resources”. From this point of view, the Bologna Process, and indeed the Copenhagen Process, are part of the overarching Lisbon Strategy. This position contrasts with the Maastricht principle that higher education is the competence of each member state. In the field of education, including higher education, the responsibility of the European Commission is subject to the principle of subsidiarity. This means that the Commission may make recommendations and promote co-operation among member states, but is not entitled to issue harmonizing binding rules. This is a dilemma for the Commission in the higher education sector. The Bologna Process therefore functions for the Commission somewhat like a Trojan horse. As soon as a certain result has been reached within the Bologna Process, the Commission follows with a similar but more far-reaching draft or proposal, with a tendency to harmonize rules corresponding to the logic of “What is accepted in the Bologna Process by 45 countries cannot be wrong and rejected in the European Union by 25 of them”. Two examples illustrate this: Within the Bologna Process, at the Bergen Conference, the European Ministers agreed on a qualifications framework for the higher education sector. Following this, the Commission published a draft European qualifications framework. This draft is much more far-reaching and includes the whole process of lifelong learning, from primary school up to the doctoral level and vocational training. Secondly, ministers within the Bologna Process promoted the principles of quality assurance, including the possibility

of a European Register for quality assurance agencies. The European Commission presented a more far-reaching proposal on this subject in 2005.

On the other hand, these parallel procedures have certain mutually reinforcing effects that may be positive for European development in higher education. In 2005 alone, the European Commission issued four important communications on this issue.

### **The mechanisms of the Bologna Process**

How does the Bologna Process work? The system is simple: Ministers identify and agree on certain goals, results and steps, which are laid out in a communiqué. This must be prepared both by the so-called 'Bologna follow-up group' with representatives from all signatory states, by the consultative members and by a Board. Working groups are set up for certain subjects such as stocktaking. Another element has turned out to be very useful for the development of the Process: seminars organized by different members on subjects such as the qualifications framework or doctoral studies. The Bologna Process would not be effective without its Secretariat, guided and financed by the host country of the next Ministerial Conference. This Secretariat prepares and feeds the Bologna web site ([www.dfes.gov.uk/bologna](http://www.dfes.gov.uk/bologna)) and organizes both the communication between all members and the Ministerial Conference. In addition, the current EU Presidency organizes the meetings held between these events. The co-chairing of the EU Presidency and host country has proved to be both a motivated and a motivating element.

Both at the European and the national level, all stakeholders must work hard to reach the goals of the Bologna Process and to implement the necessary structures and measures into the national system. For the EHEA to become a reality, governments must set the right conditions. It is up to the higher education institutions to convert necessity into reality. This means that the Bologna Process sets standards and conditions for the member states without being legally binding. The binding effect derives from legal measures taken by governments, from

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the commitment of the institutions of higher education and from all other stakeholders.

### **Other factors**

Certain other factors are important to realize the Bologna reforms. At the institutional level, these include internal horizontal communication and the quality of leadership exercised by the institutional managers. In the national context, they include the quality of information, guidance and financial support, which significantly affect the institutional capacity to act. Last but not least, the degree of institutional autonomy motivates the institutions to promote reforms, depending on whether or not they feel that they can forge their own future.

### **Quality assurance in the Bologna Process**

Quality assurance in higher education is of course a concern worldwide. The interest in quality and standards has increased for many reasons: Higher education is a public good that falls under public responsibility; it has considerable public and private costs; and is increasingly important for nearly every country. It is therefore rapidly growing across the world and becoming more international. Europe wants to ensure and show that it takes the quality of its study programmes and awards seriously, and for this reason is willing to establish the necessary means for assuring its quality.

This is why, in the Berlin Communiqué of 19 September 2003, ministers of the signatory states of the Bologna Process invited the European Network for Quality Assurance in Higher Education (ENQA) to develop an agreed set of standards, procedures and guidelines on quality assurance and to explore ways of ensuring an adequate peer review system for quality assurance or accreditation agencies. ENQA has done this job together with the EUA, EURASHE, the National Unions of Students in Europe (ESIB)<sup>4</sup> and the European Commission. The Bologna Ministerial Conference in Bergen has accepted the standards and guidelines. It has yet to set up a European register for the quality

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4. In May 2007 ESIB was renamed ESU.

assurance agencies. The accepted standards and guidelines on quality assurance in the EHEA, as well as the peer review system for quality assurance agencies, will hopefully be introduced on a national basis in participating countries where this has not already been done.

This system of quality assurance takes into particular consideration four positions, which are important as recurrent themes for the whole quality assurance concept:

- the interests of students as well as employers and more broadly society in good quality higher education, in addition to the responsibility of governments and institutions for higher education;
- the central importance of institutional autonomy combined with accountability to all stakeholders;
- the need for external quality assurance to be fit for its purpose and to place only an appropriate and necessary burden on institutions for the achievement of its objectives; and
- the interest of countries and institutions importing cross-border study programmes for higher education.

Above all, the quality assurance system at the European level guides signatory states to establish an adequate and compatible national quality assurance system in terms of common standards.

### **Elements of the quality assurance system**

The European System of Quality Assurance within the Bologna Process consists of standards, guidelines and a peer review system for quality assurance agencies. These standards and guidelines at the European level are of course mainly directed at the higher education institutions and governments, and at the supervising authorities for quality assurance. Moreover, the ministers have agreed on the principle of a European Register for quality assurance agencies.

## **Standards and guidelines**

At the level of the higher education institutions, the elements of quality assurance are as follows:

- internal quality assurance with monitoring and periodic review programmes, assessing students and supervising the quality of teaching staff;
- external quality assurance based on internal procedures with peer reviews and reporting;
- participation of relevant stakeholders, including students; and
- publication of the results.

Higher education providers have the primary responsibility for the quality of their study programmes, provisions and assurance. It is important to create an atmosphere and a culture of quality within higher education institutions. Transparency and external expertise in these processes are essential.

The objectives of the standards and guidelines are obvious:

- to inform and raise the expectations of higher education institutions, students, employers and other stakeholders of the processes and outcomes of higher education; and
- to contribute to a common frame of reference for the provision of higher education and the assurance of quality, not only within the EHEA, but also for students and other stakeholders in countries outside the EHEA.

Self-evaluation, external site visits and public reporting are as important prerequisites for quality assurance as independent quality assurance agencies. The agencies must be formally recognized by competent public authorities. They should comply with any legal requirements within which they operate. Moreover, they must reflect the social and cultural requirements of the jurisdiction and environments in which they operate.

## Quality assurance and qualifications framework

The Qualifications Framework is an instrument for the development and classification of qualifications according to a set of criteria for levels of learning achieved. In general, the qualifications framework establishes a basis for improving the quality of qualifications within a country and internationally (European Commission, May 2005). It improves mobility and mutual trust by facilitating the ability of citizens to judge a qualification such as a Bachelor's degree according to skills, knowledge, and personal and professional competence. There is a distinction between the European Framework and the national qualifications frameworks. In the Bergen Conference, ministers have adopted an overarching framework for qualifications in the European Higher Education Area, which is naturally focused on higher education. This framework comprises three cycles: the first leading to the title of Bachelor; the second leading to a Master's degree; and the third leading to a doctorate. The specification of learning outcomes is very important. This is a new element in the orientation of curricula and degrees. Traditionally, higher education was more or less explicit on knowledge. It was less explicit on skills and competences required for certain qualifications. The generic outcomes for a qualification may be described by using generic descriptors. This means these descriptors, such as knowledge and understanding, communications skills and learning skills (some of the so-called 'Dublin descriptors') make generic statements of typical expectations of achievements and abilities for each cycle possible.

Corresponding to this European framework, and as a result of the Bergen Conference, the signatory states will have to develop national frameworks for qualifications by 2010. They have promised to start working on this in 2007.

Several member states of the Bologna Process have already established a qualification framework. Germany has decided on a national framework for higher education that is more or less compatible with the European framework. The accreditation council (*Akkreditierungsrat*), the German authority for supervising the agencies, will have to include

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the elements for the qualification framework into the binding rules for accreditation.

The Commission of the European Union has published a draft consultation document entitled *Towards a European qualifications framework for lifelong learning*. The framework covers the whole range from school to doctorate in a structure of eight levels referring to learning outcomes. It includes a credit transfer and accumulation system for lifelong learning, as well as a set of common principles and guidelines for co-operation between stakeholders at different levels that focus on quality assurance, validation, guidance and key competences. We will have to see whether the national systems of education and training are compatible with it. As far as I can tell, the proposal from the Commission of the European Union is more or less compatible with the overarching Bologna framework.

### **Quality assurance for agencies**

Agencies for quality assurance should conduct or be submitted to a cyclical external review of its processes and activities at intervals of no more than five years. The results should be documented in a report and open to public scrutiny.

Among the Bologna members, disagreement remains on the European structure of quality assurance agencies. The majority of member states and in particular the EU, COM and ENQA favour a European Register, chaired by a European Register Committee. This committee is supposed to be responsible for the accreditation, supervision and re-accreditation of the agencies, and for deciding if an agency will be admitted to the Register. Other countries, such as France, Germany, Italy and Poland oppose this concept. In Germany, for example, the elaborate system of quality assurance includes the quality assurance council, which has the legal obligation and function to accredit and admit quality assurance agencies for that country. Should the national authority be replaced by the European Register or the other way around? Germany fears confusion between the responsibilities of the European and the national authorities. Moreover, the Bologna

Process favours the principle of networking rather than of central rules in this context. Networking in a bottom-up process works very well. In any case, the European Ministers for higher education have asked ENQA to further develop the practicalities and design a proposal for the Bologna Follow-up Group. The solution might be for networks between the national systems to be combined with a centralized capacity, while avoiding confusion of responsibilities.

### **The Bologna Process from the perspective of a member state**

Looking at the Bologna Process from the perspective of Germany, one can see that the dynamics and speed of reforms in that country have increased during the last five years. The Bologna Process has had, and still has, a strong impact, in particular on study degree structures of quality assurance and the recognition of degrees. As a country with a federal structure in which the responsibility for education and higher education is with the *Länder* (regional states) rather than with the Federal Government, structural changes are more complicated than in countries with a central responsibility. With autonomous universities, it is all the more difficult to cope with changes. On the other hand, the way in which it is now developing seems increasingly effective. Structures can not be changed by orders alone, if there are no changes in the minds of the stakeholders involved. In the long run, it is necessary to convince people, to discuss the necessities of changes with them, and to follow a bottom-up process rather than top-down orders. Of course, legal and binding rules are necessary for certain structures, such as for the Quality Assurance Council. But all stakeholders must commit themselves to the reforms. This is more or less how the German system works.

### **Taking stock of the Bologna Process**

At the Berlin meeting in September 2003, the Ministers for higher education agreed that a stocktaking exercise should be conducted to measure progress made in implementing certain reforms within the European Higher Education Area. Specifically, they requested the Bologna Follow-up Group to prepare reports on the progress and



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implementation of quality assurance, of the two-cycle system, and to recognize degrees and periods of studies. The report was undertaken by using scorecard criteria. That means exercising group developed criteria and benchmarks for each of the three fields. I shall focus on quality assurance here.

The overall result of the stocktaking was quite satisfactory for all of the signatory states at that time. More than half of them have quality assurance structures in place. Half of the participating countries have systems built on the criteria identified in the Bologna Process. International participation and networking feature in many of them. The very good progress measured in this stocktaking exercise shows real commitment on behalf of all participating countries in making the European Higher Education Area a reality.

On the other hand, this progress should not mask the deficits in quality assurance, which are still ascertainable. Student participation is absent in many quality assurance procedures (*Bologna process stocktaking*, 2005: 40f.). Moreover, the *Trends IV Report* (Reichert and Tauch, 2005: 29) states that although universities are increasingly aware of the importance of improving the quality of their activities, the lack of student participation has a direct impact on quality improvement. And the authors stress that “there is clear evidence that success in improving quality within institutions is directly correlated with the degree of institutional autonomy. Institutions which display the greatest ownership for internal processes are also those with the most functional autonomy.”

## **Conclusion**

Finally, I should like to come back to the title of this short overview: “What can other regions learn from the Bologna Process?” In answering this question, I would like to emphasize five points:

1. Higher education is significantly influenced by the national or regional culture and economic situation, although it is increasingly becoming a field of global competition. Every region must therefore develop its own standards and principles.

2. To increase the mobility of students and staff, co-operation between countries and institutions is essential.
3. Co-operation between countries and institutions requires transparency of structures, mutual trust and mutual reliability. It requires, to a certain extent, a willingness to agree on common standards and guidelines.
4. Reforms in higher education need changing structures and minds. In the long run, an international bottom-up process to which all stakeholders are committed seems to be more effective than top-down rules.
5. At the national level, it is easier to put reforms in place with help from outside such as an international process, as the stakeholders involved may be more prepared to follow an international development with a positive reputation rather than ideas from the national level.

I hope to have shown that the Bologna Process has, and will have in the future, a strong and dynamic impact on higher education in Europe. The diversity of stakeholders ensures that the process maintains its vitality. Quality assurance must play a central role in the development of a European Higher Education Area by 2010.

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### 3. TRADE IN HIGHER EDUCATION: LATEST TRENDS AND FINDINGS

Stéphan Vincent-Lancrin<sup>5</sup>

#### Introduction

Higher education has become increasingly international in the past decade as more and more students choose to study abroad or to enrol in foreign educational programmes and institutions in their home country. This growth is the result of several different, but not mutually exclusive, driving forces: the desire to promote mutual understanding; the need for migration of skilled workers in a globalized economy; the desire to earn more; the need to build a more educated workforce in the home country of such students, generally an emerging economy; and other factors, such as declining transport and communication costs.

Cross-border higher education has developed differently across OECD countries and regions. By and large, student mobility has been policy-driven in Europe and demand-driven in the Asia-Pacific region, while North America has mostly been a magnet for foreign students. On the other hand, delivering foreign education programmes and institutions so that students can study at a foreign college without leaving home has been largely driven by educational institutions themselves. It has been made easier by institutional frameworks that grant substantial autonomy to higher education institutions and by the policies adopted by receiving countries.

The growth and diversification of cross-border education raises a number of questions for governments and higher education institutions. The main trends in cross-border education and the challenges involved are analyzed in two OECD publications *Internationalisation and trade in higher education* (2004a); and *Quality and recognition in higher*

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*education – The cross-border challenge (2004b)*. On the basis of the latest policy developments and most recent data available, this paper aims to show the growth and diversification of cross-border higher education, highlight how important it is for countries to adopt a strategy to respond to the internationalization of higher education, show what strategies have been adopted so far, and consider the variety of issues to be taken into account for this purpose.

**Where are international students going?**

Students going abroad to study is the major form of cross-border higher education. The number of foreign students in OECD countries has doubled over the past 20 years, and rose by 50 per cent between 1998 and 2003 to reach 2 million. OECD countries receive around 85-90 per cent of the world's foreign students, but most of them are concentrated in just six countries. In 2003, the USA accounted for 30 per cent of foreign enrolments, the United Kingdom for 13 per cent, Germany for 12 per cent, France for 11 per cent, Australia for 10 per cent and Japan for 4 per cent. The four leading English-speaking countries alone (the USA, the United Kingdom, Australia and Canada) account for more than half (55 per cent) of all foreign students in the OECD area. Although the number of foreign students has slowed down in some major receiving countries like the USA, partly because of fiercer international competition, growth is likely to continue in the foreseeable future.<sup>6</sup>

Europe is the largest receiving region among OECD countries, with 1 million foreign students. However, many of these students are moving from one European country to another. About 80 per cent of foreign students in Europe are European. Europe also receives most of the 233,000 African students studying abroad (79 per cent), with France alone receiving almost half of them (46 per cent). North America receives fewer foreign students than Europe (with about

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6. In the USA, the number of foreign students grew by only 0.6 per cent between 2002 and 2003, compared to 6.4 per cent over the two previous academic years, and fell by 2.4 per cent and 1.3 per cent, respectively, in 2003/2004 and 2004/2005 – the first drop in foreign student enrolment in 32 years.

630,000 foreign students from Canada, Mexico and the USA), but ranks first in terms of openness to other regions, with Asian students representing a significant share (41 per cent) of all foreign students in North America.

**Table 3.1 Origin of foreign students in the OECD area (2003)**

Destination	North American OECD countries	European OECD countries	Asia-Pacific OECD countries	OECD
Origin				
Africa	17%	79%	4%	12%
North America	50%	40%	10%	6%
South America	48%	48%	4%	4%
Asia	41%	30%	29%	45%
Europe	13%	82%	5%	30%
Oceania	28%	26%	46%	1%
World	33%	54%	13%	100%

*Source:* OECD Education database.

Asia heads the list of regions sending students abroad for higher education, accounting for almost half (45 per cent) of all international tertiary-level students in the OECD area. Europe is second, accounting for 30 per cent, followed by Africa (12 per cent), North America (6 per cent), South America (4 per cent) and Oceania (1 per cent; see *Table 3.1*). About 61 per cent of all foreign students studying in OECD countries were from outside the OECD area in 2003. Looking at individual countries, China (including Hong Kong) sends the largest number of students abroad, accounting for 15 per cent of all international students in the OECD area, followed by India (5 per cent), Republic of Korea (4 per cent), Japan (3 per cent) and Germany (3 per cent). More than two thirds (68 per cent) of all Asian students abroad study in three English-speaking destinations: Australia; the United Kingdom; and the USA. While Asian students mainly use cross-border education to acquire a full degree on a full fee-paying basis, American and European students favour a short two-way mobility, in the case of Europeans mainly on a subsidized fee-paying basis.

## **What are the new forms of cross-border education?**

In fact, going abroad to study is only one form of cross-border education. An increasing number of students are being offered, and are taking advantage of, a new option – taking a degree or other post-secondary course offered by a foreign university without leaving their home country. This can be in the form of a particular programme offered or where the foreign institution is physically present in the student's country, such as a US university opening up a campus in Asia. Programme and institutional mobility have grown over the past decade and are likely to meet a growing demand in the future. In the degree-granting sector, the growth of for-profit cross-border education through programme and institution mobility is mostly driven by 'traditional' public or private not-for-profit educational institutions that increasingly offer private provision. Although such services might not offer students the same cultural and linguistic experiences as foreign study, they involve lower personal costs than studying abroad and can lead to beneficial spillovers in the receiving country's higher education sector.

Programme mobility is the second most common form of cross-border higher education after student migration. It can involve cross-border distance education, including e-learning, generally supplemented by face-to-face teaching in local partner institutions. However, it mainly takes the form of traditional face-to-face teaching offered via a partner institution abroad. The relationships between foreign and local institutions are regulated under a variety of arrangements, from development assistance to for-profit arrangements. Commercial arrangements are becoming prominent in the Asia-Pacific region, mainly through franchises and twinning arrangements. Under a franchise arrangement, a local provider is typically licensed by a foreign institution to offer whole or part of a foreign educational programme (generally leading to a foreign degree) under stipulated contractual conditions. Franchise arrangements do, however, take many other forms. Under a twinning programme, students are enrolled with a foreign provider and taught a foreign syllabus; they carry out part of the

course in the home country and complete it at the foreign institution. This form of cross-border education typically involves both student and programme mobility.

Institutional mobility is still limited in scale, partly because it involves more entrepreneurial risk. However, it has become an increasingly important feature of cross-border education, corresponding to foreign direct investment by educational institutions or companies. Typically, institutional mobility involves the opening of foreign campuses by universities and of foreign learning centres by educational providers. It may also involve establishing a distinctly new rather than an affiliated educational institution, or the takeover of all or part of a foreign educational institution.

Over the past 10 years, there has been a significant trend towards increasing mobility of programmes and educational institutions (OECD, 2004a). In Singapore, there are now more undergraduate students following foreign programmes in their own country than Singaporean students studying abroad at this level. In 2001 in Hong Kong, there were 150 foreign educational institutions and 40 foreign professional organizations offering 645 programmes, either on their own or in partnership with local actors. Half of these foreign diplomas were issued by the United Kingdom, one third by Australia and the rest by other countries, including the USA. Finally, China reported a nine-fold increase between 1995 and 2003 in foreign programmes (which must always be offered in co-operation with local institutions). At the beginning of 2003, 37 per cent of these 712 programmes were courses at the post-secondary and higher levels that led to a diploma. Offshore campuses are beginning to open there under new arrangements, with infrastructure construction financed entirely by Chinese capital. This is the case, for example, of the Chinese campus of the University of Nottingham (England) which opened in September 2004 (the University has another campus in Malaysia). Countries' regulatory frameworks are not always well suited to hosting foreign educational programmes or institutions on their territory. Often, there is no provision either for the establishment abroad of their own public



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higher education institutions or for exporting their educational programmes. Furthermore, policies formulated when foreign students were a small proportion of the student population are not necessarily suitable when this proportion increases (whether within certain institutions or in the sector as a whole).

Australia is a striking example of a country whose provision of cross-border higher education is increasingly carried out in the student's home country through programme and institutional mobility. Each of Australia's 38 public universities is now involved in providing 'offshore' education. The number of offshore programmes of Australian universities has risen from just 25 in 1991 to almost 1,600 in 2003. More than 85 per cent of these programmes are in China (including Hong Kong), Malaysia and Singapore. The remaining are smaller programmes and scattered around the world, from India and Indonesia to Canada and South Africa (Rizvi, 2004). Offshore students accounted for 33 per cent of international students enrolled in Australian institutions in 2004, representing a 9 per cent increase since 1996. As a result, education services in Australia were the third highest export item in 2003, amounting to 5.03 billion Australian dollars (IDP Australia). More than half of international students from Singapore and Hong Kong (China) studying in an Australian educational institution are enrolled in offshore courses. Enrolments in cross-border education through programme and institutional mobility fell by 4 per cent for the first time in 2003, possibly due to growing competition in the area.

**What are the different policy rationales and approaches to cross-border education?**

Four different, but not mutually exclusive, approaches to cross-border higher education can be identified in light of countries' current practice. Three of them – skilled migration, revenue generation and capacity building – have a strong economic drive and emerged in the 1990s, while the fourth, mutual understanding, has a longer history.

The *mutual understanding approach* encompasses political, cultural, academic and development aid goals. It allows and encourages the mobility of domestic as well as foreign students and staff through scholarship and academic exchange programmes, and supports academic partnerships between educational institutions. This approach does not generally involve any strong push to recruit international students. Examples of countries using this approach to date are Japan, Republic of Korea, Mexico and Spain. The European Union's Socrates-Erasmus programme also corresponds to this approach, involving student and teacher exchanges, faculty networks and institutions across Europe, and joint development of study programmes.

The *skilled migration approach* shares the goals of the mutual understanding approach but places stronger emphasis on the recruitment of selected international students. It attempts to attract talented students to work in the host country's knowledge economy, or render its higher education and research sectors more competitive. Scholarship programmes can be seen as a major policy instrument, but they are supplemented by the active promotion of a country's higher education sector abroad combined with a more flexible visa or immigration regulations. Sometimes specific services are designed to help international students in their studies and their stay abroad, and more teaching takes place in English. This approach targets students from certain areas, postgraduates or research students rather than undergraduates, or students in a specific field. This approach generally results in a rise in the number of international students. Examples of countries using this approach are Canada (some provinces), France, Germany, the United Kingdom (for EU students) and the USA (for postgraduate students).

The *revenue generating approach* shares the rationales of the mutual understanding and skilled migration approaches, but offers higher education services on a full-fee basis, without public subsidies. Compared to domestic students, foreign students generate additional income for institutions, which are encouraged to become entrepreneurial in the international education market. Under this strategy, governments

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tend to grant institutions considerable autonomy while seeking to secure the reputation of their higher education sector protecting international students through quality assurance arrangements, for instance. This may be complemented by an active policy to lower the barriers to cross-border education activities through trade negotiations in educational services under the General Agreement on Trade in Services (GATS) or other agreements. This approach generally results in a significant growth of fee-paying student mobility and in strong involvement in cross-border education through revenue-generating programmes and institution mobility. Examples of this approach are Australia, Canada (some provinces), New Zealand, the United Kingdom (for non-EU students) and the USA (for undergraduates).

The *capacity building approach* encourages cross-border higher education as a quick way to build an emerging country's capacity. Scholarship programmes supporting the outward mobility of domestic civil servants, teachers, academics and students are important policy instruments; so is encouraging foreign institutions, programmes and academic staff to come and operate private for-profit ventures, generally under a government regulation that ensures their compatibility with the country's nation- and economy-building agendas. Twinning arrangements and partnerships with local providers are encouraged (and sometimes compulsory) in order to facilitate knowledge transfers between foreign and local institutions. In the short run, this approach results in large numbers of outgoing students and of foreign revenue-generating educational programmes and institutions. While the two preceding approaches are geared towards exporting education services, the capacity building approach is aimed at importing education services. It rejects the view that exports are necessarily more beneficial to a country than imports. Examples of this approach are mostly found in South-East and North Asia and in the Middle East, e.g. in China, Hong Kong (China), Malaysia and Singapore.

## **How does the GATS relate to education?**

Educational services are included in current negotiations under the General Agreement on Trade in Services (GATS) in the World Trade Organization (WTO). The issue of trade liberalization in educational services has provoked much public debate, and many countries have so far been reluctant to engage in trade liberalization negotiations for education services. The mere possibility that certain types of education might fall within the scope of trade regulations and agreements has fuelled a heated debate on the nature of education, especially in OECD countries where it is mainly provided as a public service on a non-profit basis.

Education stakeholders are mainly concerned that the GATS could undermine public funding and subsidies as well as governments' ability to regulate quality in higher education. However, the public education sector is in principle not covered by the GATS negotiations, and no member country has yet expressed interest to include. Moreover, the GATS has no discipline that compels WTO members or countries making commitments in education services to abandon the public funding of their higher education system or to extend it to foreign institutions or students, unless they decide to make such a commitment. No country has done this yet. The setting of quality standards is also outside the scope of trade agreements and of the GATS in particular. The GATS mandates the development of any necessary disciplines to ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services. But these disciplines do not exist as yet. Nor does the GATS provide for, or seek to undertake, recognition of qualifications. The WTO must be notified of recognition agreements so that other interested members can know about them.

However, technical clarifications are needed and there is still a degree of uncertainty given that the GATS regulatory framework remains incomplete. In light of the importance of higher education for society and its highly regulated nature, governments are understandably cautious when agreeing to subject themselves to common rules. The

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key question is whether misinterpreting the scope of GATS provisions may lead to a loss of policy control over the provision of these services. If commitments have not been made in a particular sector, only limited disciplines apply. When commitments are made, however, more significant obligations enter into play. It is thus important for countries to tailor carefully their commitments in order to avoid unintended consequences. In short, the possible impact of the GATS on domestic education systems will depend on the commitments made by countries.

The education sector is one of the least committed sectors. Only 28 members (counting the then 12 EU members as one) made commitments on education services during the Uruguay Round and, of these, 20 schedules contain commitments in higher education services.<sup>7</sup> The notable exception relates to the 21 countries that subsequently acceded to the WTO, which, with the exception of three countries (Bulgaria, Ecuador and Mongolia), have all made commitments on higher education services (Bulgaria did commit to other education sub-sectors). Offers in the current round of negotiations also remain limited. Of the 33 initial and revised offers publicly available, only 11 (counting EU members as one) relate to higher education services, some of which represent only technical changes or clarifications of existing commitments.

Why are countries that export education services, such as Australia and the USA, but also countries that import them, like Malaysia and Norway, taking an active part in the GATS trade negotiations? Today, importing countries are using the GATS to show their interest in cross-border education to potential exporters. Exporting countries are using it as a means of stabilizing access to foreign markets for their programmes and institutions of higher and, more generally, post-secondary education. The main contribution made by trade agreements to the growth of cross-border education would be the guarantee of a

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7. Australia, Austria, Congo RP, Costa Rica, Czech Republic, European Community, Gambia, Ghana, Haiti, Hungary, Jamaica, Japan, Lesotho, Liechtenstein, Mali, Mexico, New Zealand, Norway, Poland, Rwanda, Sierra Leone, Slovak Republic, Slovenia, Switzerland, Thailand, Trinidad and Tobago, Turkey and USA. Austria, Gambia, Ghana, Haiti, Mali, Rwanda, Thailand and the USA did not make commitments on higher education services.

stable degree for foreign investors in the framework of commercial services (when commitments are made).

However, the growth of cross-border higher education has occurred largely in the absence of GATS commitments, driven by factors other than the GATS. It is thus likely to continue irrespective of the GATS, at least in the short run. Whether a country decides to make GATS commitments on education or not, it will still need to deal with many of the issues and challenges that arise from these developments. Indeed, many of the policies required to manage the growth of cross-border higher education and trade in educational services are unconnected with, and unaffected by, the GATS (such as student visa requirements and policies regarding quality assurance, accreditation and recognition of qualifications). The inclusion of education services in the GATS negotiations has opened an unprecedented debate on cross-border education and raised awareness of the changes occurring in this field worldwide. While the use of trade agreements will no doubt remain a marginal instrument of international policies for some years, they could become even more important in the longer term.

What is clear is that cross-border higher education represents an important source of export revenue in some OECD countries and is increasingly provided through commercial arrangements. Foreign students incur large expenditures to cover living, education and travel costs. Although there are differing views across countries and regions, education is increasingly seen as a potential commercial stake for the future. Export revenue related to international student mobility amounted to around US\$40 billion in 2003, or 3 per cent of global services exports. In Australia and New Zealand, educational services rank, respectively, third and fourth in terms of services exports, and fourteenth and fifteenth in terms of exports as a whole.

### **What are the main policy challenges?**

Cross-border higher education raises mainly traditional educational policy issues: quality; access and equity; cost; and contribution of education to growth.

## **Quality and recognition**

Countries providing and receiving cross-border higher education have a common interest in strengthening quality provision (either to protect their learners or to maintain the reputation and attractiveness of their higher education system abroad).

The variety of higher education systems and the lack of transparent information about and readability of those systems worldwide leave room for low quality and even rogue providers (degree mills) and rogue quality assurance and accreditation agencies (accreditation mills) to operate. While national quality assurance and accreditation systems partly resolve quality issues in cross-border student mobility, programme and institutional mobility often fall out of their scope. Programme and institutional mobility can carry quality risks to a greater or lesser extent, depending notably on its form (franchise, twinning arrangement, e-learning, etc.). While still limited in scale, fraud – that is selling (or buying) fake degrees – is increasingly becoming an issue, as it lowers the overall perception of the quality of cross-border higher education.

It is also important to recognize international degrees as they facilitate periods of study abroad, giving students foreign degrees and an opportunity to work internationally.

New developments in cross-border higher education raise new policy challenges. Learners must be protected from the risks of misinformation, low-quality provision and qualifications of questionable validity by strong quality assurance and accreditation systems, covering cross-border and commercial provision and non-traditional delivery modes. Given the increasing cross-border mobility of students and professionals, qualifications should be transferable internationally in order to make them valid and fluid, to ease the work of recognition arrangements and credential evaluators. National quality assurance and accreditation agencies must intensify co-operation at the international level in order to increase their mutual understanding.

The *Guidelines for quality provision in cross-border higher education* (OECD, 2005a) that have been jointly elaborated by UNESCO and the OECD provide a framework to this effect.<sup>8</sup> They set non-binding guidelines for six major higher education stakeholders (governments, higher education institutions and academic staff, student bodies, quality assurance and accreditation bodies, academic recognition bodies and professional bodies) to commit themselves to quality, transparency and international collaboration.

### **Access and equity**

Cross-border higher education certainly represents one way of increasing access to higher education in countries where the tertiary sector is limited, whereby sending countries can provide access to foreign courses and institutions on-site.

However, student mobility and foreign education can involve equity issues for both receiving and sending countries. The growth of cross-border education could lead to the displacement of domestic students by international students, if it is not carefully monitored by governments and educational institutions. Moreover, student mobility remains primarily self-financed by students and their families. Students generally self-finance their participation in cross-border educational programmes operating privately in Asia, and students from lower economic and educational backgrounds participate less in cross-border student mobility. This is also the case for students from minority backgrounds in the USA. In some cases, though, cross-border education can increase the access of minorities to higher education; this is the case for Malaysian students from the Indian and Chinese minorities. Student mobility is gender-neutral in the European Socrates-Erasmus programmes and favourable to female students in the USA (because most outgoing US students study humanities). However, it favours male students in most Asian sending countries, reflecting a higher participation of male students in higher education in these countries as

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8. The full text of the Guidelines can be found at: [www.oecd.org/edu/internationalisation/guidelines](http://www.oecd.org/edu/internationalisation/guidelines)



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well as, possibly, a tendency of families to invest more in education for boys than for girls. The governments and other education stakeholders of receiving as well as sending countries willing to tackle the equity issue in cross-border higher education could improve financial support for participation in cross-border education through *targeted* and *means-tested* grants or student loan schemes. They could also improve information on the benefits and costs of cross-border student mobility to students from lower educational and socio-economic backgrounds.

### **Financing and cost**

Countries adopt two broad strategies for funding regarding incoming international students. The first is to grant international students indirect subsidies. As long as it does not require capacity expansion, teaching international students represents a marginal cost for universities. Moreover, where there is a decline in student numbers in a system or in certain fields, international students help reduce the average cost of higher education (by increasing the teacher-student ratio) and maintaining varied academic offers. Indirect subsidization alleviates (but does not totally remove) the funding issue for international students. This strategy implicitly relies on a reciprocity principle between countries/institutions, and especially where students' cross-border mobility is growing.

The second, newer, strategy often places cross-border higher education in a broader reform agenda of funding and governance of domestic higher education systems. So far, the introduction of this fee policy has preceded rather than followed (relatively) large enrolments of international students. In addition to most of the advantages of indirect subsidization, international students contribute to financing the domestic higher education systems. Their full tuition fees help universities to enhance educational and research capacities. They also give them strong incentives to recruit international students, to become more demand-driven and more entrepreneurial, and possibly to undertake for-profit cross-border activities like programme and institutional mobility. Governments seeking to encourage their

publicly-funded higher education institutions to recruit large numbers of international students or to undertake cross-border commercial activities should thus provide them with effective incentives, including financial autonomy and the ability to control the use of private resources generated by those activities, and to put effective guidelines and mechanisms in place to ensure accountability for any cross-border entrepreneurial activities of publicly-funded higher education institutions.

### **Using cross-border higher education to build capacity**

Cross-border higher education may be as important economically to importing as to exporting countries, and can indeed help emerging economies and developing and transition countries to build or strengthen their capacity in higher education. It can also enable them to meet their unmet demand. It is noteworthy that south-south cross-border mobility and networking can be as valuable as south-north mobility and should be encouraged.

As already mentioned, cross-border education is one way of increasing domestic access to higher education, which ultimately contributes to growth and development. While student and scholar mobility facilitates the building of international networks, which are essential to access up-to-date knowledge, partnerships of local and foreign universities in programme and institution mobility induce spillovers that can help improve the quality of local provision. Finally, commercial provision of cross-border higher education can build capacity faster than domestic or development assistance resources only, and grant receiving countries more negotiation power to dictate their conditions.

However, developing countries should be aware of some of the risks it also involves. They should ensure that foreign provision meets their needs and quality requirements, and that it leads to actual spillovers benefiting their domestic higher education system. Trade is not likely to play a major role in countries where there are insufficient funds to pay for unsubsidized (for-profit) education; development assistance

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in education should thus be encouraged in least developed countries. Finally, cross-border student mobility might in some cases involve a risk of 'brain drain' for the sending country; cross-border education without student mobility might alleviate this risk and create job opportunities at home for the students.

## **Brain drain**

Competition between countries to attract highly skilled workers has intensified in recent years, as reflected in the latest migration policy trends (OECD, 2005*b*). The internationalization strategies of exporting countries have increasingly similar objectives. There are no systematic data on the relationship between the mobility of students and researchers and immigration, but the few data available show that this relationship does indeed exist. Some 75 per cent of Chinese who studied abroad between 1978 and 1999 have not returned to China (Iguchi, 2003). In 1999, approximately 25 per cent of temporary emigrants to the USA under the H1-B visa programme had previously been enrolled in US universities (Cervantes and Guellec, 2002). The USA is in fact the only country for which the stay rates of foreign students after they obtain their diploma are known (Finn, 2003). The ability of the USA to attract skills is related to the fact that it receives large numbers of international students, and the magnitude of this attraction has been growing steadily since the beginning of the 1990s due to the combined effect of the increasing number of doctorates granted to foreign citizens by US universities and the number of foreign-born doctorate-holders who stay in the USA. The average stay rate<sup>9</sup> for foreign doctorate-holders in science and engineering in the USA four or five years after they obtain their diploma has grown, rising from 41 per cent to 56 per cent between 1992 and 2001. It soared from 65 per cent to 96 per cent for Chinese doctorate-holders and from 72 per cent to 86 per cent for Indians. The

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9. The stay rate does not indicate whether foreign students stayed permanently in the USA, but how many foreign doctorate-holders from a specific year were still in the USA several years later. Some of them may leave the country and then return. For example, the stay rate for the class of 1991 was 58 per cent in 2001, but it would be 81.5 per cent if the rate were to show the proportion of persons who had worked in the USA for at least one year during the 1992-2001 period (Finn, 2003: 1).

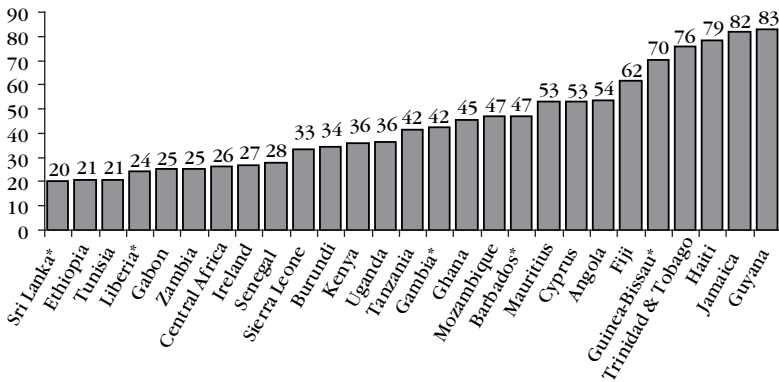
stay rate after completion of studies varies considerably depending on the country of origin and the discipline. In most cases, however, it does not diminish significantly over time and is partly dependent on the level of economic development in the home country, even though there does not seem to be a systematic pattern. For Argentina, China, Eastern European countries, Greece, India, Iran, Israel, but also New Zealand and the United Kingdom, the chances of staying in the USA five years after the doctorate was obtained are greater than 50 per cent (Finn, 2003).

Given these high stay rates, there is reason to fear that cross-border education may increase brain drain as much as it promotes capacity building in developing countries. Although 85-90 per cent of international students worldwide were studying in the OECD area in 2003, most of them (61 per cent) came from non-OECD countries. This is a very sensitive issue, for the permanent migration of highly skilled people can have a cost as well as benefits for the sending country. On the cost side, the sending country loses the human capital (and productivity) of these highly skilled people and, if their education was financed with public funds, the cost of public investment in their primary, secondary and (sometimes) tertiary education. On the benefits side, sending countries may find that their highly skilled diaspora contributes to their economy through their investments, remittances and the links that they provide between the receiving and the sending country in terms of trade, innovation and knowledge, etc. Naturally, the distinction between temporary and permanent emigration is crucial, for if skilled nationals return home with their knowledge and international experience, it re-establishes the positive dynamic of exchange of skills and capacity building for the home country. Thanks to the OECD's recent migration database, there is now an unprecedented amount of information on the magnitude of the brain drain. It mainly affects African and Caribbean countries: Over 70 per cent of Jamaican and Guyanese nationals holding higher diplomas are expatriates in an OECD country. On the other hand, Chinese and Indian nationals, each account for less than 3 per cent of the expatriates holding a higher degree in OECD countries, and the same is true for Brazil, Indonesia and Thailand. That

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said, even for countries suffering from brain drain, self-reliance is not an alternative, for participating in international exchanges in higher education remains their best option, while trying to minimize the cost of the brain drain.

**Figure 3.1 Countries with more than 20 per cent of tertiary-educated people born in the country expatriated in the OECD area (%)**



*Note:* \* Based on the Barro and Lee database on the stock of human capital, whereas the other calculations are based on the Cohen and Soto database. The calculations based on the two databases are not fully comparable. See OECD (2005b) for details.

*Source:* OECD Migration database.

## Conclusion

Cross-border higher education provides countries with real educational, cultural, policy and economic opportunities. To take advantage of these, countries must define an approach to cross-border education adapted to their situation and objectives, in a perspective that goes beyond the field of education alone. Because cross-border educational activities bring into play many actors and policy areas in a country, an effective policy strategy regarding cross-border higher education must take into account this diversity and ensure the highest co-ordination, or compatibility, between several policy agendas, such as: quality assurance and recognition policy; development assistance in education; other domestic educational policies; cultural policy;

migration and visa policy; trade policy; and economic policy. Policy coherence is indeed one of the biggest challenges.

In light of countries' current practices, four main approaches to cross-border higher education have been identified. Contrary to what is generally believed, a well-designed cross-border education policy does not necessarily consist of exporting education services. As several Asian and Middle Eastern countries have shown, importing educational services can be just as beneficial as exporting them. Not all countries have equal access to these approaches. How can cross-border higher education equitably benefit both developed and developing countries?

The emergence of new forms of cross-border education and actual capacity building strategies for the use of this provision is too recent a development to extract empirical evidence on its effectiveness as an economic development tool. However, there is already sufficient evidence that policies concerning the import of cross-border education can be a part of national capacity building strategies. Each country must consider how to use cross-border education in order to maximize benefits and minimize risks. An over-arching model does not exist and countries need to adapt regulatory frameworks to the local context. However, all countries should be aware of the opportunities offered by cross-border tertiary education. It is equally important for countries to develop a local strategy to deal with this type of provision.

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**PART II**

**EXTERNAL QUALITY ASSURANCE MODELS  
FOR DIFFERENT POLICY OBJECTIVES**



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## 4. CO-ORDINATION, CONSISTENCY AND QUALITY: EVOLVING US PRACTICES IN ACCREDITATION

*Elaine El-Khawas*

### **Introduction**

The USA has a distinctive approach to quality assurance in higher education, one that is based on multiple actors, each with a specific role. This combined approach, which has its roots in century-old traditions, involves:

- state governments, which have substantial involvement;
- the federal government, which has a limited, but powerful role;
- private accrediting agencies, which have a narrow but significant role.

The approach is decentralized and, in some respects, privatized. However, government agencies, both federal and state, do have significant responsibilities and powers, and their roles have expanded in recent decades.

The analysis here examines this complex arrangement and seeks to draw some lessons for other countries. It is organized into four sections. First, the US approach to quality assurance is described, including the role played by the states, the federal government and private accreditation agencies. Second, analysis turns to how co-ordination is achieved and maintained over time among the three parties. The third section takes a closer look at how the roles meshed during recent actions to improve quality in one field: teacher education. The final section offers an analytical perspective on current relationships among the three parties and suggests some general lessons about decentralized policies to promote quality assurance.

This analysis focuses on US quality assurance as an example of government policy. It thus contrasts with much other commentary

that looks only at accreditation. Relatively little has been written about government roles in US quality assurance (and government agencies are circumspect about their oversight roles), yet this wider perspective is needed to understand US quality assurance today in light of a significant trend toward expanded government roles in the past two decades.

### **The system of shared responsibility**

Quality assurance for American higher education is difficult to understand, partly because it involves separate but co-ordinated federal, state and private actions. US legal and cultural traditions give authority over education to the states, thus limiting federal involvement in education. Tradition also allows considerable scope to private action, due in part to the long-term existence of many private universities and colleges.

The 'triad' is a general term used to describe the tripartite arrangements for oversight of higher education quality, with complementary roles of state, federal and private agencies. This system is based on a narrow federal role, but relies heavily on state oversight for important aspects of quality assurance and also on non-governmental accreditation for external review of educational quality. The 'triad' concept was developed in the decades following World War II to accommodate rising enrolment spurred in part by federal stipends for returning soldiers and, later, by a student grants programme. It was further strengthened during the 1990s as enrolment in higher education rose to over 14 million students, with about half of all students receiving federal grants or loans (Wellman, 2003; El-Khawas, 2001).

For many years, the specific roles and responsibilities among the parties to the 'triad' were not spelt out in federal legislation. Since 1992, this system of shared responsibility has been formally described in Part H of the Higher Education Act, the federal legislation for higher education programmes in the USA (Wellman, 2003). While the general framework continues, relationships among the three parties have changed over time in response to public and legislative concerns about specific issues.

The respective roles of the three parties to the triad are described in the following pages. Because state governments play a central role in quality assurance, their approaches are described first.

### **State governments**

Under US Constitution, state governments, and not the federal government, hold authority for providing education. Accordingly, they establish and maintain public school systems (offering education from kindergarten through to the 12th grade) as well as public colleges and universities. In addition, they have power over two quality assurance functions for higher education. First, each state stipulates the requirements for an institution to operate within its borders, and second, each state sets requirements for entry into certain professions. These requirements also influence what academic programmes should achieve in preparing students for those professions.

These two powers affect all institutions of higher education, both public and private, including nonprofit and for-profit institutions. They affect such professional fields as engineering, architecture, nursing, medicine, physical therapy and other health professions, law and school teaching. Graduates in these fields must obtain (and then continue to renew) a state licence in order to practise in that state.

States have additional quality assurance responsibilities for public institutions, which enrol more than 80 per cent of college students. These quality assurance functions, tied to state funding and oversight responsibility, include state-level financial and regulatory audits, setting general requirements for degrees, and conducting external reviews of all academic programmes (usually on a five-year cycle).

In the past two decades, other state oversight functions have been added, including the use of performance indicators to make public institutions 'accountable' for achieving expected results; mandated internal assessments of student learning; and budgeting tied to performance targets (El-Khawass, 2005; Ewell, 2003). Performance budgeting, introduced in the 1990s, derives from the state's responsibility to provide funding for higher education, traditionally

based on a formula linked to enrolment. During the 1990s, 28 states adopted performance budgeting models that take into account whether certain state objectives are met by each public university and college (Burke and associates, 2002).

### **The federal government**

Under US Constitution, the federal government does not have authority over education matters. However, its involvement arises from its administration of federal programmes. Because most federal spending on higher education is in the form of grants and loans made directly to students (and not to institutions or programmes), federal mechanisms for regulatory oversight and quality assurance are directed towards ensuring financial integrity in the administration of federal student grant and loan funds. The federal government thus directly regulates the administrative operations of colleges and universities that provide federal student aid funds. As part of this oversight, however, the federal government also regulates the terms for student eligibility for aid and for programme eligibility for aid. It also has regulations about consumer protection, mainly information disclosure that students have the 'right to know' about in deciding where to spend their federal grants or loans (US Department of Education, 2005).

Furthermore, a condition of eligibility to receive federal grants or loans is that the student must enrol in an institution of higher education that holds accreditation and is authorized to operate by the state in which it resides. This is an indirect oversight mechanism in which the federal government defers to the judgments of the states and accrediting bodies the right to select institutions and programmes. This oversight role has led the federal government to regulate important elements of how accrediting agencies carry out their work, because the government must 'recognize' that the accrediting organizations have appropriate quality assurance procedures (Chambers, 1983: 233-269; Wellman, 2003). For example, current federal regulations on recognizing accrediting agencies stipulate that these accrediting agencies must cover more criteria as they conduct reviews. In addition

to accreditation's traditional emphasis on curricula, faculty, facilities, fiscal and administrative capacity, federal rules also require agencies to pay attention to such areas as institutional compliance with federal student aid requirements, student recruiting and admissions practices, and recordkeeping on student complaints. Further regulations guide accrediting agency procedures on conducting site visits, informing the institution or programme of results, and enforcing its standards within timeframes set by the federal government (US Department of Education, 2005).

### **Accreditation agencies**

A distinctive feature of US quality assurance lies with the central role of private accrediting agencies. While they must operate within state and federal requirements, they have significant responsibilities of their own. Accrediting agencies both set and enforce standards of quality by conducting external reviews of colleges and universities. Their focus is on how well institutions (or programmes) operate, and their purposes extend beyond the regulatory function. They also seek to promote quality assurance and quality improvement within colleges and universities. This arrangement is based partly on historical precedent, but also derives from the technical detail and expertise required in the process of setting standards (Glidden, 1983; El-Khawas, 2003).

Accreditation, defined in the American context, is thus a system of non-governmental scrutiny of academic programmes and institutional effectiveness of colleges and universities. It is a voluntary arrangement in two respects: A university chooses whether or not to submit its programmes to accreditation processes; and second, the accrediting agency's policies are developed and revised by a voluntary process of consensus building among university officials and other professionals involved with higher education. Two forms of accreditation exist in the US:

- *institutional* accreditation is the responsibility of six regionally organized agencies that monitor and evaluate higher education institutions. A few other accrediting agencies work with special

types of institutions nationwide (bible colleges; trade schools); and

- *specialized* accreditation monitors and evaluates academic programmes in professional fields, based on standards and procedures developed by educators and professionals working together. Programmes subject to accreditation affect the majority of university graduates.

Both forms of accreditation follow broadly similar review procedures, with different eligibility, evaluation criteria and procedural guidelines.

The triad of shared responsibility is meant to offer complementary roles, with various tasks based on each partner “doing what it does best and following its natural functions” (Eaton, 1997). Thus, accrediting agencies determine quality as it is tied to educational issues. The state and the federal government are in charge of monitoring the financial and administrative aspects of institutions.

### **The triad’s working arrangements**

The ‘triad’ of shared responsibility offers a flexible division of labour. Many details of its operating arrangements have changed over time, but the three parties would generally still agree that a workable division of labour currently exists.

Such a decentralized system depends on a stable arrangement for co-ordination among partners. Many opportunities for co-ordination have been developed over time. The federal government’s mechanisms are primarily formal, including testimony at scheduled hearings or written comments on proposed legislation that allow states, accrediting agencies, institutions of higher education and others to share concerns and suggest alternative actions. Any proposed federal legislation allows considerable time for consultation and may become final only after six months or longer. In addition, the federal government regularly schedules more informal meetings with different groups to exchange views and positions on issues.

Similarly, numerous meetings and discussions are held with state officials and accrediting officials. Two organizations offer co-ordination among the states: the Education Commission of the States (ECS), an interstate compact founded by state governors in the 1960s; and a separate organization, the State Higher Education Executive Officers (SHEEO), founded in 1954, which links senior higher education officials with each state for information sharing and discussion of common issues. For accrediting agencies, the Council on Higher Education Accreditation (CHEA) is the national ‘umbrella’ organization charged with co-ordinating accreditation practice. CHEA organizes yearly conferences and also sponsors meetings among the regional accrediting groups and, separately, among the specialized accreditation groups.

### **Co-ordination and problem-solving**

Effective co-ordination among the parties must serve two roles: to maintain functioning on routine matters, and to offer a means to resolve problems. Routine matters regularly require attention due to inevitable ambiguities in sorting out how responsibility is shared. Typically, they are easily resolved. Issues raised by overlap among the rules set by each party offer examples of such matters. Institutions of higher education sometimes draw attention to areas where the combined effect of state, federal and accrediting rules creates inefficiencies. Routine information sharing is also needed to allow each partner to keep up with changes in operational matters such as schedules for data collection and reporting.

More extensive interaction is needed on controversial issues, where solutions must be found to address unexpected problems. Sometimes, there are conflicts within the triad partnership. Tensions have arisen, for example, over sanctions employed by accrediting agencies. To promote improvement, accrediting agencies often use several mild sanctions that call for corrective steps but avoid punitive action. They sometimes take informal steps to press for needed change, such as scheduling additional visits, requesting special reports, or alerting the college’s president to problems. From the federal government’s perspective, however, the limited use of sanctions seemed too lenient.

After a number of discussions, the government adjusted its own rules to make it necessary for a college to take action within two years once a problem has been identified. This time period is precise, serving federal needs, but also allows room for the accrediting agency to work with the institution (US Department of Education, 2005).

Jurisdictional disputes have arisen, for example when accrediting agencies have argued that the federal government is interfering into matters of academic policy. Who should decide, under the triad arrangement, what grades students must earn in coursework in order for them to continue to be eligible for federal grants? What constraints should the federal government place on the nature of an academic programme if innovative approaches – to scheduling, course delivery method, etc. – are sought by a college or university? Both of these issues have been the focus of disputes over the last decade, but have been worked out through procedures set up to hear different views. Thus, when the federal government introduced definitions of ‘satisfactory academic progress’ necessary for continued student eligibility for federal aid, there were opportunities for both state and accrediting representatives to offer formal testimony at scheduled hearings on proposed language for the definitions that became law (US Department of Education, 2005).

The co-ordination process can take time, and does not always operate smoothly. Recently, there was extended consultation among the ‘triad’ partners with regard to how academic programmes offered through online, distance-based methods should be treated in terms of their eligibility for federal aid programmes. Regional accrediting agencies met among themselves to explore these issues. They then consulted with the federal government, with state government representatives and with institutions providing distance learning. As a result, they developed guidelines that offered workable solutions and protected federal and state interests. The guidelines were accepted for use by all accrediting agencies and also by the federal government, although on an interim basis (Wellman 2003; Eaton, 2001).



In 1992, a serious disjuncture occurred among the triad parties when, despite concerns raised by states and accrediting agencies, federal legislation created a new responsibility for state agencies that required them to investigate evidence of administrative malpractice among institutions within their state boundaries. After some years of concerns and operational problems this process ended (El-Khawass, 2005; Wellman, 2003).

### **Issues of consistency**

An important set of co-ordination problems revolves around the extent to which policies and rules can be decentralized (e.g. allowed to differ by setting or by type of institution) or, instead, must be consistent and follow a uniform approach across all jurisdictions. US quality assurance was originally based on highly decentralized rule-making in which individual states and accrediting agencies developed their own stances on most matters. States and accrediting agencies might, for example, have significantly different policies on how institutions were reviewed. Some may have had only a few general rules, while others had a substantial number of rules with a high degree of specificity.

In some areas, uniform approaches were needed because problems in one state can affect quality in other states. Problems have arisen, for example, with differences in state regulations for a new institution. A serious problem continues with so-called diploma mills, private entities that deliberately offer substandard education (or no real education programme at all) but were authorized to operate in states with vague regulations and very limited staff. This raised problems for other states when individuals wished to gain recognition for these degrees in other states (Potter, 2003; Carnevale, 2004). Both accrediting agencies and the federal government look to the state for protection against such low standards; otherwise, they would be compelled to act.

Another consistency issue involves the transfer of credit. This affects students who have completed some coursework without obtaining a degree and wish to have this prior work recognized by another institution of higher education that they plan to attend. Accrediting

agencies worked out procedures for handling this situation long ago, but questions were raised recently about whether policies are consistent across various accrediting agencies, and whether they are consistently applied by institutions of higher education. In 2000, federal legislators voiced concern and called for new regulations to achieve consistency. Through consultations and meetings, a solution emerged when the Council for Higher Education Accreditation (CHEA), the co-ordinating agency for accrediting agencies, issued a statement of principles that addressed legislative concerns (CHEA, 2000). However, the issue has come up again among federal lawmakers, who say that universities and colleges are not applying transfer policy evenly, with harsher decisions for students who initially study at for-profit institutions (Brush, 2005).

There has not been pressure for uniformity on other matters where, as a result, only limited co-ordination exists. State policy varies widely, for example, with licensing requirements for most professional fields. In some states, a license is granted solely on the basis of completion of a state-approved academic programme in the field. Other states have additional requirements, a certain amount of practical experience, personal recommendations or passing a state-administered test. The states also vary widely in the requirements they set (e.g. further study or training) for continuing to practice in a profession. Co-ordination among the states occurs on these matters, but more for information sharing than due to pressures for uniformity. Such variation may not be a problem, particularly if most professionals in a field tend to practice within one state.

Nevertheless, over the past few decades, there has been a trend towards greater consistency across states, both on matters of professional licensing and on institutional approval. Efforts to spur co-operation, facilitated by SHEEO and ECS, have led to greater use of common elements across states. So too, accrediting agencies once had strong variation in their rules and in the way in which they conducted external reviews. Today, they have become more consistent on many policies and procedures. A significant example involves policies for evaluating distance education. Several accrediting agencies met together and

developed a joint statement on procedures for accreditation review of distance education.

In brief, co-ordination is necessary in any decentralized system. Flexible ways of working together have allowed the structure and role of the 'triad' to remain in place. However, the system has changed over the past two decades, with greater demands for consistency among policies. The following section offers an illustration of this change, taken in response to unusually strong external pressures.

### **Recent policy changes in teacher education**

Insight into the interplay among the three parties to the triad can be gained by reviewing recent actions affecting teacher education programmes. Compared to other areas of study, this field has long been subject to relatively strong requirements and overlapping quality assurance mechanisms involving states, accrediting agencies and federal authorities. It is also a field in which public pressures have brought about significant change over the last two decades, including greater co-ordination and consistency in oversight.

External scrutiny of teacher education programmes begins with the public's need to have qualified teachers in schools. Historically, this has been achieved in the US by requiring all aspiring teachers to study in state-approved academic programmes and to take state-administered exams upon graduation. The state's authority is considerable: each college and university, public or private, must document the course of study it offers and allow a state-organized site visit to inspect the programme. Typically, a state-appointed board (including professionals in the field and general citizens) advises the state on what constitutes an acceptable programme.

Standards for programme approval and state exams in teacher education have varied from state to state, reflecting political and cultural differences as well as different resources and funding priorities. Some states maintained quite general requirements, simply asking students to complete a certain number of courses. The lack of consistency among the states was not seen as a problem, however, because most teachers

stayed in one state. Any issues about how well programmes prepared teachers were worked out locally through continuing ties between training colleges and universities and the nearby school districts where most of their graduates took positions.

In the past two decades, these arrangements have changed dramatically, as teacher education became part of a contentious national debate on how to improve schooling. Beginning in the early 1980s, federal lawmakers, state governors and the media criticized a low level of student achievement and called for major reform. The National Governors Association, for example, issued a report *Time for results* (NGA, 1986) and announced that it would conduct yearly reviews of progress. One of the debate's most widely cited reports, *A nation prepared: Teachers for the twenty-first century*, was issued in 1986 by a foundation-supported Task Force on Teaching as a Profession. The Task Force's report (1986) called for nationwide efforts to improve schools and supported efforts to raise standards for teachers. One recommendation was that all aspiring teachers should complete a Master's degree in teaching, i.e., that completion of a Baccalaureate programme would no longer be considered sufficient. This proposal has been broadly accepted by states across the US.

This larger debate about school reform has had a substantial impact on state approval agencies. Most states revised their programme approval and licensing standards to respond to criticism that their policies were weak. In Missouri, for example, graduates wishing to teach grades 9 through 12 must complete an approved programme, but also earn a minimum grade average. Additional requirements apply to students preparing to enter particular fields (such as special education and mathematics).

Many states developed detailed standards for what constitutes an acceptable teacher education programme. In Massachusetts, the state agency now uses 13 standards that call for evidence that the university or college allocates adequate funds, space and professional and support staff to carry out the programme, conducts an ongoing assessment of its

students in the programme, and makes every effort to recruit, admit and retain students of diverse economic, racial and cultural backgrounds.

There have been systematic efforts to make state policies more consistent with each other and also to align them with state standards for programme approval and with the strengthened standards developed by accrediting agencies for teacher education. In 1987, a coalition of state education offices, education organizations and institutions of higher education formed the Interstate New Teacher Assessment and Support Consortium (INTASC), dedicated to improving education, including the licensing of teachers. Since that time, they have developed 'model' core standards for teacher preparation as well as 'model' licensing standards that are mutually consistent with each other. Following a consensus-building strategy, INTASC has stated that the 'model' standards are guidelines, not policies; each state has the option of making use of them, or not. For the long-term, INTASC's stated purpose has been to provide a forum for developing a "compatible education policy on teaching among the states" (Council of Chief State School Officers, 2005).

Another significant player in reform initiatives has been the accrediting agency for teacher education. Prior to the push for reform, the National Council for Accreditation of Teacher Education (NCATE) offered an approach, now considered weak, that was concentrated on procedural matters and programme capacity. Since the early 1990s, NCATE has adopted a new, assertive stance. It created a review system based on performance-based standards, implemented in 2000. It also developed strong partnerships with state agencies in order to establish a more coherent system of quality assurance. As a recent NCATE publication stated, these new partnerships have transformed the relationship between accreditors and states on teacher preparation: "Prior to 1990, accreditation and licensing authorities did not coordinate their activities...there were no generally accepted standards for teacher preparation" (NCATE, 2005: 6). Today, NCATE acts as a resource for states and increasingly works in partnership with them. Joint state-NCATE reviews of teacher education programmes are conducted. Efforts are

underway to align accrediting and state licensing standards in order to upgrade the quality of teacher preparation.

As another response to the public debate on schools, the federal government took new steps to regulate teacher education programmes. In the past, the federal role had mainly involved oversight of the accrediting agency for teacher education, subject to the same rules as other accrediting agencies. However, during their own policy debate on how to improve schools, federal lawmakers passed new laws to strengthen school performance. Programmes of teacher education must now comply with new federal requirements that the pass rates of graduates (i.e. the percentage of each year's graduates that pass state-administered tests on teaching knowledge and skills) be published for each programme of teacher education (Wellman, 2003).

In brief, a general trend over the last two decades in response to harsh criticism has been towards more stringent requirements, affecting state policies, accrediting agency policies and even federal policies. Taken together, the external requirements today for teacher education programmes are more detailed and exacting. There is a significant degree of convergence around what the standards should be for teacher preparation and strong, active networks are promoting greater consistency, not only among states, but also between states and accrediting guidelines.

### **A perspective on decentralized quality assurance**

Events affecting external scrutiny of teacher education offer a dramatic illustration of a general pattern in how the relationship among the three parties in the triad has evolved over the last 15-20 years. It also illustrates that a decentralized policy approach can bring about significant change when circumstances demand new arrangements.

Despite an initial image of divided responsibility among the 'triad' partners, with clearly defined, separate roles, this analysis of recent experience – in general and also with respect to teacher education – suggests a more complex picture. The three partners regularly engage

with each other to address and solve problems; new policies emerge that often blur the boundaries of what roles each partner takes.

In recent years, there has been extensive change, especially with oversight of teacher education, but also with other policies. In fact, conventional descriptions of the tripartite approach to quality assurance may be out of date. The relative balance among the three parties has shifted, with a greater degree of governmental oversight. Two changes have been especially significant:

- the federal government has expanded its involvement in quality assurance by putting greater demands on private accrediting agencies and by its own direct regulation (e.g. required disclosure of pass rates among teacher education graduates); and
- state governments have developed stronger quality assurance mechanisms (e.g. performance budgeting, new testing for teacher candidates) and developed greater policy consistency across the states.

The federal government, under pressure from the public and from legislators to show that quality is protected, responded primarily by putting more demands on accrediting agencies. State governments, also under pressure to strengthen their oversight, turned to accrediting agencies for co-ordination and guidance, but also benefited from extensive collaboration and ‘policy borrowing’ among the states. The overall structure continued in place, although new coalitions and stronger networks emerged to facilitate change and sharing of information.

The formal role of private accrediting agencies did not change during this period. However, the demands on them, especially from the federal government, increased. Their fundamental task continues to monitor and evaluate academic programmes and institutions, but they strengthened the rigour of their inspections and gave new emphasis to evidence of student achievement, spurred by pressures from state and federal officials. On the whole, the degree of autonomy for accrediting agencies has narrowed.

Some tentative generalizations about decentralized policies can be offered, based on this analysis of recent US experience. Six points are offered.

First, aside from the overall agreement about shared responsibility in the US, quality assurance is, at its core, a matter of government policy. It is a public responsibility to ensure quality in higher education, no matter what policy instruments are chosen to meet this responsibility. Any arrangement must be responsive to public needs under changing circumstances.

This review of changes over two decades indicates that government authorities, both state and federal, retained the power to regulate higher education in order to protect quality. Both levels of government took steps to increase their level of scrutiny in response to perceptions that circumstances have changed. The triad arrangement, then, does not limit government action when new action is needed. The central government essentially holds 'reserve' powers, and can exercise them when necessary.

Second, the triad arrangement allowed governments to be selective in what new quality assurance actions they took. Some policy adjustments on quality assurance may have been chosen because they serve other governmental purposes. For example, new state policies on performance budgeting served quality assurance goals, but were also compatible with state interests in pressing for greater efficiencies in funding. In other instances, changes in quality assurance policy took a form that was convenient for governments to carry out, such as federal laws calling on accrediting agencies to tighten their procedures. When needed, governments took direct action, unhampered by the 'triad' arrangement. This occurred, for example, with the introduction of state policies requiring that teacher preparation only be taken at the Master's degree level, a response to strong pressure from the public, from state governors and from educators in a context of major criticism on the quality of schooling.



A third insight is that private accrediting agencies provide an implementation mechanism for state or federal actions to ensure quality assurance. When issues call for co-ordination, accrediting agencies offer a ready resource because they have well-developed mechanisms for building consensus among educators on changing policy matters. In teacher education, for example, the primary accrediting agency, NCATE, has a governance structure that brings together the expertise of more than 33 specialist organizations of educators. Obtaining compliance with new government policies might be a major task if governments tried to take over the functions now conducted by accrediting agencies, whose legitimacy has been built up over many decades.

Accrediting agencies also play a steering role in promoting reform and improvement. As this analysis suggests, they are actively involved in responding to calls for change, lend their credibility to emerging forms of educational innovation, and regularly incorporate new policies and practices into accrediting guidelines. Compared to government mandates, this represents a soft approach in which they offer a public voice for good practice and organize forums to promote change. Yet this continuing support for good practice may be an important element in the generally strong level of innovation that characterizes US higher education.

Fourth, the reliance of the 'triad' on states has benefits for the federal government. Without this partnership, the US Department of Education would have a large, complex task in determining which institutions, out of a total of more than 5,000, are properly considered postsecondary. Because the federal government defers to states for authorizing institutions to operate and for ensuring that they meet minimum standards, the federal government's oversight role can be directed to issues related to responsible financial management of federal funds.

Fifth, the links between accrediting agencies and state governments, the other side of the triad partnership, also offer benefits. Individual states are responsible for the 'baseline' quality assurance role, using the state's legal powers to monitor and restrict institutions and, where

necessary, prevent fraudulent practices. Accrediting agencies benefit by being able to defer to the legal powers of states when such issues arise. In turn, the states are able to defer to accrediting agencies for the oversight of many matters related to educational quality. Dialogue between creditors and states has been especially vigorous in recent years with respect to teacher education, as noted above.

A sixth point relates to the strengths the triad offers when difficulties arise, for example when problems are identified (e.g. with fraudulent diploma mills) or when new situations must be addressed (e.g. with distance learning). At such times, each partner gains by having several entities collectively responsible for quality assurance. State, federal and accrediting officials can work with each other to review the problem, share their different perspectives and expertise, and evaluate potential solutions. Such joint problem solving was especially useful as issues related to quality assurance for distance learning were addressed by all members of the triad.

In conclusion, it is obvious that compromises are made in constructing any policy approach. For the USA, the 'triad' serves the public interest in substantial ways and offers a flexible structure that allows for policy change. Policies and structures that endure over long periods of time are probably workable, even beneficial to the respective parties, and fit the specific circumstances of each country's higher education system.

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## 5. QUALITY ASSESSMENT IN MASSIVE AND DIVERSE SYSTEMS: THE INDIAN EXPERIENCE

*Antony Stella*

### **Introduction**

India has the third largest system of higher education in the world, next only to the USA and China. It has 343 university-level institutions and more than 16,800 colleges of various types catering to 8 million direct and full-time students. Another 1.5 million students are enrolled in the open and distance learning (ODL) programmes offered by 108 dual-mode traditional universities that have a directorate of distance education and 11 open universities. For such a large and diverse system, developing a national quality assurance mechanism and making the process operational have been formidable tasks. Indeed, the system consists of a multitude of higher education institutions (HEIs): institutes of national importance, state-run universities, central universities, 'deemed-to-be universities', autonomous colleges, affiliated colleges and constituent colleges – and the major players in higher education such as the Ministry for Human Resources Development (MHRD), University Grants Commission (UGC), state governments and professional bodies. The limited resources available for improvement in quality are yet another factor that contributes to the complexity of the national context. By the 1980s, when concerns about the inadequacy of the built-in controls to ensure quality rose, external quality assurance (EQA) was conceived as a solution. This paper discusses how this concept found an appropriate implementation in the Indian higher education system and why other systems should adapt it.

### **Establishment of the quality assurance agency**

The National Policies on Education (NPE) – policy documents that spell out the policy framework and directions for the development of education in the country – have played a major role in the quality

assurance developments of the Indian higher education system. The growing concern for the quality of education at all levels led to the Constitutional Amendment of 1976 to bring education into the concurrent list, so that the central government could have a meaningful role in ensuring the quality of education. Until then, education had remained the responsibility of state governments. This important amendment required the central government and the states to share the responsibility of maintaining the standard of education. While the role and responsibility of states remain essentially unchanged, the central government has had a larger role since education was brought into the concurrent list. It has to reinforce the national and integrative character of education, maintain quality and standards, and monitor the educational requirements of the country as a whole. The National Policy on Education of 1986 was oriented towards giving effect to this meaningful and challenging responsibility. One of the major areas of concern addressed by NPE-1986 was the quality of the system of higher education.

### **Quality concerns**

By the 1980s, criticism about the deterioration in standards of higher education in the country was mounting. One of the major criticisms concerned the inadequacy of the affiliating system of dispensing higher education. The present affiliating type of higher education system in India, called the 'London model', is a British legacy. In this model, affiliated colleges function under the governance of a university and the parent university acts as the supreme body in academic matters – designing curricula, conducting examinations, publishing results and awarding degrees. The curricular transaction alone becomes the responsibility of the colleges. The University Act and Statutes define the relationship of the colleges to the university. The power of granting affiliation to a college generally lies with the universities and is exercised in consultation with governments. This system was efficient when the number of affiliated colleges was lower and the number of courses offered by the colleges was also limited. But with the increase in the number of colleges, the academic leadership,

which the parent university is expected to provide to its affiliate, cannot be achieved meaningfully with such an unfair ratio. Consequently, the mushrooming of HEIs of substandard facilities and the proliferation of programmes of low quality are attributed to the inadequacy of the affiliating system. HEIs complain that they are not able to innovate and perform better due to the constraints of the affiliating system that binds them to the average and below average HEIs. The 'autonomous colleges' concept, which provides academic autonomy to potential institutions, has been slow in progress in many states. It emerged that a new initiative over and above the existing mechanisms would be necessary.

This realization was reflected in the NPE-1986 and the policy laid emphasis on urgent steps to protect the system from degradation. Subsequent to the announcement of the National Policy in 1986, the Government of India formulated the Programme of Action (POA) – the document that spells out strategies to achieve the targets of the policy document assigning specific responsibilities for organizing, implementing and financing its proposals.

### **The new initiatives**

There are four academic bodies that evaluate institutional or programme quality through the accreditation process in the Indian higher education sector. The National Assessment and Accreditation Council (NAAC) established by the University Grants Commission (UGC) in 1994 accredits institutions of higher education. The National Board of Accreditation (NBA) established by the All India Council for Technical Education (AICTE) in 1994 accredits programmes in engineering and other related areas. The Accreditation Board (AB) established by the Indian Council of Agricultural Research (ICAR) in 1996 accredits agricultural institutions. The Distance Education Council (DEC) established in 1985 by the Indira Gandhi National Open University (IGNOU), with the mandate to promote and maintain standards in distance education, accredits distance education units. Towards its mandate for the promotion and maintenance of standards

among ODL units, DEC has just commenced its accreditation process. All four bodies are publicly funded.

***National Assessment and Accreditation Council (NAAC):***

NAAC currently only undertakes institutional accreditation. The methodology for institutional accreditation results in a multi-point scale based on institutional quality. Since 15 March 2002, NAAC has been following the nine-point scale which uses a combination of letter grades and pluses based on the institutional score in percentage (55-60 = C, 60-65 = C+, 65-70 = C++, 70-75 = B, ... 95-100 = A++ - upper limit exclusive). The grade is supplemented with a report that is made public. The accreditation outcome is valid for a period of five years. Assessment is based on seven aspects: curriculum, teaching-learning and evaluation; research, consultancy and extension; infrastructure and learning resources; student support and progression; organization and management; and healthy practices. The institution that volunteers for assessment submits a detailed self-study report about its functioning, and its claims are validated by a team of peers. By June 2005, NAAC had accredited around 2,000 HEIs. Although it is a voluntary process, states like Maharashtra, Karnataka and Haryana have made assessment by NAAC mandatory. The UGC has already linked its developmental support to educational institutions with the outcome of assessment and accreditation. Since 1 April 2004, the accreditation expenses of colleges recognized by the UGC for funding are directly met by the UGC. NAAC accreditation with a suitable grading is a prerequisite for granting and autonomous status and deemed-to-be university status for institutions. The prime beneficiaries of the process are the HEIs themselves and the process guides the HEIs towards self-improvement.

NAAC assesses and accredits institutions of higher education for the quality of education that they offer. Following its inception in September 1994, NAAC spent the first four years evolving its policies, principles and instruments. The first results of external quality assurance by NAAC were declared in January 1999 for eight institutions, followed by 12 more in the next couple of months. Between then and May 2005, about 3,000 institutions of higher education were assessed.



The strategy for the re-accreditation of institutions that have completed the first accreditation period was introduced recently. The first batch of 20 institutions that were first accredited during the academic year 1998-1999 underwent a re-accreditation process whose results were declared on 20 May 2005. Today, various stakeholders appreciate the NAAC process. Reaching this stage has not been an easy task.

Indian higher education sector recognized that for the external quality assurance strategy to be successful, it was necessary to identify the 'if and only if' conditions – the core elements or aspects where deviation must be avoided, and the other subsidiary conditions – areas where changes can be introduced for improvement. NAAC adopted the core elements and relevant practices from the methodology of other quality assurance agencies (QAAs). These were essential conditions to ensure a sound quality assurance mechanism. NAAC introduced or modified a few more elements to suit the Indian context.

**National Board of Accreditation (NBA):** All diploma, degree and postgraduate programmes that come under engineering and related areas are eligible to apply for NBA accreditation. The standard methodology of self-study and peer review is followed. The visiting team consists of a chairperson and two programme experts, one of whom is chosen from the industry or end-user organization. The visiting team provides scores on the basis of its assessment and the team recommendations are presented to the NBA, which makes a final decision. The results are placed before the Executive Committee of the AICTE for information. The results are notified and published in the *Directory of Accredited Programmes*. The NBA has revised the grading pattern since January 2003 to a two-part grading system. The programmes that score more than 650 out of a maximum of 1,000 points are 'accredited' and those that score less than 650 are 'not accredited'. In order to differentiate between programmes obtaining more than 650 points, those that score between 650 and 750 are accredited for a period of three years, whereas those institutions that score more than 750 are accredited for a period of five years.

**Accreditation Board (AB):** Currently, the AB restricts its activities only to those institutions established and/or funded by the ICAR. The first assessment visit can be held once the institution successfully sends out a batch of students. The process of accreditation is the same as that followed by other agencies like NAAC and NBA – self-study and peer review. The evaluation team records one of the three recommendations – accreditation, provisional accreditation, no accreditation – with substantive reasons. The Board takes the final decision. The accreditation status is valid for a period of five to 10 years. Based on the suggestions of the evaluation team, the Board may ask an institution to overcome any deficiency within a specified time schedule. The implementation of the recommendations are monitored and if the AB is not satisfied with the progress made in overcoming the deficiencies, funding may be reduced or stopped until the situation improves. As the ICAR is the funding body for the agricultural institutions, no accreditation fee is charged.

**Distance Education Council (DEC):** The DEC developed the quality assurance framework for open and distance learning (ODL) during 1996-1999 in collaboration with NAAC. It then began to implement the assessment of ODL programmes.

In view of the wide coverage – HEIs of all types including the technical, agricultural and ODL units volunteer for accreditation by NAAC – and due to the fact that 86 per cent of student enrolment in higher education is in general education, NAAC is seen as the major national external quality assurance body of the country. It can dependably and reasonably generalize the quality assurance experience of the Indian higher education system.

### **Common core elements: learning from others**

An analysis of the current practices of accrediting agencies of various countries reveals a great deal of diversity. Variations can be seen in the basic approach to quality assurance (accreditation, audit or assessment), the nature of the process (mandatory or voluntary), the unit of assessment (institution or programme), the outcome of

assessment (no grading, two-point scale or multi-point scale) and the policy on disclosure of the outcome (confidential or public). In spite of the variation, most quality assurance systems have certain core common elements. First, they are independent and enjoy adequate autonomy in quality assurance decision-making. Second, they base assessment on pre-determined and transparent criteria. Third, they base their process on a combination of self-study and peer review. Fourth, they insist on public disclosure of the outcome (although the extent of public disclosure varies from disclosure of only the final outcome to disclosure of the full assessment report). Finally, they ensure the validity of the assessment outcome for a specific period of time.

Using these core elements, NAAC formulated its process, which starts with the voluntary submission of a self-study report by the institution based on pre-determined, well-publicized criteria and guidelines developed by NAAC. The next stage is an on-site visit of a peer team for validation of the self-study report that results in recommendations to NAAC about the quality of the institution. The final stage is the decision by the Executive Council of NAAC on the peer team recommendations and public disclosure of the outcome that is valid for a specific period of time. The period of validity is five years, after which HEIs are given two more years for institutional preparations to undergo the next accreditation.

While it is necessary for the methodology to contain core elements of quality assurance as practised by other QAAs, it is equally important that it should suit the national context.

## **Options and rationale**

Variations in the international practices of quality assurance are mainly a reflection of unique national contexts. NAAC interpreted the experiences of other countries in light of the distinct characteristics of the Indian context. Based on these considerations, it took a clear line in addressing aspects such as: the nature of the assessment process (over and above the affiliating and other built-in controls); the focus of assessment (towards improvement); linking the assessment outcome to

decision-making (for incentives); the policy of its role in assessment decisions (the non-intrusive role of its staff and the centrality of peer assessment); the unit of assessment (institution); the assessment outcome (grade on a nine-point scale and report); the policy on disclosure of the assessment outcome (full public disclosure); and the period of validity (five years with two more years for institutional preparation for the next accreditation). Discussions on the rationale behind these options would be useful for emerging quality assurance systems.

## **Options to suit the Indian context**

### **Over and above the affiliating system**

The affiliating mode of dispensing higher education was discussed above. In spite of criticisms of its inadequacy, the country has no other alternative acceptable to the majority of academics. For a massive higher education system, the affiliating system has been reasonably successful in regulating groups of colleges through parent universities. The external quality assurance mechanism is not expected to replace the affiliating system, but is seen as a viable strategy to lead potential colleges towards quality enhancement.

### **Ensuring higher levels of performance**

EQA in India has been developed as a process over and above built-in regulatory controls including the affiliating functions of the colleges. Various regulations on minimum requirements for the establishment and expansion of institutions of higher education are well established in India. But they are all about minimum standards. Inspections and audits by governments, the affiliating function of the universities (for colleges), the performance appraisal of universities by the UGC, and reviews by funding agencies have all contributed to ensuring 'satisfactory functioning'. Inspection and certification by professional bodies, which is primarily a recognition or approval process, has been in place for a long time. With such regulatory and recognition mechanisms already in place, taking care of minimum requirements and standards, it

was clear from the beginning that the process of national accreditation should aim at higher levels of quality assurance. The creation of an autonomous national agency with sufficient expertise and credibility would not only assure the quality of higher education, but would also motivate educational institutions to strive for excellence.

### **Towards self-improvement and developmental guidance**

External quality assessment can serve different purposes, some leaning towards accountability and others helping in institutional self-improvement. NAAC's main objective was improvement. Accountability concerns were addressed unobtrusively as an incidental outcome since, in the London model of higher education, adequate checks and balances are built in to ensure the accountability of institutions. Moreover, India has to go a long way to ensure access and equity for a larger percentage of the population; in spite of the huge higher education network, only a mere 7 per cent of the 17-22 years age group is enrolled in higher education. It was therefore felt that an overemphasis on accountability might become counter-productive. Consequently, NAAC's process is not meant for the closure or merger of HEIs or similar sanctions. It is an ameliorative and enabling process to lead HEIs towards self-improvement.

NAAC helps the states and HEIs to act on the assessment outcome towards quality improvement. Considering the need to advise the country's policy-making and funding bodies on further policy initiatives to improve the standards of higher education, NAAC has expanded its scope to include an advisory role. A state-based analysis of accreditation reports has been initiated for policy initiatives; this is being done for states where at least 15 per cent of higher education institutions have been accredited. An analysis of the various assessment reports of a state help to identify a set of common problems faced by higher education institutions in that state. Institutions alone may not be able to fully execute many of the recommendations contained in the assessment report unless they are supported by higher agencies. Larger national-level questions might require decisions by apex bodies

like the UGC. NAAC's initiative should hopefully provide solutions for various stakeholders through midterm corrective actions and policy interventions. Reports of the state-based analysis have been published for many states and a few more are in the pipeline.

### **Accreditation for policy-making and not for funding**

There has been an international debate about whether a direct funding link is necessary for assessment to have any direct impact on the quality of education. The debate raises the issue of the substantive funding link and whether, given a high-stakes evaluation, there may not be attempts to conceal rather than to reveal the reality of the situation. Conversely, whether a funding link might promote a compliance culture and a conservative approach to improvement is also an issue.

The main argument in India against the direct link to basic funding is that it may not be fair to institutional diversity and traditional goals. The argument that supports 'improvement' as the main objective of assessment as against 'accountability' applies to the funding link; with around 7 per cent of the relevant age group gaining access to higher education, the country cannot afford to link basic funding with assessment that is 'over and above' the regulatory mechanisms that check accountability. There are other monitoring mechanisms overseen by the governments to check the value for taxpayers' money spent on higher education. However, there is general agreement in the sector that it is essential to have some signal on using the assessment outcome. Rewarding excellence and withdrawing funding from institutions of poor quality at least for specific schemes has been accepted as a useful device to motivate institutions. To facilitate such usage of assessment outcomes, the major providers, namely the government, consider the assessment outcome when arriving at funding decisions in respect of special schemes. An example is the decision of the UGC to link part of its development grant (to an institution) to the accreditation status of the institution.

## Methodological options

### Quality assurance framework that combines the elements of the basic approaches

There are three basic approaches to quality assurance – accreditation, assessment and audit. Accreditation is an evaluation of whether an institution (or programme) qualifies for a certain status. It provides the outcome on a binary scale – yes/no or accredited/not-accredited. Assessment asks: “How good are your outputs?” The typical outcome of assessment is a multi-point grade – numeric or literal or descriptive. Academic audits are focused on the processes by which an institution monitors its own academic standards and acts to assure and enhance the quality of its offerings. The objectives of the institution or programme are taken as the starting point for the audit. The audit is usually carried out by a small group of generalists and results in an audit report.

After considering these approaches to quality assurance, NAAC evolved its unique assessment model, which incorporates elements of all three basic approaches. NAAC *accredits* institutions and certifies for the educational quality of the institution. It also goes beyond certification and provides an *assessment* that classifies an institution on a nine-point scale indicating where the institution stands in the quality scale. As in the case of an *academic audit*, a small team of mainly generalist external peer reviewers is sent to the institution and the report is made public. The rationale for this combination merits a mention.

The binary outcome (accredited/non-accredited), as in typical accreditation, may be useful for systems where there is not much control in the establishment of higher education institutions. In such systems, the binary outcome can differentiate between ‘good quality provision’ and ‘substandard’ provision. In the Indian context, which has adequate regulatory mechanisms to streamline the establishment of educational institutions and their recognition as institutions of higher education, the binary outcome may not add much. The classification (accredited/non-accredited status) might not be any better than the affiliated/

non-affiliated or recognized/not-recognized classifications. For a basic sifting of good institutions from substandard ones, factors such as whether or not an institution is affiliated to a parent university; whether or not an institution is recognized by the UGC or the state government for funding, would be enough. The quality assurance outcome of NAAC need not provide one more classification of accredited/non-accredited institutions. Further, given the large size of the Indian system and the wide variation in quality among the institutions of higher education, it is appropriate that the assessment outcome classify institutions in more than just two categories. If that is so, how many classifications would be appropriate?

Taking cognizance of all these issues, NAAC adopted a multi-point grading system. To help HEIs understand their strengths and areas that need attention for improvement, the report was added. The terms 'assessment and accreditation' (AA) came into use to denote NAAC's process.

### **Institution as the unit of quality assurance**

The unit of assessment chosen should be appropriate to the objectives of assessment and be viable, feasible and practical in the national context. In a country like India, where there are many small institutions, the most obvious unit of assessment is the institution. With more than 16,000 higher education institutions in the country, departmental accreditation would imply that the number of entities to be assessed at the department level is at least 10 times this figure. Most departments in a typical Indian university have fewer than five academic staff and there may be just two programmes offered, neither of which has the critical size or quantum of activity to be assessed as an entity.

Experience indicates that in view of the mostly centralized governance structure and support services of Indian institutions, institutional accreditation is more appropriate to ensure that systems are in place – good systems being a prerequisite for quality education. The Academic Advisory Committee of NAAC also recognized that



institutional assessment and department or programme assessment are not alternatives, with one to be neglected at the expense of the other. However, to focus assessment efforts properly, institutional assessment was identified as the emphasis of the first cycle of assessment and accreditation.

### **Public disclosure of quality assurance outcomes that is valid for a fixed period of time**

NAAC is aware that the issue of public disclosure, as opposed to a confidential assessment report, is contentious in many countries and that there are valid arguments in favour of either strategy. However, all systems are moving towards public disclosure and NAAC consciously opted for full public disclosure. After ensuring that the report meets the requirements for a NAAC document, it is made public and uploaded on the NAAC website. More and more stakeholders have started using the assessment reports to inform their decision-making, and this naturally builds pressure on HEIs to act on the assessment report even though there are no formal follow-ups either by the governments or by NAAC.

The quality assurance outcome – the institutional grade and the report – is valid for five years. An alternative to this could be to link accreditation to a variable time period. For example, an institution with the label ‘accredited for two years’ could imply the need for improvement, whereas ‘accredited for five years’ could imply good quality. Some academics suggested that the indicated number of years would achieve the same outcome as multi-point grading, but would carry much less stigma. However, NAAC was aware that the way inferences about quality are drawn could become re-oriented, with different periods of accreditation being equated to different grades. For example, an institution with a longer period of accreditation would attract more funds, better qualified staff and students, as well as a better reputation. In other words, opting for an accreditation status of varying periods would not really avoid the adverse effects, if any, of multi-point grading. NAAC therefore opted for the multi-point grading with a fixed period of validity.

Another reason for not adopting variable periods of accreditation is the need for a thorough review of the entire system on some fixed schedule. The use of a fixed period of validity would facilitate the completion of a cycle of assessment, and the subsequent review of the process and methodology ahead of the next cycle. Furthermore, the capacity of weak institutions to meet frequent assessment visits is doubtful.

### **Accreditation as a process meant for HEIs as the prime stakeholders**

Many stakeholders are concerned by the quality assurance outcome, with each group having different expectations. NAAC's process has been designed for the HEIs themselves as the primary stakeholders. The process is an exercise in partnership that is meant to help HEIs make self-improvements without fear of punishment. The assessment report facilitates this by highlighting the strengths as well as the areas in which improvement needs to be made. It helps HEIs build on their strengths and initiate quality enhancement strategies.

The quality assurance outcome may help other stakeholders. Students look for information that will help them choose an institution or programme. In addition to the information brochures and handbooks provided by the HEIs, the accreditation status of the institutions may be a useful indicator of quality. Parents may seek information on value for money and may like to send their children to HEIs with a good accreditation status. Governments and funding agencies would like to know how well the HEIs are achieving their objectives, and might also find the quality assurance outcome (especially the assessment report) useful. But they are all extended beneficiaries of the process. They may need far more information to make a decision, where the quality assurance outcome would be one of several inputs that they might consider. It is the responsibility of the extended beneficiaries themselves to use the quality assurance outcome alongside other relevant information.

### **Accreditation based on external peer review**

Some agencies keep their role in assessment *per se* to a minimum and only co-ordinate assessment visits. In others, agency staff participate in the assessment itself. In the quality assurance framework of NAAC, staff members of the agency are not directly involved in assessment *per se*. Consequently, NAAC's process gives peer assessment a central role. NAAC is well placed to adopt peer review, since Indian higher education already has a huge network of experts who have been serving the system in similar activities. To a large extent, the institutional diversity in the Indian system of higher education is also taken care of by peers.

Orienting peers to the assessment framework of NAAC to minimize inter-team variance is a substantial task that has been carried out successfully through rigorous training programmes. To further ensure the consistency and credibility of the assessment process, NAAC plays a major role in planning the assessment framework, developing instruments and methodology, fine-tuning the implementation and ensuring the objectivity of the process before the outcome is made public. Thus, as a professional body for external quality assurance, NAAC does not restrict itself to a mere co-ordinating role, but strikes a balance between the co-ordinating functions and steering the assessment, without NAAC staff taking a direct role in the assessment.

By incorporating the above options in its quality assurance framework, the national quality assurance agency of India has been functioning as an autonomous body. In light of the nature of EQA, NAAC was established as an autonomous body with funding from public money. It is governed by its own Executive Committee and General Council, where educationists and educational administrators from a cross-section of India's higher education sector are represented. The government support of the quality assurance effort, but without affecting the functional autonomy, is certainly one of the best options and NAAC is in line with this framework.

## **Lessons from experience**

NAAC has learnt many lessons from the development of the model and its implementation. The diversity issues have been handled well by the quality assurance framework and the trained assessors who applied them in the field. The impact it has made on HEIs of all types indicates that the overall strategy has been successful in realizing the objectives. NAAC's process has been strengthened by the way in which it encouraged internal structures for quality initiatives, built on the experience of the first batch of higher education institutions that underwent assessment, evaluated itself with transparency, and handled reactions to the process, from start to finish. Some unintended outcomes and problem-causing changes have taught some valuable lessons. There are also emerging challenges that need to be tackled.

## **Handling the diversity issues**

HEIs in India differ in their governance, funding pattern, freedom to innovate in curriculum, locality, target group, mission, and vision. At the same time, they also share many common features. Legally, education is a 'non-profit' service and no HEIs operate as companies. Even the self-funded HEIs that do not receive any public funding are governed by the 'not-for-profit' condition legally and are allowed to make a reasonable surplus only with the understanding that it will be ploughed back into the system for further development. Consequently, all HEIs serve the social cause appropriate to their objectives. This facilitates the quality assurance framework of NAAC to assess how well the HEIs achieve the avowed objectives they set for themselves. Criteria for assessment are general in nature, covering key aspects of functioning such as curricular aspects, teaching-learning, evaluation, research, consultancy, extension, learning resources, student support services, organization and management. Despite diversity, these are key areas to all HEIs and form the basis of NAAC assessment.

While it is not possible to evolve a different framework for each type of institution, the major differences have been taken care of by considering three major classifications - university and university-level

institutions, autonomous colleges, and affiliated/constituent colleges. NAAC's methodology takes care of the differences among these categories at five levels – differential framework and guidelines; differential criterion weightage; criterion on healthy practices; peer assessment in contextualization; and the nature of the report produced.

### **Differential framework and guidelines**

For each of the above-mentioned classifications, detailed guidelines and manuals have been developed by NAAC. For example, the framework for autonomous colleges includes aspects such as the impact of autonomy, curricular innovations and innovative evaluation methods, which don't exist for affiliated colleges.

### **Criterion on healthy practices**

This criterion focuses on the distinct features of the institution that may not have been covered by the other criteria. Under this criterion, healthy practices of one institution may not be so in another, depending on the strengths and weaknesses of the institution that are due to its unique characteristics and context. What is normal practice in one institution may be a noteworthy practice in an institution that is trying to overcome systemic constraints.

### **Sensitizing the criteria**

Taking cognizance of the difference in the functioning of the institutions, different criteria have been scaled on a point system ranging from 0 to 100 points as marked in *Table 5.1* below.

**Table 5.1 Differential weightages allotted to different criteria (on 100 points)**

Criteria	University	Affiliated/ constituent college	Autonomous college
Curricular aspects	15	10	15
Teaching-learning and evaluation	25	40	30
Research, consultancy and extension	15	05	10
Infrastructure and learning resources	15	15	15
Student progression and support	10	10	10
Organization and management	10	10	10
Healthy practices	10	10	10

*Source:* Antony Stella, *External Quality Assurance in Indian Higher Education? Case study of the National Assessment and Accreditation Council (NAAC)*, UNESCO-IIEP 2002, p. 84.

The criterion-based judgment of peers and the weightage of criteria are used to calculate the institutional score and grade. For the first three criteria, weightage varies between institutions. In view of the limited freedom an affiliated college has in curriculum design, the weightage is only 10, whereas for teaching-learning, which is fully under the control of the institution, it is 40. Similarly, since many affiliated colleges are undergraduate colleges without a strong research component, weightage 5 has been allotted to research, consultancy and the extension dimension of affiliated colleges as a means to initiate research efforts. However, for autonomous colleges, in view of the research orientation, that they are expected to promote under the autonomous status, the weightage for the same criterion has been raised to 10.

### **Peer assessment in contextualization**

Peers play a major role in assessment. In practice, the self-study report of the institution provides information on existing policies, practices and achievements of the institution with reference to criterion statements. The peer team makes a judgment on institutional performance from the self-study report data. NAAC is aware that assessment cannot be undertaken in a void. The criteria, key aspects and indicators may provide a point of reference for evaluating the quality of the processes of the institution under assessment. But they cannot be

interpreted blindly. The assessment must have key objectives that are synthesized and sensitized.

The peer team has come across instances where the affiliating structure in which the college operates must be understood. The parent university itself might not provide for certain practices that have been agreed upon as good practices, such as the credit system, semester system or projects at the postgraduate level. Under such circumstances, the peer team does not make negative remarks in its report about the college. But at the same time, it would look for institutional efforts that would enrich the educational experiences within the systemic constraints of the affiliating structure.

### **Reporting the outcome**

The grade is also supplemented by a report from the team that highlights the strengths and weaknesses of the institution under various criteria. Aspects that are not made explicit by the differential weightage and overall grade are always dealt with adequately in the report, which provides the context of the institution and the evaluation of peers.

Other possible classifications are often suggested to NAAC, such as: affiliating vs. unitary universities; single vs. multi-faculty colleges; public vs. private colleges; and rural vs. urban institutions. The present system of classification has been built on major differences in characteristics. In the case of other proposed classifications, the commonalities are strong enough and minor contextualization is always taken care of by the peers.

### **The impact**

Institutions of all categories, starting from those placed at the lowest rung of the classification to those in the top bracket, have uniformly acknowledged that the assessment and accreditation process made a significant change in many key aspects of their functioning. The impact analysis conducted by NAAC in the year 2001 on the first 100 accredited institutions revealed that most of them had acted on the recommendations of the peer-team report, which had made a significant

change in the pedagogical, managerial, administrative and related aspects of their functioning. Institutions took up initiatives beyond the mandatory requirements of the affiliating system. Management was often able to bring in major changes on grounds that it would demonstrate a commitment to quality. The introduction of needs-based programmes and curricular reforms were observed. Student support services and learning resources were greatly improved. Initiatives that require confidence, self-reliance, team spirit and potential bloomed. There was a change in the perception of management on issues of faculty workload, supporting the research culture and encouraging faculty development. Inter-personal relations between management and the faculty improved. All these changes had been achieved as a by-product of the accreditation exercise, and NAAC views them as evidence of the appreciation and confidence the institutions have shown in NAAC's process.

## **What works?**

### **Ownership**

NAAC applied multi-pronged strategies at various levels to reach out to the academic community and develop a feeling of ownership: awareness programmes to convince the academic community; publication programmes for the dissemination of information; workshops on the development of instruments; training experts for assessment; discussions with administrators to rope in their support for the institutions; consultations with policy-makers to ensure government support, and so on. Involving all the different stakeholder groups also helped enhance the insights into the group process. It strengthened the academic community's sense of ownership.

### **Activating the internal mechanism**

Since its inception, NAAC has promoted the concept of 'Internal Quality Assurance Cell' (IQAC) with guidelines on setting up internal structures to review quality as an ongoing process. The guidelines for IQAC suggested a methodology of self-evaluation similar to that required



for accreditation by NAAC, but without the external peer review. Many of the institutions that initiated IQACs felt confident about the process of self-evaluation and later volunteered for accreditation by NAAC. The real benefit of accreditation has been the impact it has had on making the internal quality assurance mechanism functional and robust.

### **Involving the early adopters**

Most of the institutions that volunteered for assessment in the beginning were confident of their potential and eager to know their strengths and weaknesses through an objective external assessment. Some were already employing their own institutional evaluation through internal mechanisms. The broad involvement of these early adopters, who could share their positive approach and success stories, enabled NAAC to ensure widespread support from the others. Those who were involved in the assessment visits became the agents of change in their own institutions, which enhanced the acceptance of NAAC's efforts.

### **Building on existing data**

In the initial stages, HEIs felt that the self-study report required a lot of data presented in too particular a manner. HEIs were reluctant to volunteer for assessment, since many of them were not organized in a way that enabled them to provide that data. HEIs complained that it involved a lot of documentation and paperwork. Soon the guidelines for the self-study report were simplified and user-friendly formats with existing data were developed. As the HEIs prepared the self-study report based on existing data, they also learnt better ways of undertaking documentation and data analysis.

### **Handling reactions to the process**

During the first three years, which focused on strategies to win over the majority, the institutions were either indifferent or reluctant to volunteer for assessment by NAAC. Besides the general inertia and fear of getting assessed by others, there was also a lingering doubt in the minds of some about the relevance of assessment and accreditation to

the Indian context. Bearing this in mind, NAAC invested considerable time and effort in information dissemination on its philosophy and principles, targeting various stakeholders. It ensured that strategies included:

- broad involvement and consensus building to ensure widespread support in evolving the norms and criteria;
- careful development of methods and instruments for assessment;
- transparency in all its policies and practices;
- rigorous implementation of procedures;
- safeguards to enhance the professionalism of assessment.

### **Harnessing stakeholder support**

NAAC convinced various stakeholders of the benefits of quality assurance and gradually they started using the assessment outcome. The governments linked incentives, special schemes and status to assessment outcome. Students and parents started to ask questions about the accreditation status of the HEIs. As the stakeholders gave a clear signal that they would use the assessment outcome for their decision-making, HEIs were pressured to volunteer for assessment by NAAC.

### **Evaluation**

After assessing about 125 institutions, NAAC carried out an assessment of its evaluation procedures. The openness with which the evaluation was carried out instilled confidence among academics. NAAC's efforts at meta-evaluation are not a one-off event. After the major event of collecting feedback from the first 100 accredited institutions, it has become a regular feature. Six months after being accredited, each institution is sent a questionnaire seeking feedback on different aspects of NAAC's methodology. The feedback is analyzed to look for aspects to be fine-tuned. After each assessment visit, feedback is collected from members of the peer team in a structured format to improve the peer team visit process. A roundtable discussion for those who have chaired the assessment teams is an annual feature. International observers have

sat in the assessment visits and given evaluative reports about NAAC's process. The overall analysis of all these efforts indicates that NAAC's procedures are workable but may need fine-tuning.

The developmental path of NAAC has not been all that rosy and pleasant.

## **Unintended outcomes**

### **Copy-cat syndrome?**

Several institutional responses were not very desirable. First, in spite of the explanation that institutional uniqueness would be a factor in assessment, institutions began copying the top-bracket institutions. Second, manuals developed by NAAC to facilitate the preparation of the self-study report also contributed to this. The manuals give a generic format for data collection and institutions adopted these without question. Third, not all questions result in added value; some are only for data collection. Yet institutions hurried to put all mechanisms in place. There was some concern that this might lead to a decrease in diversity among institutions and create more homogeneity. However, one of the criteria for assessment, namely 'healthy practices', is expected to promote the diversity of institutional practices. This criterion focuses on the innovative efforts of the institution that add to its academic growth and are contextual in nature. Once the generic aspects for overall quality are stabilized, NAAC expects institutions to build on their strengths and, in the long run, become differentiated. The assessment report gives due recognition to these distinctive aspects.

### **Stage management?**

NAAC understood that, at times, those who met peer reviewers had been carefully coached by their institutions. Many have criticized the over-enthusiasm of the institutions to please the assessment teams and the efforts that go into campus beautification and infrastructure development to receive the assessment teams. This led indirectly to improvement in quality. NAAC understood the need to ensure that

the peer team was comprised of academics who could appreciate the enthusiasm and new initiatives of the institutions and, at the same time, differentiate gloss from reality.

### **Problem-causing changes in the process**

The reporting strategy for assessment outcome underwent significant changes. With the new grading, the issues of re-orienting the stakeholders to the new system of grading, training assessors appropriately and facing up to questions of non-comparable outcomes were challenging. If NAAC is to remain credible, further revisions can only take place in the next cycle. In fact, it is this understanding that made NAAC opt for the same nine-point scale grading pattern for the re-accreditation process.

### **Inappropriate uses of quality assurance**

Quality assurance by NAAC is all enabling process towards self-improvement of HEIs. Its greatest benefits come from the self-study process. Realizing the potentials of this process, in some states there have been efforts to encourage prospective HEIs to volunteer for external assessment by NAAC by linking it to incentives and special schemes. At the same time, HEIs that are yet to reach the threshold level of quality are guided to initiate the self-study process without external review by state-level steering committees. However, in a few other states, the governments announced that basic funding itself would be linked to accreditation, which sent a wave of panic among HEIs. When a few state governments gave only a few months to the HEIs, fixing a deadline to get themselves accredited, that made the self-study process - the backbone of the whole exercise - unfruitful. The need for a phased state-level strategy with adequate support to the HEIs to benefit from the self-study process was misunderstood.

### **Challenges**

As quality assurance by NAAC gained acceptance, the expectations of stakeholders also increased. Today, it is expected to expand its scope

to include more areas such as transnational education and contribute to research in quality-related issues. It must pay attention to co-ordination at the national and international levels with other agencies that have an interest in quality assurance. It has to get ready with a futuristic framework for quality assurance for large volume assessment, in case it becomes a reality. In the absence of a formal follow-up, the question of how to handle post-accreditation complacency is becoming an issue. It is becoming increasingly important to carry out assessment professionally with benchmarks and indicators.

## **Conclusion**

In sum, the reflection on the developmental path taken by NAAC – success stories and painful mistakes – indicates that it has gone through various stages, from initial rejection to overall appreciation. It has been a decade of successes and struggles for NAAC. Gradually, it has moved from the phase of rejection by academia to the present phase of appreciation and a large volume assessment. The experience of NAAC may not lead to the best set of policies and strategies for quality assurance. But it adds useful insights to the ongoing debate on many critical issues of quality assurance. In national quality assurance systems throughout the world, in debates around quality assurance, one question remains unanswered: “Is there a better way of doing things?” The Indian experience, which is dynamic and rich but still evolving, could contribute to devising better ways of doing things.

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## **6. USING EVALUATION FOR JOINT PLANNING AND GREATER TRANSPARENCY: THE CASE OF FRANCE**

*Michel Levasseur*

### **Introduction**

The following analysis on the use of evaluation of higher education institutions in France, with a view to planning government activity and the development of greater transparency concerning the way these institutions operate, are primarily based on my own experience on the National Evaluation Committee (*Comité national d'évaluation*, or CNE). I attempt to show the originality of the French evaluation system at higher education institutions, emphasizing its unique features and in particular the attempt to link evaluation to the context. I then try to offer an assessment of the current situation in France, noting both the breakthroughs and limitations of the system. I then address current developments, or rather current uncertainties, at a time when the European Union has set ambitious targets for 2010, as embodied in the Lisbon strategy. More specifically, I try to demonstrate how the Bologna process is also leading to both questions and change.

### **Twenty years experience of institutional evaluation**

On 10 and 11 June 2004, the CNE held a symposium in Dijon entitled "From Berlin to Bergen: new issues in evaluation", on the occasion of the 20th anniversary of its establishment. Before undertaking an analysis of the new challenges raised, in particular by the creation of a European higher education area, we should consider how the practice of evaluation has emerged in France over the last 20 years and examine its contributions and limitations.

### **The emergence of institutional evaluation**

To provide an understanding of the context, I shall begin by reviewing the organizational framework of the French higher education

system and the principal means employed to manage it. I will then discuss how demand for evaluation appeared in the context of greater independence for universities. Finally, I will present the establishment of an authority responsible for institutional evaluation of universities: the CNE.

***The context of French higher education: a national public service***

French higher education is organized in two branches: the university system and the non-university system. The first, which has a larger student population, is composed exclusively of public universities. The second is a more mixed bag; it includes many prestigious institutions (engineering and management schools) that may either be placed under the supervision of a ministry (not only the ministry of education but also agriculture, industry, defence, etc.) or have private status. It also includes certain sections within public or private secondary schools, some of which prepare students exclusively for admission into higher education institutions.

Generally speaking, the central government runs the French higher education system. It authorizes public universities to grant nationally-recognized degrees on its behalf and generally handles recognition of the diplomas granted directly by other institutions, or at least the most reputable ones. In addition, it is the central government that provides public institutions with the bulk of their funding and staff. Higher education institutions have very limited resources of their own, and the modest tuition fees paid by students are set at the national level by the ministry. In most cases, university staff have the status of civil servants, and the institutions in which they work have little say in the management of their careers.

French universities are obliged to accept all young secondary school graduates in their geographical area. The *baccalauréat* school-leaving certificate is considered to be the first university-level degree and is wholly sufficient for admission to university. The non-university segment is not subject to this obligation and has multiple entry criteria.

French university education is highly controlled and, as a result, frequently evaluated:

- Staff with researcher/teacher statuses are in most cases evaluated at the national level, on the occasion of hiring and promotions, by a section of the National Council of Universities (CNU). This committee is made up of both elected and appointed researchers/teachers and organized by academic discipline. The prevailing concerns that gave rise to this structure were the need to implement peer evaluation, a concern for equity at the national level and the desire to avoid local influence on the evaluation process. Researchers who work on university campuses but are employed by research organizations (the National Centre for Scientific Research – CNRS; the National Institute for Health and Medical Research – INSERM, etc.) are evaluated by the same bodies that are responsible for evaluating their laboratories.
- Academic training programmes are evaluated by the ministry's Higher Education Directorate, which periodically (generally for a four-year period, sometimes less) makes decisions on accreditation, programme by programme. This directorate has its own consultants and bases its decisions on the expert evaluations it receives. Engineering schools have their own accreditation commission: the Engineering Qualifications Commission (CTI).
- University research teams are evaluated by the evaluation bodies of the Research Directorate (the Scientific, Technical and Educational Mission – MSTP), while those under the joint responsibility of universities and research organizations are evaluated by special bodies.

In the words of one of the members of the CNE, “there thus exists in France what might be called a galaxy of evaluation, made up of individual stars focused on their own objectives, which in fact are not always transparent, and in any event are poorly co-ordinated”.<sup>10</sup>

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10. Address by Claude Laugénie at the symposium “From Berlin to Bergen: new issues in evaluation”, Dijon, 10-11 June 2004.



***Granting greater independence and responsibility to universities and the emergence of institutional evaluation in France***

French universities, created by the Act of 1968 had to cope with a number of major challenges in their first 20 years:

- establishing a real structure with at least some degree of governance. In the early 1970s university officials faced a radical break with the past. Many of these new organizations, built on a foundation of autonomous universities stemming from the Napoleonic era, gradually received a presidency, elected boards, central services and an identity. Transforming a cocktail of unconnected faculties and departments often took time and gradually led to the appearance of new centres of power and decision-making;
- coping with a population explosion. As a result of the post-war baby boom and, even more importantly, of the democratization of secondary education, new generations of young people entered the university system. The shock was all the more greater since universities were obliged to accept students wherever they wished to study with no means of controlling the flow of students. These institutions expanded from 1970 to 1995;
- fulfilling expectations with regard to regional development. Whereas the geographical distribution of universities had been relatively stable until the early 1960s, the subsequent period saw the establishment of many fully-fledged universities in major regional cities. This expansion was accompanied by the establishment of a variety of educational programmes in many medium-sized cities.

In this context, both government and higher education institutions faced new problems:

- How could they manage a more complex, more scattered system subject to pressures of many kinds?
- How would these universities, by law independent, gradually organize themselves to cope with the demographic shock?

- How could the state and the university system guarantee the quality of the instruction provided and nationally-recognized degrees awarded in institutions with no university or scientific tradition?

As early as 1975, at a seminar held in Villard-de-Lans, the Conference of University Presidents pointed out the need to evaluate and put forward the idea of creating a new institution for this purpose. The law supported this movement, and 1984 saw the creation of a body responsible for evaluating institutions of higher education: the CNE.

***The creation of the Comité national d'évaluation des établissements publics à caractère scientifique, culturel et professionnel in 1984***

The CNE was established by an article of the Act of 1984 on public education. It originally consisted of 15 members (17 in 1988, then 25 in 2002) appointed by the Council of Ministers for a non-renewable four-year term on the basis of lists of prominent figures submitted by various institutions:

- nine academics (19 today) on the recommendation of the section chairpersons of the National University Council, the section chairpersons of the National Committee for Scientific Research and the Institute of France (and since 2002, on the recommendation of the Conferences of University Presidents, heads of engineering schools, heads of teacher training colleges, and following advice of the European University Association for non-French members);
- one member of the Council of State;
- one member of the French audit agency (*Cour des comptes*); and
- four prominent public figures, appointed for their expertise in economics and research, on the basis of advice from the Economic and Social Council.

In 1989 it was legally established as an 'independent administrative authority'.

The principal tasks assigned to the CNE were to evaluate higher education institutions (public institutions of a scientific, cultural and

vocational nature) and to issue opinions on the overall situation of the higher education system in order to:

- inform society on the workings of higher education;
- help improve institutions;
- contribute to the development of their autonomy;
- improve the entire public higher education system.

A general secretariat is made available to the CNE by the ministry in charge of higher education.

The CNE began its activities in May 1985. Its first chairperson was the mathematician Laurent Schwartz. The CNE evaluated all French universities between 1985 and 1997. Its reports aimed to give readers better knowledge of higher education institutions, their positioning and their structure, and to put forward proposals to improve their operation. During this first phase, the CNE demonstrated that institutional evaluation could become an integral part of the French higher education system. It adopted the following principles to guide its action:

- evaluation conceived of as a partnership between the university being evaluated and the CNE;
- peer evaluation;
- drafting of a report and dialogue with the institution on its final form;
- making the results public.

Right from the start, three main ideas supported this project. First, the evaluation should be conducted independent of decision-making influences. As Laurent Schwartz said, “evaluation is necessarily biased by the constraints inherent in all decision-making”. Therefore, he declared, “the committee will have no power whatsoever, and that is just as well”. Second, the evaluation should be part of a progress-oriented approach. Through dialogue, it should give institutions a better idea of their capabilities and of how far they might progress. Third, the publicity surrounding the evaluation and its results can change the image of the

institution evaluated both internally and externally. The combination of these effects was expected to exert control over the system as a whole.

### **The establishment of a model based on consultation**

At this point, I will take the liberty of quoting the words of my colleague Claude Laugénie at the Dijon symposium, as they perfectly encapsulate the practice of the CNE:

“The CNE conducts its evaluations through consultation. First, it consults the Conference of University Presidents. Many symposia with the Conference have marked the development of the Committee’s approach (1985-1994). In 2003, the evaluation of the universities of Île-de-France was designed following consultation of university presidents. Above all, the CNE consults with the institutions it examines. Evaluation is not a test or an external audit, and still less an inspection. It advances stage by stage, and through a back-and-forth movement between the evaluators and those evaluated. Themes are chosen jointly. The pace is, to the extent possible, that which best suits the university; in general, evaluations are scheduled one year before the institution enters contract negotiations with the ministry.”

### ***The effort to link evaluation to the contractualization process***

The 1990s saw the development of an innovative policy of contractualization between universities and the state. Universities were induced to draft an institutional plan and negotiate with the Ministry of Higher Education a contract establishing a four-year action plan. Part of the funding granted to universities is allocated in accordance with the priorities set in the plan. To appreciate the impact of such a policy, it should be recalled that French universities generally do not own the buildings they occupy. Property investment and heavy maintenance work are therefore financed through special operations combining funds from the state, local government bodies, European funds and, in some cases, the institution’s own resources. Higher education institutions do not have independently-managed property portfolios of their own. Similarly, the bulk of both teaching and non-teaching staff

(virtually all instructors) are employees of the central government. Their wages are paid directly by the Treasury and the university has no control over this budget item. These two remarks illustrate the limits on the budgetary autonomy of French universities. The funding needed to meet their other expenses generally stems mostly from the state, but also includes tuition fees, revenue from continuing education, services provided on their own account, subsidies from local government bodies and funding for research. In short, the discretionary budgets of French universities are small and they are highly dependent on central government appropriations.

During the 1990s, the government took a step forward by diversifying its methods of allocating financial resources. On the one hand, there is the overall operating appropriation paid to the university each year according to its needs as assessed by the government and, on the other, the funding provided under the four-year contract. The latter is far from negligible, and in practice university presidents spend a great deal of time negotiating its terms. The funds granted under this contractual procedure are broken down by operation. They are not supposed to be renewed systematically each year; rather, they support the achievement of a particular goal (installation of a digital area, development of international co-operation, setting up a system for the continuing education of staff, facilitating educational access for disabled students, etc.). These actions are supported by the government only if they form part of a coherent institutional plan. This contractual procedure has certainly had the virtue of inducing universities to examine their priorities more closely, to formulating a collective plan and to negotiate part of their funding on non-quantitative terms.

The CNE soon realized that its evaluations would be more effective if scheduled one year before the negotiation of the four-year contract. In this way, the evaluation process becomes fully meaningful for the university. By indicating the institution's strengths and weaknesses, the evaluation report can help it choose which areas should take priority in the contractualization process. The independent opinion issued by the CNE can serve as the basis for the university's negotiating position,

while also providing the government departments responsible for drafting the four-year plan with an independent up-to-date description of the institution as a basis for their decisions. Since 2000, the CNE's evaluations have been scheduled in accordance with the contractualization timetable.

### ***An approach that is more systemic than analytical***

The CNE's examination of the institution is not limited to a series of analyses of specific activities. Institutional evaluation considers all of the university's public service roles:

- admission of students, provision of initial and continuing education, the integration of programmes with the working world, monitoring students after graduation, the way students live during their time at the university;
- the structuring of research, the quality of research output, the policies followed, the interaction of skills, application of research, technological transfer, integration in the regional economic fabric;
- documentation policy;
- policies concerning sports and cultural activities, and their openness to the city in which the university is located.

The CNE endeavours to assess the overall coherence of the institution's activities and aims to help it improve its institutional plan. For this reason, the CNE also considers resources at the disposal of the university and how they are used. To this end, its reports systematically address human resource management, financial management and management of real property holdings. Finally, the committee examines to what extent the governance and organization of the university are in accordance with the plan.

The CNE's holistic approach is not far removed from that of other evaluation bodies, such as the European Universities Association (EUA). It is a systemic approach, since it encompasses all of the university's activities, particularly teaching and research, and covers students' learning and living conditions. It has the merit of taking into account

the diversity of higher education institutions. Indeed, it does not seek to impose any particular university model. Rather, it recognizes the variety of situations and the fact that all such institutions have difficulty linking and reconciling various functions that are often contradictory and give rise to tension. Some give higher priority to their research activities than to instruction, while others do the opposite. Institutional evaluation helps to identify bundles of activities that can generate value, but also points to shortcomings. It does not lead to ranking universities in categories of greater or lesser prestige. It seeks to encourage all of them to develop their actions in various directions, each of which is legitimate.

***A perspective not limited to the individual institution***

One of the roles of the CNE is to produce analyses that can inform university policy-making and contribute to the development and adaptation of the French higher education system. It seeks to do this in at least three ways: by examining sites; analyzing streams; and publishing reports addressed to the French President.

The geographical distribution of French universities shows that many sites are organized in a complex manner. These sites often include several universities, branches of public research bodies, specialized schools, etc. In addition, after 1968, universities were established on grounds that may seem somewhat debatable today. It is therefore essential to consider co-operation between institutions located at the same site or belonging to a well-defined geographical group. For example, the CNE has produced reports on the sites of Aix-Marseilles, Grenoble, Montpellier and the ‘Atlantic arc’. The goal is undoubtedly to make co-operation between institutions even more fertile. Yannick Valle, President of the University of Grenoble 1–Joseph Fourier, stated at the Dijon forum:

“We subsequently decided that the universities of Grenoble would work together, thus following the recommendations of the National Evaluation Committee. We decided to call on the services of external auditors from two different firms in order to supplement the work of the National Evaluation Committee. In the end, we succeeded in

putting together a scenario in February 2004. Today, we can say that Grenoble's new inter-university organization has been established. It is called *Grenoble Universités*."

The CNE also performs evaluations of specific disciplines or themes. This type of evaluation makes it possible to examine all the streams in a given subject area from a single perspective. It analyzes changes in the discipline considered and suggests avenues for further consideration. Two studies were published recently: one on higher degree programmes in applied mathematics; and the other on basic legal training. These evaluations are never aimed at ranking institutions that offer these disciplines. They have a much more appropriate aim: to show each institution the process and direction to follow with regard to all of its practices. For example, it is interesting to note that the National Law Students Association (ANEJ) requested the report on basic legal education to "become the road map for reforming this stream".

Finally, the CNE regularly publishes reports addressed to the President of the French Republic. For example, the report published in January 2005 addresses two topics: the integration of universities in the surrounding territory; and the positioning of university education within the post-secondary education system. In the first case, the CNE wished to emphasize that, in the future, the interaction between higher education institutions and the area in which they are located will be an issue of primary importance: "Today, as it becomes more democratic and spreads over the country's territory, the higher education system is taking on new roles (continuing education, technology transfer, relations with the surrounding area) that require less uniform analysis and more conscious and more diversified choices on the part of universities".<sup>11</sup> In the second case, the CNE criticized the lack of clarity concerning the university's offerings in these areas. Once again, it argued for more co-operation: "in this context, the key to success appears to be stronger management by regional education authorities of post-secondary provision, including preparatory schools

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11. National Evaluation Committee, "Nouveaux espaces pour l'université", Report to the President of the Republic, 2000-2004. La Documentation Française, January 2005.



for the *grandes écoles* (CPGE), higher technician sections (STS), post-secondary technological institutes and undergraduate university programmes, based on co-ordinated evaluation of the entire system and on better cooperation among the various contractual processes that shape national and regional policy”.

### **Year 2010: new challenges for evaluation**

This mode of institutional evaluation has now been in place for over 20 years. We have indicated above its many contributions to the management of both individual institutions and the French system of higher education as a whole. We must now give a brief account of the limitations and inadequacies of the current system at a time when the country is faced with new challenges. We will conclude this presentation by describing the paths that the French evaluation system might take to cope with the necessary changes.

#### **The limitations of the French model**

My remarks on this topic are certainly incomplete. As I am deeply involved in the current Committee, I may not have a sufficiently clear view of our weaknesses. I think, however, that we can identify a first set of weaknesses relating to the difficulties we have in implementing institutional evaluation. The second aspect concerns the impact of our evaluations. We have tried to advance in this respect by instituting follow-up procedures, but in too many cases, the overall impact of our reports is still difficult to assess. The third point, and not the least important, concerns comparisons between specialized agencies. As such agencies operate in national contexts that are often very different, the roles they play are not relative to other countries. It is not certain that the organization of university evaluation in France is clearly understood by other countries.

#### ***Difficulties in implementation***

Institutional evaluation of a university is all the more productive when combined with a contractualization process. From a theoretical standpoint, it is easily understood that the institution has a greater

interest in putting substantial effort into evaluation if it can reap the benefits when the four-year contract is drawn up. For this to hold true in the real world, however, the contract must play its contractual role to the full with respect to the university. However, after a very productive implementation period, the contractual approach stalls somewhat. There are several reasons for this. The government has great difficulty with time keeping, contracts are signed late, and these delays have steadily increased. Some contracts are signed 15 to 18 months after the period, while the period itself is only four years long. This detracts from the credibility of the contractual commitments. The second reason lies in what university officials see as a lack of connection between the programme content development phase and the negotiation over funding phase. The latter is often experienced as mere bargaining with the supervisory authority. It is not out of the ordinary for authorities, given their funding restrictions, to refuse to commit further funds to an action even though it is a matter of priority, but offer in return ample funding for a different item in the contract. The process thus becomes less coherent, and university officials soon focus their interest exclusively on total appropriation rather than on how it is allocated. In the pithy words of one university president, “The contract is a sham. What matters is how many euros you obtain in the end”. That being the case, it is quite difficult to give a positive image to the evaluation phase that precedes the contract. University officials have the feeling that they are swamped by redundant and largely useless obligations. Some have already mobilized their staff to draft an institutional plan and find it difficult to ask them to make a further effort for an evaluation since the concrete benefits of that evaluation are far from obvious.

The difficulties are not limited to this stalling contractual procedure. Many of them stem from the practices of the CNE. I will take only a few examples. First, intervals between evaluations are overly long. The law provides for evaluation every four years (the same interval as the contract), but in practice, the average frequency is every 10 years, which is not enough to keep institutions on their toes. The main reason for this problem is that human resources assigned to the CNE are inadequate. The CNE has no resources of its own and may not collect

any revenue whatsoever. To ensure its independence, its budgetary and human resources are allocated each year by parliamentary vote. Its output is strictly limited by the human potential at its disposal. The general secretariat has about 30 employees of all grades. Experience has shown that, under these circumstances, it can conduct only about 15 evaluations a year. To meet its targets, it should perform about 50. Second, in addition to the low frequency of evaluations, the CNE may also be criticized for taking too long to perform them. The average time between the first contact and publication is about 18 months. We are often criticized for overly long response times. It is not uncommon for the management of the universities concerned to have changed in the interval. The reasons for this slowness lie both in the CNE's original objective of covering the entire university and in the need to combine the results of the university's self-evaluation process and those of the outside evaluation by independent experts. For example, the CNE often deploys very large teams for a single evaluation (20-odd people visit the sites).

As a result of these and other difficulties, many university officials complain that there is too much evaluation, particularly since they are also subject to many checks and inspections, although they do not question the fairness of the approach and the quality of the work done. They find that the short-term practical benefits are no longer sufficient.

### ***A mixed impact***

The impact of the CNE's evaluations may be assessed directly, by considering the dissemination of its reports, and indirectly, by trying to gauge how much they have influenced the drafting of the four-year contracts.

The reports of the CNE are made public. Naturally, they are distributed at universities, at government bodies, at parliament, and local and regional authorities. They can be downloaded free-of-charge from the CNE website. The reports have a much broader readership than we had expected; in 2003, for example, there were nearly

100,000 downloads, a third of them by users outside France. The reports are accompanied by four-page summaries known as ‘profiles’.

The main criticism levelled at the CNE’s reports, however, is their length. The printed documents are often more than 100 pages long, and sometimes 150 pages. They are criticized because readers cannot access them easily. The policy of producing evaluations aimed more particularly at universities’ management and considering the institution in its entirety often leads to detailed analyses and finely balanced assessments. This does not meet the expectations of a broader readership that is looking for a brief outline of what the university does and a concise description of its main strengths and weaknesses. The CNE is aware of this. In 2005, it overhauled its report format. The new reports are shorter (50 pages) and place stronger emphasis on the descriptive material, conclusions and partial analyses.

The CNE has also tried to verify whether its recommendations had been followed. The latest report to the President of the Republic contains a study of a sample of four-year contracts signed by institutions recently evaluated by the CNE. The aim was to gauge how much influence the CNE’s recommendations have on the content of contracts. Two approaches were used. The first was to check whether the CNE’s evaluation is mentioned in each contract, and in what contexts. The second involved a more policy-oriented analysis that tried to draw parallels between the terms of the CNE’s recommendations and those of the main lines of the contract. In the first case, two out of every three contracts explicitly mention the CNE, either in the preface, or by citing a favourable opinion from the CNE that confirms the value of an action, or with respect to a specific action. However, as noted in the report to the President:

“these formal allusions to the evaluation do not, however, represent the gist of either the four-year contracts or the evaluation itself ... but they prove that universities and/or the ministry do pay attention to the evaluation that preceded the contract process”.

The second study, which sought to dig deeper than an overly literal analysis allows, examined the educational authorities of Grenoble and Montpellier. It suggests that the plans submitted by universities often correspond to the recommendations made at the time of the evaluation. Obviously, it is harder to assess what role the evaluation actually played in the formulation of these plans. Thus, CNE's evaluation can make a contribution in strategy and development.

To better evaluate these benefits, the CNE has recently begun to conduct follow-up operations. Two years after the publication of its report, the CNE sends the university a detailed questionnaire based on the observations made in the report. The university is expected to respond within one month with a well-argued presentation of the changes that have actually occurred and the university's strategic choices. A three-person team spends a day with university officials. A follow-up report is adopted by the committee and subsequently published. Four such operations have been successfully completed, but it is too early to assess the effectiveness of the system. Moreover, it points even more sharply to the fact that the CNE lacks the resources to carry out all of its missions properly.

### *Clarification of the model at the international level*

It is all the more difficult to ensure an international presence because a great deal of energy would be needed to explain and promote French practice with regard to institutional evaluation. Here again, the CNE's size places limits on what it can undertake, but it has made vigorous efforts in this respect. It has promoted its views as an active member of the European Network of Quality Assurance in Higher Education (ENQA). It has also learnt much from its dialogue with partners, especially in terms of changes in its practices, as we see below. The CNE is involved in a few international co-operation projects and attends many symposia and conferences. It has always had a twofold aim: to inform partners about how we do things; and to understand and benefit from the changes occurring in other countries. As a specific example, we would like to mention the Quality Convergence Study

(QCS)<sup>12</sup> directed by the CNE and the British evaluation agency QAA, whose purpose is to present the country contexts in which evaluation agencies operate. The assumption is that a better understanding of the underlying motivations of national systems should make it possible to design more meaningful actions to bring about convergence.

This international activity clearly showed it that if it wished to earn greater recognition from its partners, a certain number of changes were essential. Thus, in 2002, the membership of the committee was enlarged, and three non-French members now have regular seats. They share their experience with the CNE and bring a different point of view to bear on the institutions we evaluate. By the same token, the CNE has increased the number of non-French experts in the teams that visit universities.

At the same time, the CNE had to become more professional to establish its reputation. It sought to strengthen its methodology and explain it more clearly in the international arena. The most successful achievement in this field came in 2003 with the publication of the *Livre des références* (Book of standards), which is now the framework for internal evaluation. The reasoning of this document is based on demonstration, leaving the university to choose which lessons it should draw. It addresses three areas: educational policy; research policy; and the extent to which the university's management serves its objectives. The book is divided into 10 reference frameworks, each of which defines a major area of university life upon which the expectations of users and partners are based; sixty-three references constituting an implementation system; and a non-exhaustive list of 302 criteria, each of which formalizes a mechanism that contributes to the achievement of the objective. The *Livre des références* has not only been used in all CNE evaluations since its publications, but has also proved to be an effective communication tool.

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12. Six agencies took part in this study: CNE (France); HAC (Hungary); CQAHE (Lithuania); NOKUT (Norway); QAA (United Kingdom); and Hogskoleverket (Sweden).

## Avenues for development of the French model

Emulation of other countries is undoubtedly a powerful force driving change in our institutions. In addition, the prospect of the creation of a large-scale European higher education area is a factor that is generating rapid and radical change. The European Union itself takes a strong interest in this sector, which is vital to the achievement of the Lisbon strategy. It may therefore be asked whether evaluation methods will necessarily be structured at the European level. What follows is a personal, but nonetheless informed answer to this question.

### *The new challenge raised by the creation of the European higher education area*

The Berlin communiqué gave two mandates to the ENQA, in co-operation with the EUA, the European Association of Institutions of Higher Education (EURASHE) and the National Unions of Students in Europe (ESIB, now ESU):<sup>13</sup>

- to develop a series of benchmarks, procedures and guidelines for quality assurance; and
- to explore a means of developing an adequate system of peer review for quality assurance and/or for agencies.

This so-called E4 group was able, after a complicated process, to submit to the Bergen conference<sup>14</sup> a preliminary report containing a list of European quality assurance standards and proposals concerning the quality assurance methods of the agencies themselves. The Bergen communiqué will oblige the CNE to take up two new challenges.

The first will be to verify that the *Livre des références* meets the requirements of European standards. Several major differences may be noted from the outset. The first lies in the subject of the evaluation: European standards refer only to educational provision, not to research, whereas in France, higher education and research are closely intertwined. Moreover, changes currently under consideration are

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13. See *List of abbreviations*.

14. The final communiqué had not been issued at the time of writing.

aimed at bringing evaluation of research still closer to that of higher education. Second, the CNE assesses not only quality assurance but also the performance level that universities should achieve based on its own view of the French public higher education system as a whole. European standards, in contrast, are only concerned with measuring the gap between university objectives, whatever they may be, and the quality of the results obtained. Third, the CNE considers matters such as the quality of democratic debate within the institution, its labour relations policy, its policy concerning students' extracurricular lives, its strategy concerning co-operation with other universities, and its policy for encouraging international mobility. In some other respects, however, the standards of the CNE fall short of European standards. This is the case, for example, regarding the standards for transparency and truthful communication that universities must meet. This suggests that the creation of the European higher education area will enhance the CNE's methodology, while allowing it to preserve its unique features. It will earn more credibility in the international arena.

The second challenge will be to prepare the CNE for its own external evaluation. In the coming years, it will have to submit its procedures to examination by a team of experts involved in the evaluation of quality assurance agencies. Membership of the ENQA will certainly oblige it to take this step in the relatively near future. Many points have still not been clarified. Who takes the initiative? Who will recommend the experts? What European registry will keep the list of recognized agencies? It is clear, however, that the CNE's future will be in part determined by these European requirements.

### ***The temptation to become the French accrediting agency***

Does the future of university evaluation lie solely within this European perspective? At this point, I would like to mention a point made by the European Commission in 2004. The Commission proposed that member states move forward through the observance of five principles, including that which affirms that "states will have to support their universities and grant them independence, including the freedom to choose the accrediting agency". This emphasis on a decentralized



mode of operation obviously represents a break with the French tradition of centralized co-ordination at the national level. In a context of more open borders, increased student mobility and greater freedom for foreign universities to be based in France, educational provision for a national or a European public must meet certain quality standards.

Should France establish one or more accrediting agencies of this type? Should the CNE itself become such an agency? It is worth recalling that the law grants considerable freedom to open institutions of higher education. The problem therefore does not lie at the level of permission for a university to exist. In fact, two fundamental questions soon arise: the certification of the quality of education provided; and the funding issue. In France, the first question is largely governed by the mechanism of state recognition of the institution and by the more exacting standard required for the endorsement of diplomas. Both analysis and decision are handled by the state. It might relinquish these functions and delegate them to qualified agencies, but this would be a total break with tradition and does not seem necessary in terms of the need for efficiency. The issue seems rather to turn on the analytical and decision-making mechanisms. It would certainly be appropriate for the departments responsible for such decisions to display greater transparency about their methods, or to show their European partners that their standards meet common expectations. In any event, it is not clear how an organization like the CNE could take on such a task. Setting aside the inevitable funding problems, it would be forced to break with its tradition of keeping evaluation independent of all decision-making. The funding issue is still more delicate. Most of it comes from the government, as students pay only a very small share of the cost of their education. The state has always preferred to allocate its funding primarily to public institutions. In return, the latter must provide a national public higher education service, which entails many restrictions. Admittedly, the state might conceivably grant a private provider permission to operate under the same restrictions and, in this case, could provide it with equal funding. It would then be up to an accrediting agency to carry out the necessary checks. But this would be a major break with political or even cultural tradition. Although such

developments have occurred in more market-oriented fields that receive less public funding, they seem less probable where higher education is concerned. The bulk of public funding will probably continue to go to public universities.

That being the case, it may be asked whether there is any sense in having an accrediting agency. It is unclear what a decision in favour of or against opening such an agency would mean in the case of public higher education institutions. It is clear to the latter that they have no purpose unless they honour the obligations, including a minimum quality standard, set by the state. It is also true, however, that the concept of accreditation is somewhat ambiguous. We speak of accrediting entire universities, or sometimes components (as for business schools), or even individual programmes. In the case of these specialized accreditations, the objectives pursued seem to be different. The aim is to inform the market that the programme or institution concerned observes a specific set of quality standards. In some cases, this practice has led us very close to the formation of elitist leagues of universities. All universities, regardless of their merits, are not equal in terms of quality of recruitment, quality of instruction provided and quality of image on the job market. Accreditation would provide a solution to this problem of asymmetrical information, which is all the more acute since the opportunities for study abroad have increased. Is it desirable for such a service to be developed in European higher education area? Should initiatives be left to develop freely? Can an experienced evaluation body like the CNE alter its output to meet these new forms of demand in favour of French public higher education institutions without losing its ability to work on a co-operative basis for their improvement? This question is hardly asked today, but will unquestionably receive close consideration in coming years.

### ***A second wind for 'national' evaluation***

One must not forget that European higher education is characterized by great diversity – a fact that also accounts for its richness. Owing to different political and cultural traditions, the organizational differences between education systems and their histories, and the

variety of languages spoken, it would be pointless to seek to develop a monolithic, standardized entity. Moreover, this is a field in which, though the international dimension is always present, the European dimension is far from obvious. We are fully aware, however, that the appeal of the European higher education area will depend on its ability to offer good quality education. It is important that certain general principles concerning quality assurance be held in common. Their implementation must be considered within the national context.

In the case of French higher education, the bulk of which is public, institutions should develop their own quality assurance systems and demonstrate their ability for self-evaluation. The state must also work to make evaluation systems more transparent and efficient without needlessly adding to the administrative burden on universities. The consideration being given to unifying the evaluation systems for research teams will certainly be a step forward. The state is responsible for managing the majority of researchers and teacher/researchers. In addition to the particular features of each status, the coming reforms must not neglect the quality assurance issue, in order to give French universities greater international credibility. For its university system, France has opted for nationally-recognized diplomas. It regards this as a vital pre-requisite for an equally dignified treatment of all its universities. This choice requires that all programmes approved by the higher education ministry satisfy the minimum quality standards of the European area. Approval procedures should therefore be based on expected standards of transparency: in particular, methods used and the way in which experts are appointed need to be spelt out.

The institutional evaluation of universities must be reformed. It has been current practice in French universities for the past 20 years, and is rarely contested. It must now place itself within the European framework as an original national solution. As a member of ENQA, this is the CNE's objective. Still, universities' interest need to be aroused. We must satisfy their request to simplify the overall evaluation and inspection system (too many bodies involved and insufficient co-ordination). Most importantly, however, a better perception of the

benefits of evaluation is needed. The coupling of the evaluation process with the contractualization policy should not be abandoned, but all will depend on how it develops. Other means of stimulation need to be found. One way would be to help universities take better advantage of their strengths and their centres of excellence. Without adopting a narrowly rank-based stance, the CNE could, in its reports, provide some criteria for characterizing institutions that are easy to identify and benefit from its recognized authority; this would enable students and partners to praise educational offerings more accurately.

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## **7. STRENGTHENING INTERNAL MANAGEMENT CAPACITY FOR QUALITY IMPROVEMENT: QUALITY AUDIT IN NORWAY**

*Jan S. Levy*

As in most European countries, systems of quality assurance of higher education gradually developed in Norway during the 1990s, and – partially as an effect of the Bologna Process – a quality assurance system was established in 2002/2003. The Norwegian system could benefit from some of the experiences of other pioneering systems and was thus designed somewhat ‘lighter’ than some others. The main concept of the central QA agency is the ‘audit approach’, relying on strong, well-functioning institutional QA systems. This is well in line with universities and other higher education institutions who stress the need for ‘fit for purpose’ systems. But will such a system really promote quality culture in institutions, and will it succeed in unveiling quality faults? Will it be able to meet new challenges emerging through new types of providers and provision of transnational higher education?

In this paper, the Norwegian system is described and briefly discussed. The paper presents a brief background to the Norwegian higher education system, describes the development and features of the present quality assurance system, and finally discusses some points related to the audit concept chosen by Norway for its system.

### **Background: higher education system**

The higher education sector in Norway consists of dominant state institutions and a private sector working under state regulations, quality control, and with varying state financing. The state institutions are:

- six universities: Oslo, Bergen, Tromsø and Trondheim (broad research institutions), and Stavanger and Ås (new universities);
- five specialized university institutions;

- 25 state colleges in all parts of the country (later renamed university colleges); and
- two colleges of arts and crafts.

Around 30 privately-owned educational institutions give recognized programmes in higher education. Twenty-two of these have state support for this provision. In total, these institutions account for around 12 per cent of the total number of students in higher education. The majority of students are within one private business school.

The system has been undergoing subsequent reforms since the late 1980s. The last reform ('the quality reform') reflects the impact of the Bologna Process in Norway, but is also the result of national political initiatives dating back to before the Bologna declaration. The reform was decided by Parliament in the years 2001/2002, and came into full effect by the year 2003. The main features of the reform are as follows:

- a new degree system in accordance with the model favoured in the Bologna declaration: Bachelor's (three years); Master's (two years); and Doctorate (three years); the introduction of ECTS, with 60 credits equivalent to one year of full-time study;
- a new quality assurance system with independent accrediting functions (see description later);
- a new financing system introducing formula funding, partly according to student achievements;
- increased institutional autonomy, but with more power given to the board, which will no longer have a majority of members from the internal academic staff; no centrally-given regulations regarding the internal organization of the institution;
- increased freedom for institutions to establish and withdraw study programmes;
- increased weight on the internationalization of institutions and study programmes;
- from teaching to learning: development of study programmes, teaching methods, examinations, and use of the academic year to improve student achievements; and

- increased funding of students' subsistence costs, to enable students to use more time for their studies.

The institutional structure remained unchanged after the last reform, but the revised Act on Universities and Colleges opens up to new structural dynamism, with possibilities for other institutions to become universities after an accreditation procedure. As a result of this, two institutions have gained the right to be ordinary universities (in 2004).

## **Some central features of the higher education system**

### **Financing**

Public higher education in Norway is mainly financed by yearly state grants. The yearly grant from the Ministry of Education and Research is meant to cover the institution's expenditure for the agreed educational provision and the embedded research obligations. Additional financing for research is channelled through the Norwegian Research Council, which is also mainly state-financed. Such grants go primarily to the universities and specialized university institutions. Institutions may also seek project financing for additional provision of studies or for research projects, from public or private sources. Public institutions may not charge ordinary students tuition fees.

Private institutions may have state grants covering part of their expenses. In some cases, the grant will cover 100 per cent of the cost of a student in similar state institution provision. A private institution may charge tuition fees for provision not financed through state grants.

### **Governance**

The governance of institutions is regulated through the Act on Universities and Colleges and through the parallel Act for Private Institutions. In effect as of 1 August 2005, the two acts are merged into a single Act on Universities and Colleges.

State institutions are part of the state and are accountable to the minister. The minister appoints four of the members of the board from

outside the institution. Four others are elected by academic staff, one by the technical/administrative staff, and two by students. The board may decide to have an elected Rector – who in that case will chair the board – or to appoint the Rector as the daily leader of the institution. In the latter case, the Rector is not a member of the board.

### **Ministry–institution relations**

Institutional freedom is granted through the Act and through established practice. The institutions cannot be given instructions on the content of their teaching or research, and are free to present their judgements, results and opinions. This also goes for the individual teacher and researcher.

Instructions from the ministry must be set within the special Act, general public administration acts, or well-established constitutional practice. Within this frame, instructions are mainly given in three ways:

- yearly instructions in connection with the allocation of grants. These are mainly instructions with regard to results pertaining to the institutions' main tasks. However, specific tasks connected to extraordinary grants are also dealt with in this context. General political prioritizing may also be included;
- yearly dialogue meetings. This is a formalized contact meeting with an agreed agenda. It may be the place to discuss future goals, strategic changes, specific needs and so on; and
- specific instructions may be given throughout the year as a result of individual applications or specific decisions in parliament or the government. Such instructions will be given in writing to the institutional top level.

There is of course frequent contact between the ministry and the different institutional levels for informational and developmental purposes.



The Act on Universities and Colleges has introduced a new system for quality assurance, putting new demands on the institutions. This is discussed further on.

### **International co-operation and exchange**

The international dimension is an important feature in the Norwegian higher education system. The general policy is to increase international co-operation at both the faculty and student level. The financing system includes specific grants related to incoming and outgoing students. The idea is that all students taking a degree course in Norway have an opportunity to take at least one semester of their studies at a co-operating institution abroad. The student is supported by the student finance scheme in this study abroad.

There is also a goal to host foreign students to the same extent. For this purpose, some finance schemes are established, and all major institutions of higher education offer a number of courses in English.

### **Some policy concerns**

#### **Overall quality**

The issue of quality in the educational system has been high on the agenda since the Hernes report (1988).<sup>15</sup> This report put it like this:

“The challenge to Norwegian knowledge policies is that the country is not obtaining adequate competence from the population’s talents. The results achieved are not at the level of the skills that might be developed”.

The OECD review team that visited Norway as part of a thematic review on the first years of higher education also had concerns regarding the overall quality and organizing the quality of work (OECD, 1997). A government-appointed commission for university reform (The Mjøs Commission), in its report in 2000, reiterated this.

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15. Hernes Commission (1988) *Med viten og vilje*. NOU : 1988 (Oslo).

The white paper suggested that students should succeed. Students spent far too many years studying, although less than 30 hours per week. The white paper advocates the improvement of study programmes and intensified tutoring.

### **Student results**

There is no fixed formula for measuring student results in higher education. The discussion in Norway has therefore been based on rather simple observations on the rate of success at the institutional level, building on a presumption that full-time students should ideally have a full year of academic progression each year. The statistics have (at least) two important weaknesses: (1) part of the students may have good reasons for not fulfilling their study programme, such as illness, change of study plans, personal changes outside their control, and; (2) statistics do not reflect precisely the actual individual study goal. The student may decide to do part-time study without registering for it, if he or she does not intend to take a complete course.

With such weaknesses in mind, concerns remain about the overall achievements of students in Norwegian universities and colleges when measuring obtained credits as a percentage of registered full-time students. Development after the quality reform gives some indications on improved student achievements, but a final evaluation is still to come.<sup>16</sup>

### **Decentralization – size of institutions**

The Norwegian system is strongly decentralized. Even after a major merging reform in 1994, some state university colleges have fewer than 1,000 students. But decentralization goes even further. Most institutions have more than one campus and in rural areas distances between campuses may be long. Regular contact is often based on electronic means. Electronic networks are extensively built up and in

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16. After this paper was written, an evaluation report on the “Quality Reform” was published: Michelsen, Aamodt: Evaluering av kvalitetsreformen. Sluttrapport. Norges forskningsråd 2007. The findings of this report have not been incorporated in this paper.

heavy use, but there are still concerns as to the cost and quality of many small campuses.

In addition, there is political pressure to decentralize further, by establishing study centres or single courses outside campuses to meet local competence needs. This adds to the political dilemma between outreach of provision and increased quality demands, requiring a minimum of staff within each discipline.

### **Competition – student choice**

Traditionally, Norwegian study programmes were centralized. Quality reforms made them more independent, whereby a bonus was affected to new students at old institutions.

This has obviously opened up to a new kind of competition, and thus a dynamism beyond that which can directly be controlled politically. However, one might expect political reconsiderations if this dynamism results in strong centralization and increased problems for colleges with a less central location.

## **Quality assurance - an overview**

### **The tradition**

Historically, there has been a strong restraint in the way in which Norwegian authorities have executed quality control over universities. Universities are by far the strongest in this context. The main tools for quality control have been:

- a system of self-control, through collaboration between universities at all levels. The National Coordination Committee (NKU) has executed procedures for the recognition of exams, from colleges and private institutions, as equivalent to university exams;
- general standards regarding the hiring of scientific personnel in universities;
- a system of external assessment of applicants to scientific posts;
- general criteria for student eligibility to access HE;
- external assessment (*'sensorer'*) at student exams; and

- strong competition and peer reviewing on applications for external research funding.

In general, not much weight has been put on accreditation and evaluation procedures compared to the long traditions of accreditation in the USA. This may have reflected a certain logic. As a small country with a relatively short academic history dating back to 1811, Norway had no major alternative academic milieu until 1946. One may have asked the following question: Who outside the institution could possibly have the competence and insight to evaluate? Moreover, it is necessary to have a rather well-developed culture for internal criticism, which is of course a quality tool in itself.

### **1990-1996**

The development of national quality assurance policies started around 1990 with the first in a row of changes in the governance of higher education institutions. In its White Paper to Parliament in 1991, *From vision to work (St.meld. nr. 40 1990-1991 – fra Visjon til Virke)*, the government expresses its goals regarding quality work. It explicitly stresses that institutions have an obligation to act.

This may be viewed in the context of governments implementing ideas from new public management – allowing greater institutional freedom, combined with increased responsibility and accountability. Political focus shifted gradually from input to outcome, and thus increased the need for governments to create tools for monitoring and outcome control.

Following the White Paper, the government initiated a thematic evaluation of the most important sectors of higher education in Norway. Each sector was to be compared with what could be defined as a ruling international standard. The assessments told the government that the quality of provision varied widely, also *within* large and dominant institutions. The responses were mixed when it came to institutional measures, and it would take a long time before quality assurance thinking was to be embedded within institutions. The exercise put

quality assurance on the political agenda in Norway. As a result of the reform, the universities decided to terminate the activity in NKU.

### **1996-2002**

The new 1996 Act on Higher Education (*Lov om universiteter og høyskoler*) in Norway clearly established the responsibility of the board of an institution for maintaining a high standard of academic activity. The ministry informed the institutions of its judgment that the boards would need quality assurance instruments in order to execute this task.

But the ministry felt that there was also a need for a central operational tool. At the same time, it decided to establish a body outside the ministry to manage the development and implementation of quality control systems (Ministry of Education, 1997). This broke with a long tradition of self-control in the Norwegian system. An advisory body, the Network Norway Council (NNC), was however established in 1998, with the following tasks within the field of quality assurance:

“The council should have a system responsibility in this field. It should help institutions with counseling and guidance. It should develop common routines and procedures for the evaluation work in the sector. It shall monitor through the control of the institution’s own evaluation systems. The ministry also wanted the council to prepare for future national evaluations, and be administratively responsible for their execution” (NOU, 2000:14).

The mandate gave no authority to the council itself. Decisions following results from evaluations would have to be taken by the ministry, even if decisions were based on a professional assessment. This must be seen as part of a compromise necessary to pass the decision through parliament. Nevertheless, this was a major step towards establishing an operative and visible system of quality assurance in Norway.

The council became the Norwegian member of ENQA, the European collaboration between quality assurance institutions.<sup>17</sup>

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17. In 2004, ENQA was re-established as an association of the European quality assurance and accreditation agencies.

Evaluation exercises were done on institutions (all four universities), educational programmes (e.g. teacher training, ICT-education and maritime education), and public and private institutions applying for new study programmes or degrees. There were established routines and standards for quality work, and steps were taken to introduce a universal quality assurance system in Norway. In 1999, the country participated in the Bologna declaration, by which countries undertook obligations to co-operate in the development of comparable criteria and methodology in quality assurance. This leads us up to the present situation.

### ***Reform of 2001 – the quality reform***

The Mjøs Commission published its report, 'Freedom with responsibility' (*Frihet med Ansvar*), in the spring of 2000. Against the background of the Bologna declaration, the Commission proposed the establishment of an independent authority in charge of quality assurance and accreditation in the Norwegian system. This also became the result of the parliament's discussion one year later. The new authority took over most of the responsibilities of the Network Norway Council, which was closed down. The 2001 reform has been called the 'quality reform', and has already been described briefly in this paper.

### ***Outline of the system from 2003***

I will round up this part of the report by describing the conclusion to the process outlined above.

As from the year 2003, the QA system in Norway presents the following main elements:

- the 2002 Act on Universities and Colleges states that institutions should have satisfactory internal systems for quality assurance. Students' evaluations of the provision should be part of the quality assurance systems;
- the act further establishes a central independent agency that, through accreditation and evaluation, should control quality at Norwegian institutions of higher education. It is underlined that the system should be designed in such a way that the "institutions

may make use of it in their own quality assurance and quality development work” (Ministry of Education 2002, my translation). The act authorizes the Ministry to issue by-laws regarding the agency’s procedures and standards to be used in accreditation; and

- the Ministry may not instruct the agency in its judgments.

The agency was formally established on 1 January 2003. It is called the Norwegian Agency for Quality Assurance in Education (NOKUT).<sup>18</sup>

The agency’s main tasks are to:

- evaluate institutional systems of quality assurance;
- accredit institutions;
- accredit study programmes at institutions without the right to accredit their own programmes;
- revise accreditation already granted; and
- execute evaluations needed to judge quality in higher education.

Norwegian institutions may be accredited as:

- universities (accredited to offer degrees in all subjects at all levels);
- specialized university institutions (accredited to offer degrees in *some* subjects at all levels; and
- university colleges (*høyskoler*; accredited for Bachelor’s degrees, and may be accredited to offer Master’s and doctoral degrees in some subjects).

The placement in a category is decided by the King (Council of State) following the assessment of NOKUT. Approval of the institution’s quality assurance system is a prerequisite for assessment. An institution not seeking institutional accreditation at another level will be subject to a regular audit of quality assurance systems every six years.

If an institution wishes to offer study programmes at a level not covered by their accreditation status, they may apply for specific accreditation for this. After an assessment based on ordinary evaluation

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18. Acronym for the Norwegian name: *Nasjonalt Organ for Kvalitet i Utanningen*

tools, NOKUT will make a final decision, if the programme is at or within the Bachelor level, and give advice to the Ministry for programmes at the Master's or PhD level. Such methods will also be applied if NOKUT decides to evaluate institutions, general study programmes or single study programmes deemed necessary to check the actual quality of educational provision. Such evaluation can result in revised accreditation.

The board of the agency has the final say on most decisions. There are rules on how to handle appeals. Certain decisions of specific importance have to be confirmed by the ministry or the government. However, political authorities cannot overrule the qualitative judgement made by the agency.

The quality assurance system is applied both to private and public institutions. While the accrediting of private *institutions* still remains to be done, all state institutions under the previous and present act are automatically accredited from the start. But they will all be evaluated within a period of six years, and decisions will be taken on their future accreditation.

A board with eight members and four supplants governs NOKUT. The board is appointed by the King (Council of State) and, according to the act, one member and one supplant should be students. One board member is non-Norwegian (Danish).

The act states that the board has the overall responsibility for the work of the authority and for the decisions taken. That means that it may devolve authority to the Director, but the decisions will still be under its responsibility.

The board appoints a Managing Director for the agency for a fixed term of six years. According to general principles, the Director may be reappointed once.

As noted by Vroeijenstijn (2003), the scheme of quality audit is of particular interest in the international picture of accreditation. He points to the system of institutional accreditation in order to determine the level of the institution (as described above) and a precondition for



applying for accreditation is that the quality assurance system of the institution be in order. The audit approach is discussed in detail later.

### **Legal framework**

The legal framework consists of the Act on Universities and Colleges (including private higher education), by-laws set up by the ministry and by-laws set up by NOKUT itself. In addition, NOKUT establishes routines and guidelines within its authority.

The Act on Universities and Colleges has regulations on the establishment of NOKUT, its main task, the board and the authority of the board. Furthermore, it obliges universities and colleges to establish quality assurance systems.

The by-laws are made to give more detailed regulations within the framework of the act. Mainly, the ministry's by-laws set standards for quality assurance systems, for the accreditation of institutions and regulating the handling of all applications in NOKUT. They also set regulations once experts are appointed.

NOKUT has issued by-laws giving criteria for the accreditation of institutions, and standards and criteria for the accreditation of study programmes. Furthermore, NOKUT has set up guidelines for the evaluation of quality assurance systems.

### **Considerations on the new quality system**

The system came as result of political considerations and consultations. Some of the questions discussed are mentioned below. This might explain the expectations of the chosen system.

#### **Is there really a need for external quality control of HEIs?**

Given the history and development of higher education, it was not surprising that a broad majority – including the institutions of higher education – was in favour of further developing a system of external

quality assurance for the sector. The reasons are well-known and probably broadly accepted. Let me briefly point them out here:

The system of higher education has been growing fast during the past 20 years, developing from a *possibility* for a relatively small elite, to a more or less *democratic right* for a majority of young people. The sheer expansion of the system creates challenges for the government, which is responsible for policy and allocates large amounts of taxpayers' money to the sector.

Furthermore, the thematic evaluations showed large variations in the quality of provision between, but also within, institutions. Neither government nor institutions had very good answers when quality failures were disclosed.

In the Norwegian context, achieving more equal treatment of private and public providers became a policy wish. The private providers were making a case of being subject to control by their public competitors.

More institutional freedom has been a policy objective, but the government then had to find different ways to ensure that their requirements of the institutions were enacted.

Moreover, Norway received strong advice from an OECD review on the Norwegian higher education system to establish an agency in charge of quality assurance questions (OECD, 1997).

### **Ministry or agency: Who should execute external control?**

The question as to who should execute the control – the ministry or an independent body, such as an agency – was more difficult. The answer was not obvious in the Norwegian context. Questions of higher education provision, establishing or terminating institutions and studies have been highly political. Transfer of authority for decisions on higher education provision, from political authorities to an independent body, might frighten rural communities. It also begs the question of how long such a system would last.

The arguments for and against the ministry remaining responsible might be summarized in this way.

**For:**

- ministerial responsibility is a better guarantee of the implementation of political objectives defined according to the interests of parliament;
- accrediting or discrediting higher education institutions are important decisions for students, staff and the community or region, who are directly affected – they should be made by the ministry, which is responsible to parliament; and
- decisions deriving from this may affect budgets, which are decided by parliament.

**Against:**

- accreditation is a time- and resource-demanding task, which should not burden the agenda of the ministry;
- decisions are by and large based on academic competence. Ministerial responsibility increases risk for the mix of political competence and specialized academic competence; and
- political bias may create an environment of reduced predictability for the institutions in matters that most of them do not consider as being of a political nature.

The debate on the principle resulted in a unanimous decision in parliament to establish an independent body. If, at the end of the day, institutional quality is failing, the body should be authorized to disaccredit study courses given by a higher education institution, even if the provision has strong support politically.<sup>19</sup> It is important to note that the authority should also be independent of higher education institutions.

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19. When making the more detailed regulations, the ministry had to open for political judgment in some matters regarding institutional status, an issue of high political awareness. The agency's independent authority was reduced at this point, indicating that politicians will keep an eye on the workings of the agency.

## **Main objective: control or guidance?**

What then should be the main objective of the quality assurance system: to control and inform about the quality (or lack of it), or to assist institutions in developing quality?

Of course, these are not opposites: the development of quality will always be a desired outcome of control measures. But in the public debate (and especially within the HEIs), this is considered quite an important point. The result of this debate has been explicit wording in the Act on Universities and Colleges that stresses the development objective without giving up the control objective:<sup>20</sup>

“The agency shall ... control the quality at Norwegian institutions of higher education. The accreditation and evaluation activity shall be designed in a way that the institutions may make use of it in their own quality assurance and quality development work” (Ministry of Education, 2002 [author’s translation]).

## **Agency or institution – which is responsible?**

As mentioned, the Norwegian system was developed on the basis that quality assurance of provision should first and foremost be the responsibility of the higher education institution. This was hardly a discussion point in the reform process, but considered a prerequisite for the overall solution. The revised law also stated that the institutions were obliged to have satisfactory internal systems for quality assurance. Students’ evaluations of the provision should be part of the quality assurance systems. The ministry could also give further regulations.

## **The bureaucracy issue**

How to avoid a ‘large and bureaucratic’ agency became an important point in the Norwegian debate. This was mentioned explicitly in the Mjøs Commission’s report, in the proposition from the ministry and in the parliamentary debate. The existing body, Network Norway Council

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20. In Norway, one is always tempted to recall what Winnie-the-Pooh said when asked by his good friend the Rabbit if he wanted honey or milk along with his bread: “Thank you, both”. And then, so as not to seem greedy, he added: “But don’t bother about the bread, please” (A.A. Milne).

(NNC), had made a proposal on how to avoid bureaucracy that was supported by the parliament. This option was based on an audit model. The audit model is a system in which the body responsible for quality assurance will not itself execute direct control measures concerning the provision, such as evaluation and inspections. It will instead observe and control the way in which the institution itself executes its quality assurance responsibility. The audit system may be used between a government agency and a HE institution, but also between the central and lower levels within large institutions. This model was considered in line with the wish to reduce the need for bureaucracy to a minimum.

### The audit approach

The model in question was developed by NNC, initially after discussions with the Swedish National Agency for Higher Education. NNC published it in 1999 in the report *Based on the best ...*,<sup>21</sup> followed by a pilot study under the Council's responsibility finished in 2002.

In brief, it is an evaluation method directed at the institution level. However, it does not cover all aspects and activities, as ordinary institutional evaluations do. The object of the evaluation is far narrower: Through audit evaluations, the institution is assessed on how it handles its responsibility for educational quality. This may be done repeatedly, some years apart. As indicated by the word *audit*, we are talking about some kind of supervision at the system level, not a direct evaluation of educational quality in itself. The word 'meta-evaluation' has thus also been used to describe the method.

The audit system is quite open and development-oriented, as it acknowledges the institution's right to choose its own approach and method of evaluation internally. The evaluators must be open to different solutions and ways to work systematically to improve institutional quality. The real challenge will be to look into the ways in

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21. The title is taken from the Act on Universities and Colleges, paragraph 2 of which states that the "Institutions to which the present Act applies shall offer higher education based on the most advanced (best) scientific research, artistic development and empirical knowledge (*Institusjonene under denne lov skal gi høgre utdanning som er basert på det fremste innen forskning, kunstnerisk utviklingsarbeid og erfaringskunnskap*)".

which different systems actually affect the life of institutions. The report sees no problems in imagining the risk of quality assurance systems living their own system lives, without having recognizable effects on the teaching and learning life experienced by the student.

Finally, the approach is based upon and takes seriously the institution's responsibility for improving its own learning environment. As mentioned earlier, this division of responsibility is laid down as a foundation of the Norwegian quality assurance system.

### **The pilot study**

As mentioned above, a pilot study was executed by a project under NNC. Some of the conclusions from this study will give a more in-depth understanding of how the system is intended to work.

The project recommended that the audit be based on the following components:

1. *Quantitative documentation at the institutional level* in the form of key figures in the categories 'access', 'resource input' and 'results'. The report listed data requirements under each category and expressed the question of common reporting and data formats across institutions.
2. *Institutional guidelines for its quality work*. The following elements should at least be included in these guidelines:
  - quality plan and governance including objectives, standard procedures, responsibilities and administrative resources, leadership and governance, priority areas and action plan;
  - registers and reports (as mentioned in point 1);
  - evaluations performed within the institution (both self-evaluations and external evaluations); and
  - publishing an institutional yearly report on quality work.
3. *The yearly report on educational quality*. This report is to replace the need for a yearly self-evaluation. In any case, it should form part of the internal quality system (see point 2).
4. *External audit evaluation*. This is the actual audit exercise. The report stresses the importance of looking beyond the system and

into the actual functioning and effects it may have. The report proposes a mandate for the external audit evaluation team. (NNR, August 2002).

### ***The pros and cons***

Against this background, the audit approach was chosen as the basis for a national quality assurance system. This being quite a fundamental choice, I will discuss it in somewhat more depth. The discussion presented here is based on a paper by Haakstad (2002) of NOKUT.

Arguments **for** the audit option:

- The audit system takes into proper account the existence of large, autonomous and professionally-run institutions of higher education able to conduct internal systems of quality assurance. The institutions will themselves have the required insight to make systems suited for them.
- Even if they are able to conduct such systems, there may be opposition within the institution to doing so. The audit system may, in those cases, put pressure on the institution to develop good internal systems of quality assurance.
- Within general guidelines and standards, the audit option gives institutions the freedom to develop their own internal systems and mechanisms. There are few specific instructions and templates and no procedure manuals governing what the institutions must or should do by way of monitoring and evaluating their programmes. Rather, the standards will be predominantly those that can be deduced from a simple question: What does it mean to have a reliable *system* of quality assurance? This open approach, it is hoped, will cater for flexibility, creativity, pluralism and a sense of institutional ownership inside a common framework.
- With national audit focusing on the institution's quality system and the documentation it produces, it can be more economical and development-oriented. In principle, audits make use of the same corpus of evaluation data as the institution itself, while also 'checking' these data and the institution's own assessment against

other information obtained through site visit interviews and from other sources. Audits are concerned with individual courses mainly insofar as the evaluation data show indications of failing quality, which may trigger a closer inspection at subject or programme level.

- Preserving a certain space for the established tradition of development-oriented evaluations has been an important factor. An 'open' audit system may be looked upon as development-oriented in itself - in addition to providing accountability.
- Being more economical than a system of cyclic evaluations at the programme level, it may also leave more resources for other type of evaluations.

The arguments **against** may be summarized as follows:

- To a large extent, this approach provides meta-accreditations based on the institution's own internal quality assurance, as the majority of its actual study programmes will not be scrutinized. Will the external assessments be too system-oriented and 'technical'? Does educational quality necessarily follow from good quality assurance? Will provision of failing quality really be detected?
- Is the approach too general? What about educational quality as a reflection of each subject's uniqueness? Will external evaluators be too generalist, and will the assessments have to rely excessively on 'insensitive' quantitative data?
- Will the documentation presented to the external auditors be sufficiently transparent and clear? How much can auditors find out when they inspect whole (large) institutions in one round?

The choice of the audit approach was favoured both by politicians and by the institutions. In addition to the arguments cited above, one might point to the following reasons:

- the audit option is based on well-known control principles from business and industry, as well as for public administration. Both sufficient theory and practice exist to guide the development of higher education systems;



- institutions (universities and colleges) accepted the system; and
- politicians (who did not want a large bureaucracy) accepted the system.

### ***The implementation***

The system was at most points implemented along with the proposed system. One change should, however, be noted. The proposed system of *quantitative documentation at the institutional level* was not introduced as proposed. Different evaluations suggest that quantitative documentation must be supplied on an *ad-hoc* basis.

## **Discussion**

### **Framework for discussion**

This discussion will be limited by two obvious facts: First, the Norwegian system is so new that evidence on its functioning has yet to be produced; secondly, the field is developing very fast internationally. Bearing this in mind, I will consider some topical questions concerning the Norwegian quality assurance model. The questions will be related to: (1) traditional quality assurance tasks; (2) quality assurance in relation to new types of providers, provision and delivery; and (3) quality assurance in relation to cross-border education.<sup>22</sup>

I will discuss this against the backdrop of five central characteristics of the Norwegian system:

### ***Small and un-bureaucratic***

No one will argue that such an institution should not be bureaucratic. But behind the notion lies some limitations as to what kind of system it may be based on. The number of employees should be limited. In addition, however, the system should not create too much work at the institutional level, reporting should be limited, and flexible and adjustable system thinking should be expected.

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22. When describing the two latter questions in my country note, I refer to work carried out by Robin Middlehurst for ENQA and Michaela Martin for IIEP describing new challenges for quality assurance in higher education.

### ***Based on institutional quality assurance competence***

This is a fundamental element in the Norwegian system, with two important implications. First, it requires institutional competence and systems on quality assurance. As observed by the OECD in an earlier evaluation, this has not yet been part of the system. Several studies have also shown that universities have difficulties in giving priority to building rigid administrative systems, with their bureaucratic flair for planning, formal decisions, acting according to a plan and reporting. Second, the system places responsibility for study quality clearly on the institutions. This may be more explicit in the Norwegian system than in systems based on centrally-conducted, recurring programme evaluations.

### ***Common standards, methods, reporting***

The system started with very few central definitions of standards and criteria common to institutions. Thus, it may not be able to develop sufficient useful indicators to enable overall monitoring of the system.

Finally, the competence and insight at the programme level is limited, both due to the actual size of staff, and to the fact that only a minor part of the work will be at that level. There will be no regular updating on the development of study programmes, and only at a very aggregated level when it comes to methodology. Another question relates to a central goal of quality reform: improving the learning environment in a system where development is rapid and the context is changing fast.

### **‘Traditional’ quality assurance tasks**

Returning then to my two initial questions:

1. Will the Norwegian system really promote a quality culture in institutions?
2. Will it succeed in unveiling quality faults?

Obviously, these questions will only be answered after results can be observed. It is far too early to do this. Even at this stage, however, it should be possible to identify certain relevant factors.

The audit system in itself will have limited possibilities of unveiling quality faults, since it looks at the end quality. It must therefore be part of a comprehensive system that detects end results. In the Norwegian system, it would have to observe success factors for students and researchers, both regarding levels of achievement and the general efficiency of the system. There is still a lack of indicators and systems for analysis to these ends. The quality assurance system may, however, act on indications of quality faults and carry out in-depth evaluations of institutions and/or study programmes within or across institutions. This is also done.

The general acceptance of the chosen model should increase the possibilities of enhancing a quality culture at institutions. A system not accepted by academia might jeopardize the whole idea of systematic quality work. As stated in the *Trends IV* report (Reichert and Tauch, 2005: 31), “institutions find that a well developed quality culture should be associated with a light external quality approach”.

*Trends IV* points out that different approaches may be relevant at different stages in the development of quality assurance: “In systems where internal quality processes are still being established, the relationship between internal and external quality mechanisms seems to work well. In more established systems with intricate and more institutionalized QA processes, external quality assurance tends to be seen as a bureaucratic burden of limited use for institutional development” (Reichert and Tauch, 2005: 31 ).

The report concludes this point as follows: “HEIs and QA agencies should cooperate in optimizing the relations and coordination between internal and external quality assurance processes, to alleviate the administrative burden on institutions without reducing the value for quality improvement. In particular, external quality assurance should

be reduced in direct correlation to the evidence of robust internal quality processes” (p.31).

Since both of the financing systems of institutions and students contain strong incentives for students to graduate on time, there is a risk that institutions lower their quality demands in the final assessment of students. The chance of this actually occurring has been increased by the abolishment of mandatory external assessment of students’ examination papers. Consequently, this should have led to *more* external programme evaluations, not a mere audit system.

When designing the audit system, the government did not rule out the possibility of direct external programme evaluations. This has appeared to be a much-used option. Upon an initiative of the Ministry of Education and Research, external evaluation has been executed both across nursing education and teacher training. Within nursing, 33 programmes at 26 institutions are being evaluated. In teacher training, programmes at 22 institutions are being evaluated. This indicates a significant political interest for direct quality control supplementing the audit. If it turns out to be a long-term trend, it may affect the picture of the Norwegian system being basically an ‘audit system’.

This has created a mixed picture. There is a strong wish to have a ‘light’ system that relies heavily on institutional ‘self-control’. But the government seems to mean that this system – at least initially – may need to be supplemented by more direct control measures to safeguard the detection of quality faults and quality thinking being embedded at the institutional level. There are also some unanswered questions regarding the possible effects of new financing systems on quality standards when assessing student results.

### **New types of providers, provision and delivery**

There is increasingly rapid change: new actors, new alliances and the collapse of monopolies. This is a development demanding flexibility and adaptability in the quality assurance system. The *audit approach* may in one way be more adaptive, since its interface is at the institutional

level. What the institution actually looks like may be of less importance. Audit may be executed on a wide range of different institutional quality assurance systems. On the other hand, depending on institutions with the ability to establish those systems may create problems; the new providers may be consortia between institutions. Twinning arrangements will call for the accreditation of both institutions. And how is this achieved if one of the institutions is mainly in other private businesses, such as publishing, consulting, media or new technologies, or if the provider is merely a broker of educational services? These challenges may force a larger focus on programme accreditation, as envisaged for private colleges in the established system.

The *small (and un-bureaucratic)* size of the Norwegian system may again be considered a strength, since small organizations may adapt more easily to new challenges. The agency in itself will hardly have any prejudice in the question of who is the provider, as long as the quality is high; while an agency that is part and parcel of the HEI culture might be more value-based on behalf of the established system, and thus be an agent against change. The question mark will be attached to the competence of the agency to meet changes with appropriate reactions. It will be a question of critical size, which must be observed continuously.

The Norwegian system is based on *institutional quality assurance competence*. The main arguments will be as discussed above under the audit paragraph. This may be a weak point, since new providers may lack the experience and size of an institution with the ability to run these types of quality assurance systems.

*Weakly developed common standards, methods and reporting.* Towards new providers this may create extra work, because it will require *ad hoc* solutions. A new type of provider, meeting the regulatory demand of a quality assurance system, will naturally ask the agency for guidance. This may constitute an administrative burden that should be avoided. The lack of standard reporting systems may also be a hindrance to the experience-based competence building within the agency itself.

One might speculate as to whether a core reporting system may have to be developed in spite of initial reluctance.

When the context of provision changes, there will be a need for specific competence on critical factors in establishing a productive *learning environment*. One must be able to recognize good conditions for learning wherever it occurs. Only parts of NOKUT will be directed at the individual study programme, and still less at the learning environment in which the programme is delivered. It may be a weakness that the preconditions of required competence building are insufficient. The point of increasing the need for focus on programme accreditation is already mentioned.

The main challenge regarding new modes of delivery is to specify and agree on responsibilities for the delivery and assurance of quality lie, and to ensure that appropriate operational structures and systems exist. Executing an audit approach to new kinds of delivery will require the development of standards and criteria to this end. If this is done, the audit approach might be useful in itself, given the wide variety of methods and combination of interacting between tutor/learner/groups of learners/learning resources that will exist.

But again, this development may create challenges to keeping the agency at the present size. Competences will have to be consolidated at the agency level, even if other actors take care of the primary development of this field.

### **How to ensure the quality of cross-border provision?**

I will refer only to initiatives in the international arena, both between quality assurance agencies (especially INQAAHE and ENQA) and in international co-operation (UNESCO/OECD guidelines project<sup>23</sup> and the Bologna process). These initiatives seem to create understanding of the need for co-operation between quality assurance agencies as well as within and between their international networks. Institutions

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23. This work was finalized in 2005, with the publication of "Guidelines for Quality Provision in Cross-border Higher Education", OECD 2005 (also published by UNESCO).

in both exporting and importing countries will be responsible. A kind of international de facto recognition of national quality assurance agencies may be the result, as discussed in the Bologna process under the umbrella of the European register of quality assurance agencies.

Hardly any evidence will exist for the quality assurance agency's approaches to these challenges. But keeping in mind the five characteristics of the Norwegian system, some questions may be asked.

Given that cross-border provision increases the need for co-operation between agencies in different countries, will the fact that agencies have different profiles and competencies create problems? Experience to date does not indicate such a problem. NOKUT co-operates with 'traditional' agencies within ENQA, and is considered to be in full compliance with the new membership criteria of the association. But the possibility of this happening cannot be ruled out, and should be observed.<sup>24</sup>

Will a small institution experience problems being accepted internationally, thus creating problems for the recognition of programmes and degrees in institutions under its QA responsibility? Being of small size in itself should not be a problem, since size will also reflect the actual activity it should cover. A lack of specific competence may potentially be a greater problem, particularly when dialogue is between institutions of different sizes and working within different contexts.

At the institutional level, will the international approach demand an increased degree of formality regarding standards, methods and reporting? Trends in this direction may already be observed. The emergence of qualification frameworks in Europe results partly from such a need. A more standardized way of describing curriculum, qualifications, levels, profiles and learning outcomes will increase

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24. Cf. Also the establishment of the European Consortium for Accreditation, in 2003, of which NOKUT is a member together with 14 other QA organisations, with specific focus on accreditation ([www.eaconsortium.net/](http://www.eaconsortium.net/)).

transparency and improve understanding between different systems. It may also help QAAs across system differences.

Will NOKUT have problems in dialoguing with its counterparts in other countries due to its lack of work at the programme evaluation level? This seems to be a question of some concern. Co-operation depends on understanding roles and working methods, as well as a common language and basic competences. Since NOKUT has chosen a system not commonly used internationally, it will probably need to safeguard its competences for cross-border communication and understanding.

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**PART III**

**DEALING WITH EMERGING POLICY CHALLENGES:  
NEW PROVIDERS OF HIGHER EDUCATION**

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## **CHAPTER 8**

# **ACADEMIC FRAUD AND QUALITY ASSURANCE: FACING THE CHALLENGE OF THE INTERNATIONALIZATION OF HIGHER EDUCATION**

*Jacques Hallak and Muriel Poisson<sup>25</sup>*

### **Introduction**

Globalization has had a major impact on higher education. According to some estimates, this sector represents the third largest service export in Australia, earning more than 7 billion US dollars for the economy. In the UK, from 1992 to 1993, 310 million pounds (£) in fees were paid by non-EU students alone. These students spent a further £415 million on British goods and services during the same year, which is more than twice the export value of coal, gas and electricity. Among the top 34 UK export markets for merchandise suppliers feature 25 of the same countries found among the top 34 home countries for overseas students in the UK, suggesting that time spent in the UK helps “generate a stock of goodwill towards UK products” (AUT DEA & References, 1999).

The expansion of higher education has gone hand in hand with the diversification of its market and products. This can be seen in the increased competition among students and institutions, the growing need for recognition and certification of courses, and the transborder phenomenon of overseas students and courses becoming increasingly difficult to regulate. As the sector becomes ever more complex, with new information and communication technologies (ICTs) impacting on distance learning, for example, new opportunities for unethical and corrupt practices are emerging. Although this is a relatively recent development, it has become a major cause for concern.

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25. The authors would like to thank Ama Ampadu for her editorial assistance.

This paper therefore looks at academic fraud in higher education and the means by which it can be addressed for quality assurance. It starts by examining academic fraud today, focusing on the new forms of credential fraud and the impact of ICTs. It then moves on to explore the development of fraud in the accreditation and certification processes, including the issue of distance courses. This is followed by an analysis of new opportunities for fraud offered by the transborder phenomena of overseas students and courses. In conclusion, it highlights the recent trend towards more transparency, accountability and ethics that has developed to counter this fraud.

### **Academic fraud: new forms of credentials fraud and the impact of ICTs**

Responsibility for the rise in academic fraud lies with four major factors: first, the enlarged competition in the labour market – the higher the stakes, whether an increase in pay, a job promotion or fame, the greater the likelihood of cheating and unethical practices; second, weak management of examination and other control systems, including standardized tests; third, corrupt faculty members and managers of exams and tests; and finally, the rapid development of electronic technology (web, Internet, etc.).

This corruption takes various forms. *Table 8.1* details the ‘classic forms’, namely agreements between students and faculty members or administrators, such as students paying professors for good grades or administrators charging the families of students for university entry.

**Table 8.1 Forms of academic fraud: examples of categories of education-specific corruption**

Participants	Examples	Area of occurrence
Student-faculty exchange	Student offers money for examination grade that professor accepts and gives a good grade to the student although he or she does not know the subject.	Academic corruption
	Faculty member sells a student a term paper.	Academic corruption
	Professor gives a low grade to a student who knows the subject and recommends private tutoring. Later he/she passes the student regardless of how much the student learned.	Academic corruption
Student-administrator exchange	An administrator 'helps' a slow learner to obtain good grades in all subjects by ordering relevant faculty members to grade him or her favorably. Student pays an administrator a 'service fee'.	Academic corruption
	Administrator charges student's family a fee for guaranteed admission to his or her university.	Academic corruption

*Source:* Rumyantseva, 2005.

Instances of such corruption worldwide can be seen in headlines in the media. In China, for instance, 'hired men' take exams for anywhere between US\$200 and US\$1,200. In India, fees for manipulating entrance test scores are between US\$80 and US\$20,000 for the most popular programmes such as computer science, medicine or engineering. Paper setters in Pakistan run their own tuition centres in which candidates, on payment of substantial fees, are granted access to at least part of the examination papers. Finally, an exam scandal in South Africa forced the provincial agriculture department to withhold bursaries.

In recent years, extensive developments in ICTs have widened the scope for fraud in academia immensely, at the same time introducing new innovative methods of malpractice. The Internet is now arguably the leading vehicle for fraudulent practices. Among other things, it has facilitated the practices of selling essays and term papers (rendering plagiarism a major problem) as well as fake degrees, sometimes even from reputable colleges and institutions such Harvard and Yale or others in London and Paris. The numerous web sites include [www](http://www).

fakedegrees.com and www.cheathouse.com. *Box 1* below contains an example of some of the many advertisements circulated by institutions that trade in counterfeit qualifications.

**Box 1. An advertisement for counterfeit diplomas**

**A Genuine College Degree in 2 weeks !**

Have you ever thought that the only thing stopping you from a great job and better pay was a few letters behind your name? Well now you can get them!

BA BSc MA MSc MBA PhD



**Within 2 weeks!  
No Study Required!  
100% Verifiable!**

These are real, genuine degrees that include Bachelors, Masters and Doctorate degrees. They are verifiable and student records and transcripts are also available. This little known secret has been kept quiet for years. The opportunity exists due to a legal loophole allowing some established colleges to award degrees at their discretion. With all of the attention that this news has been generating, I wouldn't be surprised to see this loophole closed very soon.

**Order yours today!  
Just call the number below.  
You'll thank me later...**

**+1-206-984-0021**

Although difficult, countering this trend is not an impossible task and it is encouraging that a number of steps are being developed. Policies being adopted include the following:

- **improving the management of traditional regular exams.** This can be done by increasing security and transparency as well as the cost of misconduct (e.g. non-payment provision in case of leakage of scripts). Electronic devices can also be used to detect fraud – ICTs can be used to identify ‘statistically improbable results’, especially in schools where marks appear to have risen sharply, as witnessed in the Philippines. In one case, five of the six highest scoring schools on a national examination had previously recorded poor results. Plagiarism can also be exposed using software, as in Europe and North America (see: [www.turnitin.com](http://www.turnitin.com)).

- **Outsourcing/subcontracting the management of exams to limit outside interference and thus reduce the probability of corruption.** Azerbaijan, for example, now has a Student Admission Commission to fight inefficiencies and distortions in the examination processes. Its higher education admission process is entirely run by computer, from the construction of tests, administration of exams, grading of tests and processing admission to universities to informing candidates of their results.
- **Moving from traditional exams to testing systems.** This approach has been taken up in Kyrgyzstan where, since 2002, admission to universities is based on the National Scholarship Test (NST), which is run by an independent testing organization. Potential university students must now sit standardized multiple-choice aptitude tests, which are administered with strict security measures (such as paper scanning and computerized grading). The NST is supported throughout the country, essentially because it has resulted in the fair distribution of scholarships. Its pervasive effects on equity and transparency, however, are issues that still need to be addressed.

### **Development of fraud in accreditation and certification processes**

A study undertaken in the Ukraine, where there are some 175 accredited private higher education institutions, showed that the main areas of corruption include large state universities that control licensing and accreditation. Interviews conducted with 43 rectors, vice-rectors and administrators from five private universities revealed that, with a few exceptions, successful licensing or accreditation applications required some form of bribery; that licensing, mandatory only for private institutions, may require a bribe of US\$200 (about two months' salary for a typical academic); and that accreditation might call for a 10 or 20 times greater 'gratuity' (Stetar *et al.*, 2005).

Indeed, accreditation and certification processes worldwide are increasingly being undermined by fraud. Forms of malpractice include the following:

- payment of bribes to obtain successful certification or accreditation;
- distortion in the application of the accreditation criteria – admitting below-standard candidates to meet the enrolment criteria (*ex-ante*) or over-grading students to meet achievement criteria (*ex-post*);
- accreditation processes based on non-transparent criteria (e.g. rectors having an interest in preventing competition);
- circumvention of accreditation procedures by higher education providers through franchising schemes or the introduction of the course in segments of the system where accreditation is not compulsory;
- schools established for the sole purpose of making a profit lying about their accreditation status, thus impeding their students from taking national licensing exams;
- non-accredited institutions falsely issuing accredited degrees; and
- the creation of fraudulent or bogus accreditation agencies (accreditation mills, for example, which are at times established by higher education institutions themselves).

The increase of corruption in accreditation is essentially due to four factors: the growing need for certification triggered by the rise of new degree programmes and private institutions; accreditation being a sphere in which staff in education ministries can be guaranteed an income if they engage in unprofessional conduct, particularly in former centrally-planned countries; decision-makers having monopoly power, which results in conflicts of interest; and the high stakes involved in accreditation when higher education institutions can ‘license’ or ‘certify’ professionals.

Accreditation cannot be treated without mentioning the challenges raised by the spread of distance education, which has been at a scale viewed as a phenomenal in itself. First, measures used to accredit traditional institutions (such as the number of full-time staff, number of volumes in the research library, amount of time spent by students in class, etc.) are not suitable for online institutions. Secondly, it is very complicated to investigate both higher education



institutions and accrediting agencies whose functioning is purely Internet-based. Undoubtedly, there is a need for proper monitoring and control mechanisms. However, some 'business-like higher education institutions' are not willing to provide the necessary funding for this.

Many strategies can be employed to address misconduct in the processes of accreditation overall, including the following:

- **de-linking and reducing the collusion of interest of agents in charge of accrediting institutions.** An efficient means of doing this is to establish autonomous professional bodies with fair representation of stakeholders (public or private), as in the Netherlands (see *Box 2*). Such institutions must comply with codes of conduct that protect against distorted behaviour such as conflicts of interest;

#### **Box 2. Accreditation in higher education in the Netherlands**

At a *national level*:

- Same requirements for public and private providers.
- Independent judgments and clear sanctions.
- Plurality in methods of quality assessment.
- Accreditation and quality assessment report made public.

At a *European level*:

- Creation of the European Consortium for Accreditation.
- Mutual recognition of accreditation decisions.
- Introduction of a code of good practice that:
  - must be sufficiently independent from the government, higher education institutions, businesses, etc;
  - can demonstrate public accountability by having public and officially available policies, procedures, guidelines and criteria.

- **separation of the accreditation and the certification processes:** Heyneman (2004) suggests, "No matter how excellent, no university should provide a license to practice medicine. A board of medical examiners which also manages a system of testing should award this license that all medical students must pass. (Similar systems must be established for law, accounting

and others). The key to this new system is to allow many higher education institutions to compete with one another"; and

- **facilitating public access to information on accreditation:** Many English-speaking countries have developed directories of courses or institutions accredited by their recognized institutions and approved accrediting agencies. Consequently, a directory of distance-education programmes accredited by the Distance Education and Training Council is now available on the Internet at [www.detc.org](http://www.detc.org); in the US, the State of Oregon has an Office of Degree Authorization ([www.osac.state.or.us](http://www.osac.state.or.us)); and the State of Michigan compiles a list of unapproved accrediting agencies ([www.michigan.gov](http://www.michigan.gov)). Furthermore, the International Association of University Presidents has created a register of reliable accrediting agencies. *Box 3* features the advertisement of an accreditation verification service.

**Box 3. *Get-educated.com* advertisement**

Found an online college or university you like in the USA but not certain it's accredited by a recognized agency? Not sure of the benefits of attending an accredited degree-granting college? Confused about different types of online college accreditation in the United States?

Check our popular FAQs:

Distance Learning and College Accreditation FAQ

Top 10 Signs You Might Be Dealing with a  
Diploma Mill

**New opportunities for fraud offered by the transborder phenomenon**

Targeting fee-paying overseas students is now seen as a lucrative practice, particularly in view of the much documented and deepening financial crisis facing higher education in many countries. In the UK for instance, less than 10 per cent of foreign undergraduates contribute more to university financing than British and EU scholars combined. Whereas British and EU students pay a little over £1,000 a year, foreign students are charged anything between £8,000 and £20,000 for the same courses. Cambridge University shows startling statistics in this

regard: In 2004, UK and EU students paid £20.3 million in fees to the university, while foreign students (under- and postgraduates), who constituted just 17 per cent of the total number of students enrolled, paid a striking £24.6 million in fees (Suroor, 2005). Similar figures can be found in Australia, where 100,000 overseas students are estimated to contribute 2.5 billion Australian dollars (AUS\$) annually to the economy. Their fees represent up to two fifths of the budget of some universities.

Given the apparent profitability of cross-border education, pressures to raise funds are encouraging some institutions to resort to corrupt practices to increase foreign student enrolment. This corruption is facilitated by the fact that different people are charged with recruiting, orienting and supporting these students academically. Moreover, the franchising process, which represents a major component of this type of education, also offers numerous possibilities for distorted practices, with consequences such as financial corruption and/or professional fraud.

The following are some examples of malpractice in the management of overseas students:

- overseas students being offered financial incentives to enrol;
- applicants being given false hope or promised admittance on the spot;
- applicants not eligible for admission unduly charged with a variety of fees;
- applicants using fake credentials to gain admittance;
- applicants being charged by education agents to falsify documents that qualify them for university entry;
- indiscriminate recruitment of foreign students as a means of chasing money (fake diplomas, lack of language skills, etc.);
- bogus institutions that do not deliver the services that they advertise through the media or the web (fictitious or unsustainable institutions that sometimes close down after receiving fees);
- bogus institutions promising visas to overseas students if they enrol on their courses;

- agencies and courses without proper accreditation listed on official lists prepared for international students;
- lowering of academic standards for overseas students (admission, performance, promotion); and
- overseas students being allowed to repeat courses again and again, even when they have no prospect of passing.

Some illustrations of malpractices linked to overseas course franchising are as follows:

- corrupt officers making money from issuing licences and franchise rights (collection of fees/bribes from those who want the franchise);
- assumption made by students enrolling at the franchised institution that since they are paying they would automatically qualify;
- number of failing students minimized by marking up those at risk of failing and turning a blind eye on plagiarism, as illustrated by a scandal in an offshore Australian university in Malaysia (see *Box 4*), etc.; and
- pressure from students, parents, the franchisee or the franchising institution on teaching staff to adjust marking standards so that everyone passes the examinations and assessments (in institutions in China, Malaysia and Vietnam, for example).

Various strategies can be adopted to address the corruption beleaguering transborder education. However, views vary from country to country, as is shown in *Table 8.2* below.

**Box 4. Plagiarism scandal in an offshore university, Malaysia**

Australia’s Education Minister raised concerns that a plagiarism scandal involving Malaysian students at an Australian-run university would damage higher education exports worth billions of dollars.

Brendan Nelson urged Newcastle University to reopen a case in which it secretly re-marked the assignments of 15 students who had been failed for plagiarism at a campus it runs in Malaysia. The 15 were initially awarded zero marks for using unattributed material from the Internet in an assignment, but their former lecturer claims the university overruled his decision because it was concerned about losing revenue from offshore students. The students at the university’s graduate school of business in Kuala Lumpur were subsequently issued pass marks, some of them receiving distinctions.

Nelson said the scandal could sully Australia’s reputation for high academic standards and damage the booming education sector.

*Source:* Smith, 2003.

**Table 8.2 Regulatory framework for foreign providers of higher education**

No regulations: foreign providers free to operate without seeking permission	Austria, Czech Republic, Denmark, France, Indonesia, Mexico, Nigeria, Portugal, Russia
Liberal: minimum conditions only, e.g. outsiders must be recognized in home country	Argentina, Bahrain, Estonia, Finland, Latvia, Netherlands, New Zealand, Norway, Sweden, Switzerland, Britain, USA*
Moderately liberal: formal rules, e.g. on curriculum and registration, not burdensome	Australia, Bangladesh, China, Egypt, Hong Kong, Hungary, Israel, Singapore
Becoming more restrictive	India
Liberalizing	Japan, Republic of Korea
Very restrictive	Bulgaria, South Africa, Belgium (francophone), Greece

\*Varies by state

*Source:* Observatory on Borderless Higher Education ([www.obhe.ac.uk/](http://www.obhe.ac.uk/)).

More specifically, below are some key strategies identified to address this issue:

- **designing guidelines and codes of practice pertaining to the recruitment and support of overseas students.** Together, UNESCO and the OECD have paved the way by formulating

guidelines for quality in cross-border higher education. They prescribe the following four main policy objectives: Students and learners should be protected from the risks of misinformation, low quality provision and qualifications of limited validity; qualifications should be readable and transparent in order to increase their international validity and portability; recognition procedures should be transparent, coherent, fair and reliable, and impose as little burden as possible on mobile professionals; and national quality assurance and accreditation agencies must intensify their international co-operation in order to increase mutual understanding. The Code of Good Practice in the provision of transnational education, adopted in 2001, is another example (see *Box 5*);

- **developing codes of practice and standards of academic integrity for personnel in higher education institutions and overseas students.** This strategy has been adopted by Northwestern University (USA), where registration of overseas students now requires adherence to codes of conduct and to the university's standards of academic integrity. These codes prohibit the following behaviour: falsification of any portion of the application for admission or financial aid; falsification or alteration of any academic or personal records required for participation; and plagiarism, cheating, fabrication, obtaining an unfair advantage, etc. Students can be withdrawn from the programme at any time if they violate the codes or standards or conduct themselves in a way that brings the programme into 'disrepute';
- **establishing reliable and user-friendly information systems.** There is a need to widely publicize (on web sites) recruitment fairs, course requirements and help lines, as well as rules, regulations and agreements, placement schemes for new students, etc. Furthermore, international reference databases on accredited higher education institutions and courses must be made accessible. For instance, the Council for Higher Education Accreditation (CHEA) – a co-ordinating body for higher education accreditation – has created a database with examples of US accreditation obtained

by higher education institutions located in 31 different countries. In addition, information could be made available to guide interested applicants for overseas studies on reliability, quality and standards. Finally, systems to penalize institutions providing unreliable and fake information could be established.

**Box 5. Code of good practice in the provision of transnational education (Section II. Principles)**

- 1. Transnational arrangements** should be so elaborated, enforced and monitored as to widen the access to higher education studies, fully respond to the learners' educational demands, contribute to their cognitive, cultural, social, personal and professional development, and comply with the national legislation regarding higher education in both receiving and sending countries. In the case of collaborative arrangements, there should be written and legally binding agreements or contracts setting out the rights and obligations of all partners.
- 2. Academic quality and standards** of transnational education programmes should be at least comparable to those of the awarding institution as well as to those of the receiving country. Awarding institutions as well as the providing institutions are accountable and fully responsible for quality assurance and control. Procedures and decisions concerning the quality of educational services provided by transnational arrangements should be based on specific criteria, which are transparent, systematic and open to scrutiny.
- 3. The policy and the mission statement** of institutions established through transnational arrangements, their management structures and educational facilities, as well as the goals, objectives and contents of specific programmes, sets of courses of study, and other educational services, should be published and made available upon request to the authorities and beneficiaries from both the sending and receiving countries.
- 4. Information** given by the awarding institution, providing organization, or agent to prospective students and to those registered on a study programme established through transnational arrangements should be appropriate, accurate, consistent and reliable. The information should include directions to students about the appropriate channels for particular concerns, complains and appeals. Where a programme is delivered through a collaborative arrangement, the nature of that arrangement and the responsibilities of the parties should be clearly outlined. The awarding institution is responsible for and should control and monitor information made public by agents operating on its behalf,

including claims about the recognition of the qualifications in the sending country, and elsewhere.

5. **Staff members** of the institutions or those teaching on the programmes established through transnational arrangements should be proficient in terms of qualifications, teaching, research and other professional experience. The awarding institution should ensure that it has in place effective measures to review the proficiency of staff delivering programmes that lead to its qualifications.
6. Transnational education arrangements should encourage about awareness and knowledge of the **culture and customs** of both the awarding institutions and receiving country among students and staff.
7. The awarding institution should be responsible for the **agents** it, or its partner institutions, appoint to act on its behalf. Institutions using agents should conclude written and legally binding agreements or contracts with these, clearly stipulating their roles, responsibilities, delegated powers of action as well as monitoring, arbitration and termination provisions. These agreements or contracts should further be established with a view to avoiding conflicts of interests as well as the rights of students with regard to their studies.
8. **Awarding institutions** should be responsible for issuing the qualifications resulting from their transnational study programmes. They should provide clear and transparent information on qualifications, in particular through the use of the Diploma Supplement, facilitating the assessment of the qualifications by competent recognition bodies, higher education institutions, employers and others. This information should include the nature, duration, workload, location and language(s) of the study programme leading to the qualifications.
9. **The admission** of students for a course of study, **the teaching/learning activities, the examination and assessment requirements** for educational services provided under transnational arrangements should be equivalent to those of the same or comparable programmes delivered by the awarding institution.
10. **The academic workload** in transnational study programmes expressed in credits, units, duration of studies or otherwise, should be that of comparable programmes in the awarding institution, any difference in this respect would require a clear statement on its rationale and its consequences for the recognition of qualifications.
11. **Qualifications** issued through transnational educational programmes, complying with the provisions of the present Code, should be assessed in accordance with the stipulation of the Lisbon Recognition Convention.

*Source:* UNESCO/Council of Europe. 2001. Retrieved 15 January 2007 from: [www.cepes.ro/hed/recogn/groups/](http://www.cepes.ro/hed/recogn/groups/)



## Concluding remarks

Academic fraud is a relatively new area of concern. This brief reflective paper is centred on training, but corruption threatens the domain of knowledge, research and development. Scarce public and private resources drive fundees to resort to illegal means to obtain funds from lucrative donors.

The demand for higher education services coupled with the multiplicity of agencies involved in the market as well as a lack of regularization will sustain the pressure for more distorted practices. Fortunately, and as a direct consequence, there is a growing trend for more transparency, accountability and ethics. This movement demands not only more regulation, but also the design of codes of conduct, training to fight academic fraud, better access to reliable information, separating examinations from access to jobs, etc.

Strategies to improve transparency in quality assurance systems depend particularly on the development of reliable information systems that list accredited higher education institutions, recognized accrediting agencies, diploma mills, non-accredited institutions and unapproved accrediting agencies. Information systems on rules and regulations applied to overseas students and franchised courses or institutions can also play a key role in making the system more ethical. This requires funding in the development and maintenance of reliable information systems that are easy to access, user friendly, regularly updated and free of charge. Campaigns to raise awareness among users about the existence of such information systems may also be useful.

To avoid possible collusion or conflict of interests at the local or national level, there may be a need to design adequate mechanisms at the international level in order to ensure the neutrality of data. As shown in this presentation, some positive initial steps are being taken at the national, regional (EU) and international (WTO, UNESCO) levels, aimed at better monitoring accountability, and thus helping to advance this area.

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## 9. IMPORTING TRAINING FOR NEW TYPES OF SKILLS IN AN EMERGING ECONOMY: THE PHILIPPINES

*Jean Tayag*

### **Introduction**

The challenges and opportunities brought about by scientific breakthroughs and technological advances – particularly in information and communication, globalization and the emerging knowledge-based economy – are, in principle, recognized and reflected in the country's long- and medium-term national development plans. The concomitant pressures for internationalizing higher education are realities that the government and education sector must address in a manner that would be most beneficial to, or at least consistent with, the nation's preponderant goals.

Apart from external forces cited above, internal factors are pushing for the liberalization of education services and the entry of foreign education providers into the country. The government's goals to reduce poverty and promote growth with equity require significant investments in human capital. A developing country like the Philippines needs investments in education in order to improve productivity and enhance its growth potentials. Technologies and skills available outside the country could be acquired through various modes of internationalizing higher education. Other countries in the region have welcomed the entry of foreign educational investments in order to augment their limited number of colleges and universities, lessen the cost of overseas education, avail themselves of the professional services and academic programmes of excellent foreign educational institutions, and improve the quality of their higher education.

A few transnational providers have entered the Philippine higher education scene. Some important questions provoked by their presence are: Could transnational higher education (TNHE) provision contribute

to the attainment of national development and education sector goals? How do domestic regulations impinge on TNHE provision? What issues are brought to the fore by the entry of foreign providers in the country? How could these issues be addressed and the consequences of TNHE provision improved to benefit Filipino higher education and the country?

### **Skills needed for development**

As articulated in the long- and medium-term development plans – *Philippine Agenda 21, Philippine National Development Plan: Directions for the 21<sup>st</sup> Century, Medium Term Philippine Development Plans (MTPDP 2001-2004, 2004-2010), Long-term Higher Education Development Plan 2001-2010*, the goals of the nation are sustained growth with equity and poverty reduction. The government recognizes the necessity of raising the country’s human capital through investment in education and training to achieve these goals.

Among the strategic measures to spur growth, maintain global competitiveness and create jobs are:

- mobilizing and disseminating knowledge to upgrade technologies and increase people’s productivity;
- developing and enlarging the ICT sector in order to harness its full potential, especially in bringing investments into the country.

In support of the strategies, the higher education system is expected to:

- build the base of engineering and scientific skills needed to make the country’s products and services competitive;
- produce researchers to generate, adapt and apply new knowledge and technologies;
- provide venues for high-standard lifelong education and professional retooling (LTHEDP 2001-2010);
- produce manpower for high skill industries and services, namely software development, business process outsourcing (BPO),

- contact centres, fashion garments, jewellery, medical services, automotive, electronics, health care;
- produce manpower for medium skill industries and services, namely, agribusiness, mining, tourism, hotels and restaurants;
  - develop and enhance entrepreneurial skills, especially for micro, small and medium scale enterprises (MSMEs); and
  - ensure a steady supply and adequate pool of qualified IT executives, professionals and workers by:
    - enhancing maths and science curricula at the basic and tertiary levels;
    - increasing the number of Master's and PhD graduates in maths, engineering and computer science courses;
    - implementing internationally-recognized ICT certification programmes to enhance the competitiveness of the country's ICT professionals and organizations; and
    - developing and implementing new training courses and certification programmes for the five priority areas, namely contact centres, animation and software development, medical transcription, business process outsourcing and engineering and design services (MTPDP 2004-2010).

The government relies on markets and the private sector in the delivery, management, financing and monitoring of education services in order to give wide latitude to the exercise of individual freedom of choice. While a market-driven strategy may be relied on to provide much of the higher education needs of households and enterprises, government intervention is pursued in areas where the aim is to achieve a level and growth of human resource investments, and thus of social welfare.

### **Local higher education provision**

Higher education in the country is a mixed public-private system, with the private having the larger, albeit declining, shares of the market. The system has been observed to be uncommonly large, with a participation rate (29 per cent of total college age population)

approaching that of mass higher education systems. The transition rate from high school graduation to tertiary education is also relatively high, with 80-90 per cent of high school graduates going on to some form of tertiary education.

### **Composition and distribution of local providers**

In the Philippines, higher education is delivered by higher education institutions (HEIs) that are generally classified as either public or private, based on governance and/or mode of funding. Public HEIs are created and governed by their own charters or enabling laws. On the other hand, private HEIs are organized under the Corporation Code and governed by special laws and the general provisions of the Code.

In 2004, there were 1,538 HEIs in the country. Of these, 175 (11.4 per cent of the total) are public institutions, while 1,363 (82.6 per cent) are private HEIs – 1,033 non-sectarian and 330 sectarian. The total number of students reached 2.43 million in 2003-2004, with 65.7 per cent in private HEIs.

All provinces have HEIs, including at least one state college per province, with the exception of the northernmost province of Batanes. However, distribution of these HEIs is uneven, with the National Capital Region (Metro Manila) having the largest number of HEIs, and the southern regions in Mindanao having the least.

### **Programme offerings**

Local HEIs offer 1,665 programmes with unique titles, from pre-baccalaureate to doctoral levels. The common pre-baccalaureate programmes include: associate in computer technology; midwifery; associate in health science education; diploma in agricultural technology; and diploma of technology, among others. Apart from midwifery, these programmes are scaled and graduates may proceed to the next level to complete a degree.

The baccalaureate programmes offered by HEIs comprise 654 different titles, with business and administration-related programmes accounting for 14 per cent. There are new baccalaureate offerings, such as the Bachelor of Science (BS) in electronics and computer technology, BS in digital illustration and animation, Bachelor of graphics technology, BS in mechatronics, and others.

In terms of the total number of course offerings and enrolment, the top five discipline clusters are business administration and related, IT-related, education science and teacher training, engineering and technology, and medical and allied disciplines.

More than 1,100 HEIs offer business and related programmes, and about 558,000 students are enrolled in these, while more than 900 institutions offer IT-related programmes to roughly 250,000 students.

### **Gaps in local provision**

The relatively large number of HEIs in the country and the wide variety of academic programme offerings give the impression that the local higher education system has the capacity to provide manpower requirements identified in plans for national development. Quantity-wise, there may even be an oversupply of HEIs and programmes in certain fields. There are gaps in the quality, relevance and responsiveness of higher education being provided.

Using the performance of graduates in professional board examinations, programme accreditation and the small number of identified Centres of Excellence/Development as quality indicators, only about 15 per cent of the course offerings would be considered of 'high quality'.

Furthermore, studies (Edralin, 2001; Daguay and Padua, 2001) showed a persistent mismatch between the content and graduates of HEI programmes on the one hand, and the expectations or needs of employers and society on the other hand. In 2002, only about 58 per cent of college graduates found employment. The results of a



content analysis of job advertisements conducted in 2004 also showed that:

- the bulk of job orders are mostly for accountancy-related fields, medical-related fields (mostly caregivers, doctors and nurses), engineering and IT-related positions;
- there are a large number of vacancies for graduates of vocational streams such as automotive and IT-related courses; and
- most of the jobs advertised require some level of skills proficiency.

These findings indicate that despite the huge number of graduates in the aforementioned fields, the demand for skills in these areas remains unsatisfied. These gaps, together with the unemployment of a significant number of graduates, in turn imply at least two things:

- that some of the skills acquired from tertiary institutions do not meet the level and proficiency required by employers; and/or
- skilled graduates are being lapped up by the overseas market at a faster rate than HEIs are producing them.

Another gap identified in the MTPDP stems from the need for a critical mass of scientists and research and development (R&D) practitioners. The dearth of scientists and researchers reflects the inadequacies of graduate education in the country, the effect of brain drain, and inadequate investments in R&D.

Rapid advances in science, engineering and ICT are expected to continue to create/enlarge gaps in the country's capacity in these areas. Similarly, knowledge and technology makes continuing education a necessity to keep professionals and workers useful and productive in their present jobs and competitive in their skills and knowledge *vis-à-vis* their foreign counterparts. Continuing professional education programmes (defined as any form of education after the Bachelor's degree aimed at increasing and enhancing the level of competence in the technical, non-technical and ethical realms) are offered by very few HEIs. Continuing professional education is, at present, left largely to professional associations. Active professional associations conduct

workshops and retooling/refresher courses mostly in management (organizational development, human resource management, banking and finance), accountancy, IT, nursing and medicine (Siloran, 2003).

These are the areas where the contributions of transnational higher education providers would be most appreciated.

### **Transnational higher education provision**

It is difficult to pinpoint exactly when TNHE providers started coming into the country. However, it appears for the first time in the CHED Memorandum Order No. 26 of 1995, which lays down policies and guidelines for the establishment and operation of extension classes by local HEIs as well as foreign educational institutions. The TNHE providers traced by this case study started appearing towards the latter part of the 1990s.

Of over 1,500 higher education institutions in the country, about 60 have active linkages with foreign institutions. Most of these linkages are for academic and cultural exchange (faculty, student and information exchanges), joint or collaborative research and extension, funding or scholarships for students and faculty, on-the-job training for Philippine students and mutual recognition, none of which fall within the definition of transnational education produced by UNESCO and the Council of Europe for the Code of Practice in the Provision of Transnational Education.

As of 2004, there are six known Philippine HEIs that have arrangements with foreign providers to import transnational education. The importing HEIs are: Thames International Business School (TIBS, Philippines); Holy Angel University; Misamis University; Ateneo de Manila University (ADMU); AMA University; and STI Colleges. The most ubiquitous originating sources of TNHE in the country are the UK, USA, Australia and Singapore.

Transnational education through Mode 3 - commercial presence, according to the definition of the General Agreement on Trade in Services or GATS - is delivered in the country: (1) via branch campus

operations with the help of representatives/brokers/agents (*Table 9.1*); and (2) through partnerships with local HEIs (*Table 9.2*). In the first case, the course is delivered in large part and the certificate/diploma granted by the TNHE provider or foreign university with which it has articulation arrangements. In the second case, the local partner delivers the larger part of the course and the degree is granted either jointly by the local partner and foreign partner, or solely by the local partner though intermediate certificates/diplomas, perhaps granted by a foreign provider.

**Table 9.1 TNHE providers by local representative/agent**

Local representative/agent	TNHE provider	Programmes
1. Southville Foreign Colleges (SFC)	London City College (LCC)	Diploma, Higher Diploma and Advanced Diploma in business-related courses, IT
2. Esteban Enterprises	University of Western Australia-Graduate School of Management (UWA-GSM)	Graduate Diploma in business administration

Known examples of the first type – TNHE providers reportedly with campus operations – are: London City College (UK); IHMES International Hotel School (UK); and Insearch Institute of Commerce/University of Technology, Sydney (Australia). The branches of these providers are all hosted by Southville Foreign Colleges, an international learning centre included in the list of institutions with technical and vocational programmes registered with the Technical Education and Skills Development Authority (TESDA). LCC has programme articulation arrangements with Schiller International University, of which it is a ‘section’, and with American City University, where LCC courses are automatically credit-transferable. IHMES International School has articulation arrangements with South Carolina-Beaufort University, Glasgow Caledonian University, Birmingham University, Glamorgan University and Oxford Brookes University. With the exception of IHMES, all of these providers offer business administration and IT-related courses. IHMES focuses on hotel and tourism management.

Another TNHE provider of this type is Thames Business School, a division of Informatics Holdings, Ltd (Singapore). This institution opened a local branch, the Thames International Business School, Philippines (TIBS), in 1999. TIBS has programmes registered with both TESDA and CHED. It offers business administration-related courses validated by Thames-University of Cambridge Local Examination Syndicate and Thames-National Computing Center Education, and has articulation arrangements with affiliate universities in the UK, USA, Australia, Canada and Singapore.

The University of Western Australia–Graduate Business School, with Esteban Enterprises as an agent or marketing arm. UWA–GSM offers a Master’s of Business Administration. Its agent, Esteban Enterprises, has a programme registered with the Department of Education (DepEd), the government agency in charge of basic education.

The local representatives/agents have faculty line-ups composed of local and foreign teachers. The degree of participation of local faculty in the delivery of courses in SFC and TIBS could not be ascertained. However, in the case of Esteban Enterprises, foreign professors are mostly flown in from UWA–GSM to teach the courses.

The second type – TNHE foreign providers operating in partnership with local HEIs – comprises mostly industrial entities with only two HEIs. The local partners are all HEIs offering programmes that are registered with CHED.

One of the TNHE providers with local partners/franchisees is CISCO Systems, which works with three local partners: Holy Angel University in Angeles City; Misamis University in Ozamis City; and AMA Educational System. Others are Electronic Data Systems, which has linked with STI Colleges; Microsoft, which has partnerships with both STI Colleges and AMAES; and NCC-UK, AVAYA Communications, Smart Force, MYOB, Alpha Innovations, Fluke Networks, FESTO and iCarnegie, all of which have partnership/licence arrangements with AMAES. These providers offer mostly IT-related modules that are integrated into the

regular curricula of the local HEI partners. Local faculty trained by foreign providers generally teach the modules.

**Table 9.2 Local HEI partners, TNHE providers and TNE-related programmes**

Local HEI	TNE provider	TNE programme	TNE-related or TNE-intruded programme
1. Holy Angel University	CISCO Systems	CISCO Networking Academy	BS Computer science BS Information technology BS Computer engineering
2. Misamis University		Programme (CNAP) (4 modules)	
3. AMA University/ AMA Education System (AMAES)			BS Information technology BS Computer science As major elective in all AMA programmes
	Microsoft	Microsoft-certified professional	BS Computer science BS Computer engineering BS Information technology
	Network Computing Center (NCC)-UK	Int'l Diploma in computing Int'l Diploma in computer studies	BS Computer science
	Avaya Communications	Structured cabling system	BS Electronic and communication engineering BS Information technology BS Computer science
	Smart Force	Computer-based training modules	IT subjects
	MYOB	MYOB Premier 5	Subjects: Fundamental accounting Theory and practice Manual accounting Cost accounting
	Alpha Innovations	Alpha Innovations software and courseware 2003-2004	BS Computer engineering BS Computer science BS Information technology BS Management information system
	Fluke Network	Certified cabling test technician course	Certificate course
	FESTO	Mechatronics Eng'g	BS Computer engineering

4. STI Colleges	ICarnegie Electronic Data Systems (EDS) Microsoft (MS) Press	Certificate in computer programming Certificate in software systems development  Electronic data systems development standards MS press certificate	BS Computer science BS Information technology BS Information management  BS Information management BS Computer science Associate in computer technology
5. Ateneo de Manila University (ADMU)	University of San Francisco (USF)	Master of environmental management (MEM)	

The University of San Francisco, a private, Jesuit-run national comprehensive university in the USA, entered into a co-operation agreement with Ateneo de Manila University, a private sectarian non-stock HEI in the Philippines. These two institutions started offering a joint Master's programme on environmental management (MEM) in 2002-2003. The design, content and delivery of the courses are the joint responsibility of ADMU and USF. Teams of ADMU and USF faculty deliver the courses. A student who successfully completes the course receives two diplomas – one from USF and another from ADMU.

With the exception of the MEM programme offered jointly by ADMU and USF, all of the TNHE provided in the country at present is of the certificate/diploma type, which does not fall under the higher education category as defined in the Philippine education management context. The post-secondary certificate/diploma programmes fall under the jurisdiction of TESDA, while the post-baccalaureate diploma programme offered by Esteban Enterprises is also not covered by CHED, as it is not a graduate degree programme entailing more than 12 months of study.

The TNHE programmes and TNHE-intruded programmes are delivered mostly in the conventional face-to-face classroom mode, supplemented by web-based instructional modules/computer-aided instruction.

The TNHE programmes, certificates and diplomas extended by foreign providers are far more expensive than the TNHE programmes/degrees delivered through local HEI partners. Total charges for one year

of schooling to earn TNHE certificates/diploma from TNHE campuses range from ₱160,000 (TIBS) to ₱445,000 (Esteban). In comparison, the most expensive TNHE delivered through a local partner (ADMU) costs only half as much as the cheapest TNHE campus course.

Understandably, enrolments in the TNHE campuses and even in the ADMU-USF programme are quite low, as these programmes are too expensive and way beyond the reach of average Filipino students.

### **Domestic regulations on transnational commercial education**

‘Domestic regulations’ are laws and policies in a country that recognizes the right of the nation to preserve its sovereignty by influencing activities within its borders, especially with regard to matters of public safety and national security (Tullao, 2003).

The Philippines’ approach to transnational commercial education may fit the so-called ‘interventionist approach’. The operation of international providers in the country is accepted as a reality and, at the same time, policies and mechanisms are being established to ensure that the TNE is of a high quality and protect Filipino consumers from ‘diploma mills’ and fly-by-night operators.

### **Rules and regulations related to opening of transnational commercial provision**

#### ***Establishment, registration and ownership requirements***

All business establishments – for profit and not-for-profit – are required to register with appropriate government entities. Corporations (stock and non-stock) and partnerships should register with the Securities and Exchange Commission, single proprietorships with the Bureau of Trade Regulation and Consumer Protection of the Department of Trade and Industry, and co-operatives with the Co-operative Development Authority.

The New Constitution of the Philippines (1987) provides that educational institutions, other than those established by religious groups and mission boards shall be owned solely by Filipinos, or

corporations or associations, accounting for 60 per cent of such institutions within the capital city. Congress may, however, require increased Filipino equity partnership in all education institutions (Article XIV, Section 4). Hence, under a joint venture arrangement, the foreign education institution may only own up to 40 per cent of the capital stock.

Agents, brokers, facilitators or third parties that act as intermediaries between awarding institutions and clients or recipients of TNE arrangements/services are not usually involved in the provision of educational services. However, they must still be duly registered/licensed to operate.

The Constitution also states that no educational institution shall be established exclusively for aliens and no group of aliens shall comprise more than one third of the enrolment in any school, except in the case of schools established for foreign diplomatic personnel and their dependents and, unless otherwise provided by law, for other temporary residents.

### ***Licensing***

The process of obtaining a business license or permit to do business is tedious, especially if the approval of two or more government agencies is required. For HEIs, the endorsement of CHED is required. In many cases, the services of a law firm are needed to facilitate and get things done correctly. The initial cost of registering a business includes the costs of procedures, legal and notary charges, and the monetized value of an entrepreneur's time. The registration or license is only for establishment and does not constitute the authority to offer and run academic programmes, which is another requirement altogether.

### ***Establishment as a 'university'***

As mentioned earlier, the application for SEC registration and licence must be endorsed by CHED. For an HEI wanting to register as a 'university', there are certain criteria that must be met, including: (a) four-year course programmes in liberal arts, basic sciences/mathematics and social sciences, three professional courses and



two graduate-level courses leading to doctoral degrees; (b) Level III accreditation for at least four of its undergraduate programmes and for two of its graduate programmes; (c) adequate budgetary allotment for research; (d) provisions for community/extension programmes along the areas of expertise; (e) faculty/personnel requirements – at least 35 per cent of faculty, at least 70 per cent of whom are on a full-time basis, must be holders of Master’s degrees in their respective areas of specialization, and at least 20 per cent must be doctoral degree holders in their respective areas of specialization, 50 per cent of whom must be full-time students; (f) adequate library facilities; and others.

### **Rules and regulations on the operation and functioning of TNE provision**

#### ***Mandatory government authority to operate***

The operation of foreign HEIs is governed by policies, rules and standards prescribed by CHED pursuant to law.

The government must authorize all private HEIs before they can operate in the Philippines. In order to be authorized to do so, a private institution’s education programmes and operations should be recognized.

There are three agencies that issue such authority: the DepEd for basic education programmes; TESDA for post-secondary technical vocational programmes; and the CHED for degree programmes.

These terms and regulations also apply to private schools with the exception of some levels of school management. This mandatory government authorization for higher education applies to programmes that extend beyond 12 months and lead to a degree. In the case of courses lasting less than 12 months and not leading to a degree, the requirement is for the school to notify the CHED of its intention to operate the programme at least three months before the proposed inception of the programme, indicating the proposed programme of study, its duration and the school official directly in charge of it.

This government authorization requirement consists of two levels, namely the permit phase and the recognition phase (DECS 1992). The *permit phase* should be applied right at the beginning of the school year, when the proposed course is due to start. The permit allows the school to operate a particular course or courses of study for a specified period. This is valid only for a specific programme issued on a school year basis and may be cancelled. The *recognition phase* follows the permit phase and should be filed no later than the end of January of the school year prior to the year when the first batch of students enrolled in the programme are expected to graduate. The Certificate of Recognition has several effects. It:

- transforms the permit to permanent authority for the school to teach course;
- entitles the school to give students a certificate, title, diploma or degree once they have completed the course; and
- entitles the graduate to all the benefits and privileges enjoyed by the graduates of similar programmes in all schools.

The Certificate of Recognition continues to be valid unless revoked. Once recognized, the programme may therefore be offered by the institution forever unless a slippage is discovered through monitoring and evaluation.

Permit and recognition are granted to programmes that meet the minimum requirements and standards set by CHED in its Policies, Standards and Guidelines (PSGs) for academic programmes. These PSGs prescribe the minimum content (curriculum), inputs and processes/methods required for each programme.

Higher than minimum standards and other requirements are imposed on HEIs applying for authority to: offer graduate programmes; open/operate extension classes; establish international linkages and twinning programmes; offer foreign educational programmes; or offer open learning and distance education (OL/DE) programmes.

*Offering graduate programmes.* A HEI must have Level III accredited undergraduate programmes before it can establish graduate

programmes in the Philippines. This requirement may be waived if the graduate programmes “contribute significantly to the development of high-level manpower in undersubscribed and critical disciplines” (CMO No. 36, s. 1998).

*Opening extension classes.* Only HEIs with programmes accredited at Level III by any of the recognized accrediting bodies in the Philippines, or its equivalent as recognized by CHED, may offer extension classes for such programmes.

Foreign HEIs with accredited programmes in their home country (at the same or equivalent level as Level III in the Philippines) may offer extension classes for such programmes in the Philippines provided that the foreign HEI arrange through CHED for a Philippine HEI to administer the programme in the country. To apply for a permit to open an extension class in the Philippines, and according to CMO No. 26, s. 1995, the foreign HEI must present:

- accreditation papers in the university’s home country;
- the accreditation status of the Philippine HEI who will administer the programme in the Philippines (at least Level II for the programme in question); [and]
- the Memorandum of Understanding between the foreign university and the Philippine HEI.

*Establishment of international linkages and twinning programmes.* HEIs that are recognized by CHED and accredited (at least Level II) can take part in this with international institutions of higher learning. The foreign HEI with which linkages are sought by the local HEI must be recognized by its government and accredited by the mother country’s accrediting bodies as quality institutions (CMO No. 1, s. 2000).

International linkages and twinning may take the form of: inter-university partnerships, networking, consortium and twinning programmes. Twinning programmes may involve: faculty- student exchange; collaborative research; scholarship grants; short and long-term training (diploma, MA, PhD); curriculum development and

enhancement; and library and laboratory enrichment and cultural exchange.

CHED should be consulted in the finalization of a MOU to safeguard the systematic and efficient granting of Philippine diplomas, certificates or degrees to foreign students, and the granting of the same privileges to Filipino students.

*Face-to-face foreign educational programmes.* Foreign universities and colleges intending to offer a diploma or certificate leading to an undergraduate, graduate or postgraduate degree to Filipino students, which may be represented by their authorized representatives in the country, should have the highest level of recognition from their respective governments, duly authenticated by their respective embassies and consulates in the country.

In addition, CHED set the following requirements (CMO No.6, s. 2003):

- (a) TNHE providers of conventional programmes through a local branch or satellite campus must seek the appropriate government authority to operate in the country and the authority to offer higher education programmes considering the following: (1) compliance with constitutional requirements on the ownership of business operations, and (2) compliance with policies, standards and guidelines of CHED as applied to Philippine HEIs.
- (b) Those intending to offer conventional programmes through a local partner must ensure they have SEC registration and CHED authority on the academic programme to be offered following appropriate PSGs.
- (c) Those intending to offer programmes through local HEIs under franchising arrangement must ensure the programmes meet the PSGs of CHED for curricular offerings.

*Offering open learning and distance education.* Local HEIs wishing to offer open learning and distance education programmes are also required to secure a permit and to get the programme authorized.

Only CHED-identified Centres of Excellence/Development and/or recognized HEIs with Level III accreditation or the CHED equivalent in the programme applied for are allowed to offer OL/DE programmes (CMO No. 35, s. 2000).

The curriculum for the proposed open and distance learning programme, together with the self-instructional materials to be used, must be evaluated and approved by the concerned technical panel and/or technical committee. The applicant HEI must also comply with guidelines for student assessment, student support services, programme management and administration.

These requirements are obviously not applicable to TNHE providers offering programmes online and directly with no local representative or partner. The Commission is, however, expected to monitor these operations in order to give information to the public on their programme offerings and accreditation status in their country of origin (CMO No. 6, s. 2003). In case a local representative or partner is involved, the said representative or partner is required to seek appropriate registration with CHED approval. The operations of the provider and its partner shall be monitored by informing the public of their programme offerings and accreditation status. In the case of distance education programmes offered jointly by a foreign provider and a Philippine HEI, or by a Philippine HEI under a franchise agreement, the foreign providers and local partners must comply with CMO No. 35, s. 2000.

Permit and recognition requirements are waived in the case of HEIs granted autonomy by CHED, of which there are now 40, and Level IV accredited institutions (of which there is only one). Autonomous and Level IV-accredited HEIs can offer new courses or programmes at the undergraduate/graduate level/s without securing a permit/authority from CHED (CMO No.32, s. 2001; CMO No.21, s. 2003). In addition, HEIs with Level III accreditation may offer new courses allied to existing Level III accredited programmes, without the need for prior CHED approval; it must merely be informed of the plan to offer the programme (CHED Order No. 31, s. 1995).

Hence, a TNE provider intending to deliver in the conventional mode either through a branch/campus or through a local partner/franchisee must comply with the country's laws on the registration and incorporation of educational corporations and equity percentage requirements. It must also obtain the mandatory government authority to operate a higher education programme and/or enter into partnership with a local HEI. This means that it must not only meet the minimum requirements set in the PSG for the proposed programmes, but must also have recognition from accreditors of its country or region of origin and its own government, duly authenticated by its respective embassy or consulate in the country. If it partners with a local HEI, it must have at least Level II accreditation in the programme it is offering. It should also enter into such collaborations and arrangements with a local HEI partner with the blessing of CHED.

### ***Monitoring and evaluation; enforcement***

CHED monitors compliance with PSGs through its regional offices with the help of the Technical Panels and their regional counterparts, termed 'Regional Quality Assessment Teams'. CHED may revoke the programme recognition after due process or revert this to a permit to operate for a period of one school year for the following causes: (a) fraud or deceit committed by the school in connection with the application for permit or recognition, or (b) unauthorized operation of a new school or branch, or a new programme or course of study, or major components thereof (DECS,1992).

Permit and recognition may also be revoked if monitoring and evaluation show slippage in the provider's performance and standards.

### ***Voluntary accreditation***

In addition to mandatory government authorization, HEIs are expected and encouraged to go through a private voluntary accreditation process for the recognition of programmes that achieve standards of quality over and above the minimum requirements and standards set by CHED.

As practised in the Philippines, accreditation is programme-based, voluntary and carried out by private organizations. Four bodies undertake accreditation, namely: the Philippine Accrediting Association of Schools, Colleges and Universities or PAASCU, established in 1957; Philippine Association of Colleges and Universities Commission on Accreditation or PACU-COA, founded in 1973; Association of Christian Schools and Colleges Accrediting Agency [ACSCAA], formally established in 1976; and Accrediting Agency of Chartered Colleges and Universities in the Philippines (AACUP), which began earlier but registered officially in 1989. The first three agencies came together to form the Federation of Accrediting Agencies of the Philippines (FAAP) in 1977. This was joined by AACUP in 1995. Each of the four formulates its own accreditation criteria, designs its processes and instruments, selects and trains its accreditors and conducts accreditation survey visits employing its own accreditors. The four use similar processes and basically cover the same indicators/review areas, but judgment levels vary.

Accreditation is used as an indirect indicator of quality that may be used for differentiating programmes and institutions in terms of quality. At the same time, it is a means for promoting quality improvement, as each accreditation level carries certain benefits or incentives such as progressive deregulation, grants and subsidies. Accreditation is one of the major criteria in the selection of Centres of Excellence, which are granted development assistance from the Higher Education Development Fund.

The CHED policy on accreditation (CMO No. 31, s. 1995) sets four levels of accreditation, defines the general criteria for each and provides the corresponding benefits for each level, as follows:

- Level I. Applicant status, for programmes certified by FAAP as capable of acquiring accredited status within two years. An institution with a Level I programme is given partial administrative deregulation.
- Level II. Essentially accredited status. Benefits include full administrative deregulation, partial curricular autonomy, financial

deregulation in terms of setting tuition and other school fees and charges, authority to graduate students from accredited courses or programmes without prior approval of CHED, priority for funding assistance for scholarships, library materials, laboratory equipment and other development activities, and limited visitation, inspection and/or supervision by CHED.

- Level III. Programmes that have at least been reaccredited and meet a reasonably high standard of instruction as evidenced by the qualification of the faculty and a highly visible community extension programme, plus any two of the following: visible research tradition, strong staff development tradition, highly creditable performance of graduates in licensure examinations, or strong linkage with other schools and/or agencies. Benefits include all those for Level II plus full curricular deregulation, including the authority to offer new courses allied to existing Level III courses, without prior approval of CHED.
- Level IV. Institutional accreditation. Requires recognized distinction in a number of academic disciplines and prestige comparable to international universities. Benefits include all those given to Level III in addition to grants/subsidies for HEDF and the grant of a charter for full autonomy from government supervision.

As mentioned earlier, a TNHE provider requires an accreditation to open extension classes in the Philippines: a foreign provider, should obtain its accreditation from his home country or a recognized authority (e.g. a regional accrediting body); the local HEI partner needs a Level II accreditation from the local accreditors, duly certified by the FAAP.

In processing applications for a permit filed by foreign providers to offer TNHE programmes in the country, CHED has to verify cited accreditations by communicating with the accrediting bodies directly or through their respective embassies and consulates in the country. The local partner applies with any of the local private accrediting bodies.

This accreditation requirement does not usually apply to TNHE modules integrated into the regular programmes of local HEI partners.



As provided in CMO No.6, s. 2003, Philippine HEIs may use educational programmes, courses, or instructional materials developed and owned by a foreign provider as long as they have the required permit or licence from the foreign provider. Moreover, they must “comply with the policies, standards and guidelines of CHED for curricular offerings”, meaning that the local host programme has the permit and recognition from CHED. Thus, national voluntary accreditation affects the TNHE only if the local partner seeks accreditation/recognition for the joint programme.

The benefits and incentives of accreditation are meaningful to some local private TNHE partners who wish to seek additional recognition for the programmes into which TNHE curricula are integrated for added prestige and in order to benefit from accompanying incentives.

### ***Professional licensure examinations***

In order to ensure the quality and competence of higher education graduates entering the professional world, the Professional Regulations Commission (PRC) was created in 1973 and mandated to licence graduates of professional degree programmes of recognized schools. PRC developed and is now administering professional licensure examinations covering 42 professions.

### ***Nationality requirements for examination and related matters***

A separate law specifying the requirement for testing and licensing covers each profession. Of the 42 professions, only 11 are open to foreign citizens wishing to take the licensure examinations. Of these, two – aeronautical engineering and nutrition and dietetics – may be taken by foreign citizens provided they meet all the other qualification requirements. Nine are open to foreign citizens provided the country of which the applicant is a subject or citizen has a reciprocity agreement with the Philippines, meaning the said country permits Filipino professionals to practice within its territory on the same basis as the subject or citizen of this country. These nine professions are: landscape architecture; metallurgical engineering; mining engineering; teacher

education; veterinary medicine; nursing; physical therapy; occupational therapy; and medicine.

A foreigner who wishes to practice his/her profession in the country must obtain a certificate of registration licence and a professional identification card from the Professional Regulations Commission (PRC Modernization Act 2000). He/she can obtain these with or without examination if: (a) he/she has a valid certificate of registration from his/her state or country; (b) the requirements for registration or licensing in the foreign state or country are substantially the same as those required and contemplated by the laws of the Philippines; and (c) the laws of the foreign state or country allow the citizens of the Philippines to practice their profession on the same basis and grant the same privileges as those enjoyed by its own subjects or citizens.

### ***Labour market test***

An alien seeking employment in the Philippines and a domestic or foreign employer seeking to engage the services of an alien in the Philippines must obtain an employment permit from the Department of Labor and Employment (DOLE). For those intending to work in higher education, endorsement from CHED must be secured before the permit is granted.

Entry of foreign professionals is subject to a labour market test wherein foreigners may only be allowed to practice their profession in the country in the absence of any other Filipino competent to do the job.

### ***Civil service requirements***

Government posts require either the appropriate professional licence and/or certificate for positions involving jobs that fall under the Philippine Bar or Board laws, or civil service eligibility. In addition, appointees to career positions must meet the **education and training** requirements prescribed in the Qualification Standards Manual, unless otherwise determined by the PRC (CSC, 2003). To meet the education requirements, the candidate must have earned his or her degree

or academic units leading to a degree from a **CHED-recognized institution**.

A degree obtained from foreign schools or via non-formal (or non-traditional) modes of delivery must be certified by CHED as equivalent to the degree required for the position, and obtained from a CHED-recognized institution.

### **Domestic regulation *vis-à-vis* national development objectives**

The government's goals to combat poverty and bring prosperity to every Filipino through sustained and equitable growth make it imperative to mobilize knowledge and technology to improve productivity, to harness the full potential of ICT and other technological advances to attract investment and to produce or acquire the expertise and skills necessary. Given the present inadequacies of local education provision and the constant need to update and improve the quality of education programmes and services, importation is a rational option to augment local capacity and output.

The country's door is open to transnational higher education provision, although not as much as some foreign providers and other liberalization proponents would like it to be. A few TNHE providers have entered the country.

Domestic regulations – the foreign equity ceiling for foreign investment, tedious process of obtaining a business licence or permit, rigorous mandatory government authorization process and requirements, nationality requirement and professional tests, accreditation requirements and others – tend to inhibit TNHE provision. However, these are not meant to discourage linkage and partnerships between local HEIs and foreign institutions. Nor are they intended to bar foreign providers from entering the education system. They are meant to ensure that what the country gets from foreign providers is what it needs and wants, in terms of specializations and quality of education programmes and services. The CHED regulatory measures are meant to ensure that higher education providers meet the standards

of quality, and thereby protect the public from unscrupulous providers more intent on extracting commercial gain than on delivering quality education.

The rationale behind this ‘interventionist’ approach is to allow the nation to take advantage of the benefits and opportunities offered by TNHE provision to support national development objectives. At the same time, it aims to avoid or neutralize its adverse effects or implications.

Despite the still-limited operation of TNHE providers in the country, there are some positive impacts. According to local HEI partners involved, the delivery of TNHE through partnerships has improved the quality and relevance of the joint programmes and products. It has enhanced curriculum, upgraded and updated faculty qualifications, facilitated technology transfer, introduced innovative methods of learning delivery, and brought in better opportunities to pursue and obtain degrees in prestigious institutions abroad.

However, as the type of TNHE that has entered the higher education system is the lower level in the ladderized programmes (except in the ADMU-USF case), the knowledge and technology transferred to the students, faculty and partner schools are not of the cutting edge type – or the kind that would put our graduates on high-end or strategic positions in the global market. The middle-level skilled manpower sector stands to gain the most from the certificate/diploma type of TNHE that the country has, to date, been receiving.

TNHE and foreign certificates and diplomas awarded by foreign providers operating through branch campuses are also expected to provide globally competitive qualifications and internationally marketable credentials. But these programmes are very expensive and beyond the reach of average Filipino students. Hence, they can only benefit a small group – from among the rich local and foreign students and executives/business people.

TNHE provision through local HEI partners incorporating TNHE courses or modules into their regular curricula may contribute more to improving access to relevant education and training. Students taking

the integrated curriculum can obtain the TNHE certificates or diplomas while pursuing their baccalaureate degrees. In the process, they save on the time and training cost that they would otherwise spend if they enrolled in the same modules as a separate course after graduation. The reduced cost makes the programme more accessible to financially disadvantaged students.

On the other hand, the entry of foreign providers has given rise to a number of issues and concerns that must be addressed if the nation is to reap the potential benefits offered by TNHE provision.

### **Issues raised by TNHE provision**

#### **On the possible adverse impacts of TNHE**

1. *Unfair competition for local private HEIs.* Representatives of the private education sector (Philippine Association of Colleges and Universities/PACU, 2003) recently raised some concerns that the entry of foreign schools, if unchecked, will crowd out the local private sector. According to PACU, these new foreign programmes are not subject to the regulation of CHED. Hence, they do not have to comply with minimum requirements for capitalization, physical facilities, curriculum, library holdings, a school clinic, guidance and counselling and others, unlike local private HEIs which must comply with all these before they can operate. Thus, the providers of these foreign programmes can offer 'shorter' curricula and operate even if they only rent inexpensive office spaces in commercial buildings, making it cheaper for them to operate and offer competitive tuition rates (by international standards).

This apprehension is based on a perceived 'absence of regulation by CHED and DepEd' and the considerable advantage of foreign institutions in terms of resources and prestige. The perceived 'absence of regulation' may be traced to some gaps in the regulatory system, which are discussed below.

The resource and prestige advantage of the TNHEs is real. However, until the foreign providers decide to channel their resources to subsidize and hence lower student tuition, or until the capacity

to pay off the country's student population is improved, TNHE providers will not be able to attract the majority of students away from the low-cost quality local providers. Hence, the feared competition will likely affect the elite institutions whose tuition fees approximate those of the foreign providers.

It would, however, be worthwhile for local private HEIs to look into the TNHE provision in the manner of the AMAES, STI and ADMU. Local HEIs who manage to adapt to the TNHE reality meet the country's need for internationalization, while at the same time keeping the TNHE affordable and accessible to Filipino students, may not have to worry about competition from foreign branch operations.

2. *Teacher drain and brain drain.* It is feared that with their considerable resources, the TNHE providers will lure teachers from the local HEIs with higher salary rates and travel abroad. This is highly possible and must be addressed.

Some graduates of TNHE-related programmes have flaunted their international certificates or diplomas as having given them access to lucrative jobs abroad. This is understandable, considering the shortage of high-paying job opportunities locally. Further, as mentioned earlier for TNHE providers – and in particular for the industry giants – the partnership gives them the opportunity to recruit the best graduates for their manpower needs. The country will just have to find ways of luring those professionals back to the country or continue to train more people to take their place.

3. *Neglecting priority programmes.* Currently, most of the programmes offered by Philippine HEIs are inexpensive degree programmes that are of low priority relative to national development objectives. As a result, the high priority programmes needed for regional and national development are not being attended to. There is concern that international influence “might force institutions to design their programme offerings to address the human resource development needs of the global market or even to address the needs of other countries in the new trading

bloc” (Bernardo, 2003). This would further divert local HEI attention from high priority programmes or those needed by the country.

### **On the regulatory system**

4. *Gaps or ‘loopholes’ in the regulatory system.* There is an unclear delineation of responsibility among the agencies regarding ladderized programmes and the lack of regulation of grey area programmes. This is the root of concerns raised by PACU about the ‘absence of regulation by CHED and DepEd’.

The trifocal approach to the management of education has left certain types of provision uncovered by the regulation net. Basic education is clearly under the DepEd. Technical and vocational education and training are clearly under TESDA. Baccalaureate, Master’s and Doctoral programmes are clearly under CHED supervision. It is not apparent, however, who should have responsibility over post-secondary ladderized non-degree programmes. TESDA officials state that these should be under their jurisdiction, and so far CHED has allowed them to oversee such programmes. The issue, however, crops up in relation to SUCs offering two- to three-year ladderized courses. The so-called ‘pure and pure’ approach proposes to confine CHED and SUC’s responsibility to degree programmes and leave the ladderized courses to TESDA.

Another grey area concerns the post-baccalaureate diploma programmes of less than 12 months duration. According to the *Manual of regulation of private HEIs*, this type of programme does not require government authorization. Similarly, short-term non-degree, post-baccalaureate and postgraduate courses are not covered by the permit and recognition requirements. These are, therefore, areas that TNHE providers might explore – considering the increasing demand for continuing or lifelong learning. They could be viewed as room for flexibility, and hence a source of strength, provided some mechanisms are established to monitor the provision of such programmes and protect consumers.

5. *Weak monitoring of TNHE providers.* This is due to the lack of information on transnational education as well as inadequate resources for monitoring. Education oversight agencies are only now starting to develop a database on TNHE provision. This is essential to the agencies' mandate to keep the public informed and safeguarded from unscrupulous TNHE providers and programmes of dubious quality.

With thousands of applications for permit and recognition from hundreds of institutions to process, the tendency has been to put monitoring in the back seat. In order to improve efficiency and effectiveness, there are moves to deregulate good institutions, lessen the regulatory requirements for permit and recognition, turn over some of the quality assurance function to private or professional accrediting bodies, and instead focus on monitoring institutions and programmes and on keeping the public informed about their performance.

### **Possible lessons from the Philippine experience**

For countries inclined to assume a similar 'interventionist approach' to transnational education provision, the main source of strength of the Philippine regulatory system may be worth considering: overlapping roles and procedures of various entities involved in registration/licensing, issuance of permits and recognition to operate academic programmes, voluntary accreditation, professional regulation and licensing, and issuance of civil service eligibility. Should one undeserving provider succeed in slipping through a gate, there are several others ahead where it would not be as lucky. This system has prevented the entry of a few dubious providers.

Still, no matter how tight regulations are, unscrupulous operators, like organized lawbreakers, manage to find ways of getting around the rules. Hence the need for a strong monitoring and information gathering/dissemination system to keep the public informed and alerted to their operations. The government need not take on the responsibility of watching out for diploma mills or fly-by-night operators who peddle



low quality ‘international’ education or unmarketable diplomas. The private sector and civil society could be actively involved in identifying them and reporting their illegal operations.

Other food for thought from the Philippine experience is the possible wisdom of coupling regulation with development interventions. Instead of merely protecting incumbents (local providers and consumers), concerned agencies should help them improve their capacity and the quality of their services in order to enable them to face up the competition from foreign providers and avail themselves of the opportunities offered by globalization. Development initiatives could focus on areas such as faculty development, research, graduate education and promoting the import of education within the context of the current regulation policy environment.

Instead of waiting for TNHE providers to offer their services, concerned agencies should search aggressively for the best providers in the fields needed for development, and then facilitate their entry into the country to deliver the desired TNHE.

Given the current policy environment relative to TNHE provision, delivery through the integration of TNHE courses into locally-recognized programmes and through joint degree programmes appear to be more acceptable mechanisms for easing TNHE into the country.

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## 10. BETWEEN PRIVATIZATION AND STATE CONTROL: CHILE'S EXPERIENCE OF REGULATING A WIDELY PRIVATIZED SYSTEM THROUGH QUALITY ASSURANCE

*Maria José Lemaître*

### Introduction

Chilean higher education was built on the basis of transnational education. As a matter of public policy, the government hired scholars from Europe to teach at the *Universidad de Chile* during the second half of the nineteenth century, and the actual founding of the institution was the work of Andrés Bello, an English-trained scholar from Venezuela invited to write the country's Civil Code. They were artists, philosophers and scientists who encouraged their Chilean counterparts to go to Europe for their degrees, and to bring back the knowledge, ideas, values and ethos that have sustained our higher education system.

Higher education has thus always owed much to foreign scholars. At the beginning of the twentieth century, most Latin American countries had already developed their own universities, usually following the same model. Transnational education took a step forward, through the mutual recognition of degrees established in several bilateral and multilateral treaties among Latin American countries, starting in 1902 and continuing until the 1970s.

This is an important development, since professional degrees are one of the most protected goods in Latin American countries. At the same time as they were signing these treaties, most of them were establishing strong regulations for the recognition of foreign degrees, usually based on their equivalence to the quality and requirements of national degrees.

One of the last treaties to be signed was with Spain. This treaty states that all degrees granted in Chile will be recognized in Spain and

vice versa, and that degree holders of one country shall be entitled to work in the other country in the same conditions as the nationals of that country. Then Spain became a part of the European Union and discovered that this and other similar agreements with Latin America could no longer be enforced. The application of the treaty was suspended, bringing home very clearly what most professional associations and higher education institutions had already realized: The world had changed, quality considerations had to be taken into account and, therefore, neither national nor transnational education could be treated as they had been before.

This paper intends to show how quality assurance schemes have developed in Chile, including those that apply to transnational education. It will also map the challenges that lie ahead and the need for wide involvement in a task that goes beyond what is possible from a single actor's perspective.

### **The regulation of higher education**

Granting of professional degrees has always been a highly protected service in Chile. Since its inception, the *Universidad de Chile* was responsible for ensuring that degrees granted in the country or abroad really reflected significant and relevant learning outcomes. This was true even during the time when universities were created by law, and students graduating from private universities established between 1888 and 1960 had to have their degrees validated by *Universidad de Chile*.

These universities obtained full autonomy to grant degrees in 1967. However, the *Universidad de Chile* remains responsible for the validation and recognition of degrees obtained abroad.

Beyond these norms, higher education was traditionally a self-regulated activity. It was the reform of 1980, with its significant changes, that made it necessary to start thinking about quality assurance. It is interesting to note, however, that quality assurance mechanisms have been established as a reaction to perceived problems within the system, with little anticipation of future situations. In the following section, the

establishment of quality assurance mechanisms is traced in relation to the observed changes in the higher education system.

### **1980-1990: Privatization and the de-regulated expansion of the system**

The reform of 1980 affected the whole of higher education, from its components to funding mechanisms. It therefore completely transformed how institutions operate.

The regional branches of the two existing state universities were turned into autonomous institutions, giving each region in the country its own public institution; and new legislation made it possible to establish private higher education institutions. Public funding was greatly reduced and state institutions were asked to find new sources of income, one of which was student fees. The system was further diversified into three institutional tiers: universities, which granted professional and academic degrees; professional institutes, which could offer professional but not academic degrees; and technical training centres offering two-year technical degrees.

The system was therefore differentiated horizontally (by including new private providers of higher education) and vertically (by the establishment of non-university institutions). It was privatized not only because of the emergence of private providers, but mainly because the new funding scheme made institutions dependent on private resources for their survival and operation. The elimination of the branches of state universities atomized a system that had previously been dominated by these two large institutions and reduced not only their social and political influence, but also their academic and scientific impact.

As a result, the number of higher education institutions increased dramatically, with a lower but significant increase in student enrolment, as can be seen in *Table 10.1*.

**Table 10.1 Institutional growth and enrolment, 1980-2000**

	1980		1990		1995		2000	
	Inst	Students	Inst	Students	Inst	Students	Inst	Students
Universities	8	112,896	60	127,628	70	223,889	64	321,233
- Public	8	112,896	20	108,119	25	154,885	25	213,663
- Private	0	0	40	19,509	45	69,004	39	107,570
Professional institutes	0	0	79	40,006	73	40,980	60	86,392
Technical training centres	0	0	161	77,774	127	72,735	116	53,895
Total	8	112,896	300	245,408	270	337,604	240	461,520

Source: Ministry of Education, [www.mineduc.cl](http://www.mineduc.cl)

The system continued to be selective. However, there were now two sources of selectivity: qualifications at the public institutions; and the ability to pay – mostly at the private institutions, but also at the public ones, which started charging tuition fees.

Regulation was left to the market, which was unable to ensure quality or provide a measure of social legitimacy to private institutions. The latter were seen as catering to students lacking the qualifications for a selective public institution, but with the means to pay for a private one.

During this decade, the public system stood still. Universities could not easily adjust to changes in the funding scheme, and did not increase their enrolment.

External quality assurance (EQA) was seen as unavoidable by the same military government that had de-regulated higher education, and a licensing scheme was established in 1990.<sup>26</sup>

***First landmark for EQA: licensing of new, private institutions***

**The purpose:** to ensure that all new institutional proposals comply with basic quality requirements and have the necessary resources to operate and that, during their initial years, there is a consistent advance

26. The law that created the *Consejo Superior de Educación* and its licensing scheme was passed on 10 March 1990, the very last day of the military government.

towards implementing the initial proposal. At the end of the process, institutions are either certified as autonomous, or lose the public recognition that entitles them to grant valid degrees and must close down.

**The agency:** The *Consejo Superior de Educación* (CSE), created by a constitutional law in 1990, has nine members appointed by higher education institutions and other social organizations.<sup>27</sup> It is chaired by the Minister of Education and has joint funding: partly from the national budget, and partly from fees paid by the institutions that apply for licensing. It has a technical staff and operates mainly through the work of consultants and evaluators hired for specific purposes.

**The procedure:** CSE reviews all proposals for new private institutions. It evaluates each proposal and either approves it or points out the remarks it may have. In the latter case, the proposal goes back to the institution, which has two months to adjust its proposal and resubmit it. CSE makes a final decision on its approval or rejection. If it rejects the proposal, the institution cannot be opened. If it is accepted, then it is legally recognized and may start operating under CSE supervision.

During the first six years of operation, institutions must submit a set of institutional data (including academic and financial information) on a yearly basis. External examiners sent by CSE may test students. A team of external assessors, who analyze the development of the project and the degree to which it is fulfilling its goals, visits it at least twice. During this time, new programmes and degrees must also have the approval of the CSE. Each year, CSE sends the institution an 'action letter' pointing out the perceived strengths and weaknesses, and the actions the institution must take. At the end of the sixth year, assessment is global. If the institution is considered to have developed adequately, CSE certifies its autonomy.<sup>28</sup> If not, supervision may be extended for a

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27. Membership in the CSE is the result of appointments by state universities (1); private autonomous universities (1); private autonomous professional institutes (1); the council for science and technology (1); research organizations in the arts and sciences (2); the Supreme Court (1); and the Armed Forces (1).

28. Autonomy is defined as 'the ability to offer freely all kinds of degrees', without external monitoring of any kind.



period of up to five years, after which the institution is either certified as autonomous or closed down.

CSE may also close down an institution during the period of supervision if it considers that the institution is not acting upon its recommendations.

The licensing process applies to all new, private institutions, whether they are established by national or foreign providers.

### **1990-1998: Massification of higher education**

During the 1990s, the number of new private institutions was relatively stable, but enrolment experienced a significant growth<sup>29</sup> and coverage grew to 30 per cent of the corresponding age cohort. The student population changed from the homogeneous, highly-qualified, urban, mostly male group of the 1980s to a highly heterogeneous group, where first generation higher education students figured prominently, and whose qualifications were at best diverse, or at worse, poor.

Competition among HEIs for students, faculty and resources became fierce. Marketing developed into an important item in institutions' budgets, and there was growing concern about the available information on the quality of higher education started to grow.

With regard to regulation, a double standard was apparent: Private institutions were subject to CSE supervision, but public institutions, as well as the newly autonomous private ones, were free from any kind of EQA.

As a result, social trust in universities began to decline; it was increasingly difficult to judge the relative value of degrees. Once again, it became evident that a new form of EQA had to be established.

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29. See *Table 10.1* above.

### ***Second landmark for EQA: voluntary programme accreditation***

**The purpose:** to assess programmes offered by autonomous institutions against explicit expected learning outcomes and quality criteria defined by the corresponding disciplinary and professional reference groups, and to provide public assurance regarding their compliance with those quality criteria. The main objectives are to promote quality and to provide information to the public.

**The agency:** In 1998, the Ministry of Education established a National Commission for Accreditation (CNAP) charged with designing and implementing an accreditation process. The Commission has 14 members appointed by the Minister of Education, and a technical staff in charge of co-ordinating and managing accreditation procedures. Its funds come from the national budget, as part of a comprehensive programme for the improvement of quality and equity in higher education.<sup>30</sup>

**The procedure:** CNAP developed accreditation criteria and procedures with the participation of faculty, professional associations and employers or users of the services of graduates in each specific field. Participation in the accrediting process is voluntary. EQA focuses on the evaluation of inputs and processes linked to the definition of expected learning outcomes for the different fields, and involves self-evaluation and external review by national and international peer teams.

Institutions may then apply for funds to comply with actions resulting from the accreditation process<sup>31</sup> to a competitive fund, which is also part of the comprehensive programme mentioned above.

Substantial resources have been allocated to the development of self-regulation abilities at the institutions, with emphasis on information

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30. This programme, called MECESUP, has three main components: quality assurance; capacity building; and a competitive fund used for institutional development of public universities. It provides resources for infrastructure, curriculum development, faculty improvement, development of graduate programmes and resources for research.

31. Institutions may present projects regardless of the outcome of the accreditation process, but must provide a sound improvement plan dealing with the shortcomings identified during self-evaluation and validated by external review.

and institutional research systems, management and planning. All this has been done through projects designed by the institutions themselves and funded through competitive bidding.

Over 500 programmes have applied for accreditation. While they represent only 15 per cent of the total number of programmes, they cover about 35 per cent of enrolment. Full accreditation is for seven years, after which programmes must renew their accreditation. They may, however, be accredited for shorter periods of time according to their perceived strengths and weaknesses, and the existence of improvement plans.

### **1995-2005: Increasing 'autonomization' of the system and second wave of institutional expansion**

As more private institutions gained their certification of autonomy, competition for students increased. Places for students began to exceed the number of possible applicants, and institutions started aggressively pursuing students everywhere. One of the main strategies was to open branches in smaller towns across the country.

While bringing higher education to students seems undoubtedly a good thing, this is not really the case if institutions cannot provide quality teaching. In a highly-centralized country like Chile, it is very difficult to bring qualified teachers to places far from the larger cities; in a context of scarce resources, it is hard to set up laboratories, library facilities or teaching resources. In many cases, these are simply not available.

The higher education system has thus become highly segmented: Well-consolidated, innovative, developed institutions coexist with others that offer programmes of unknown or doubtful quality. It is necessary to establish EQA mechanisms that provide effective incentives for institutions to manage the quality of their offerings, and to accept responsibility for their teaching, research or other functions included in their mission statement.

***Third landmark for EQA: institutional accreditation,  
with a focus on self-regulation abilities***

**The purpose:** to provide public assurance regarding the capacity of higher education institutions to provide quality teaching and apply sound management procedures, and to promote the development of self-regulating capabilities within institutions.

**The agency:** Institutional accreditation is carried out by CNAP.

**The procedure:** Institutional accreditation focuses on the existence and effective operation of institutional policies and mechanisms for self-regulation, that is, the ability of institutions to assess their stated purposes, learn whether they are being fulfilled and make necessary adjustments within a general framework of quality criteria.

All institutions applying for accreditation must demonstrate that they have adequate mechanisms for self-regulation in the fields of teaching at the degree level and institutional management. Institutions may add other fields, such as graduate studies, research, links with the disciplinary, professional and work environment, or the provision of teaching and learning infrastructure.

The evidence provided by the institutions includes a review of policies and regulations dealing with the above-mentioned fields, a survey of different levels of operation for each field in order to ascertain the degree of application of these policies and mechanisms within the institution, and case studies that provide evidence about their application and outcomes.

Institutions are then visited by an external review team made up of specialists for each field, with the participation of national and foreign experts. Accreditation may be granted for seven years, for shorter periods of time, or can be denied.

Sixty-two institutions - representing over 85 per cent of the total enrolment - have applied for institutional accreditation, and 20 have already been accredited. It is expected that the process will

make institutions more responsible in terms of their actual offerings. Evidence to date suggests that accredited institutions have taken good care to adjust their offer to quality considerations and to increase their self-regulating capacity.

While transnational offerings were not a consideration at the time of the development of institutional accreditation, the arrangements between national and foreign institutions are a focus for evaluation, as all the institution's programmes must be taken into account in the process. Institutional accreditation is one of the few instances in which transnational offerings may be assessed, albeit indirectly.

### **Accreditation of graduate studies offered by national universities**

Parallel to those developments, graduate programmes were being established and growing in Chile. The government promoted them and set up a fund to provide students with grants and scholarships. In order to guarantee basic quality levels in eligible programmes, an accreditation process was established.

Initially (1991), the process was based at CONICYT, the *Comisión Nacional de Investigación Científica y Tecnológica* or National Commission for Scientific and Technological Research. Since 1999, it has been the responsibility of the National Commission for Graduate Accreditation, which accredits doctoral and academic Master's programmes offered by autonomous institutions. Assessment of doctoral degrees refers to information about faculty and their qualifications, research management, the national and international impact of the programme in terms of publications or other relevant outcomes, teaching resources, and the results of other assessment exercises. Master's degrees may opt for a quality audit, which is really an evaluation focused on the outcomes of both a self-assessment and an external review.

As the purpose for this accrediting process is to determine whether programmes are eligible for student grants, it is restricted to programmes

which are part of the national science and technology system, that is, programmes with a strong academic and research orientation.

## **The view from transnational higher education**

### **Undergraduate or professional degrees**

As mentioned earlier, the most protected aspect of higher education is the granting of professional degrees. This protection is carried out through the requirement that all higher education institutions operating in Chile must obtain official recognition from the government. This means that institutions must either be created by law (as was the case of the first six private universities, established between 1888 and 1960) or, following the licensing process, administered by the *Consejo Superior de Educación* described above.

As a result of these regulations, there are very few cases of foreign institutions being established in Chile. Similarly, there are also very few cases in which foreign institutions actually grant professional degrees in the country.

However, some foreign institutions have managed to bypass these regulations by obtaining control of existing, autonomous private institutions. Thus, Laureate International (formerly Sylvan International Universities, a subsidiary of Sylvan Learning Systems, incorporated in the US) currently owns a controlling interest in two private universities and one professional institute in Chile. In addition, a Laureate-owned university based in Spain is also going through the licensing process of the *Consejo Superior de Educación*.

Autonomous institutions may voluntarily apply for accreditation, and one of the Laureate-owned institutions has gone through the whole process and been accredited.

The Chilean Government believes that voluntary accreditation is more effective than compulsory regulation. At the same time, however, it provides incentives for institutions to submit to quality assurance processes. A law has therefore been passed making accreditation a requirement to be eligible for subsidized student loans.

## Graduate degrees, or post-degree programmes

As mentioned above, Chile has a quality assurance process for graduate programmes since 1991.

Most transnational graduate programmes offered in Chile come into the country as part of twinning arrangements and are concentrated at the graduate level, as can be seen in *Table 10.2*.

**Table 10.2 Transnational graduate programmes in Chile**

Type of programme	Doctorate	Master's	Diploma	Total
Education	2	2		4
Communications	1	4	1	6
Business	2	17	4	23
Law		3		3
Architecture and urban development	1	1		2
Environmental studies		2		2
Engineering	1			1
Others		3	1	4
Total	7	32	6	45

*Source:* Lemaitre, 2004.

But as *Table 10.2* makes clear, these programmes have a professional orientation. They are therefore not included in the graduate accreditation process. Even if they were, they would not fulfil the basic requirements for doctoral and Master's programmes in terms of length of study, faculty qualifications and other criteria, which were designed with academic or research degrees in mind.

## Joint degrees

Some institutions enter the field through by offering joint degrees, especially larger and more prestigious institutions, which link up with accredited programmes and, in many cases, obtain international accreditation.

A good example of this is the University of Heidelberg described above, which provides specialization programmes for medicine in conjunction with the *Universidad de Chile* and *Pontifical Universidad*

*Católica*. Students receive a joint certificate from the Chilean university and from Heidelberg.

Further examples in the field of business administration are found in *Table 10.3*:

**Table 10.3 Examples of joint degrees in the field of business administration**

Foreign university	Chilean university	Dual degree offered
ESADE, Escuela de Negocios, Barcelona, Spain	Universidad de Chile	Master's in management and business administration
Tulane University	Universidad de Chile	MBA for the Americas
University of Texas	Pontificia Universidad Católica	MBA (accredited by AACSB)
HEC - France	Pontificia Universidad Católica	MBA
Thunderbird University Case Western	Universidad Adolfo Ibáñez	Executive MBA (accredited by AACSB (US) and AMBA (UK))
Graduate School of Management, Leipzig Groupe Supérieur de Commerce, Montpellier	Universidad de Talca	MBA
Université de Montpellier	Universidad de Santiago	Master's in administration and business management

*Source:* Interviews with representatives from Chilean universities responsible for the joint degrees.

These programmes are keen to attract the best quality of education as they are among the most prestigious universities in Chile. All of them have been accredited, and they choose their partners very carefully. This is not a case of foreign institutions coming to sell their wares in Chile, but rather informed institutions identifying selected programmes and offering them under a joint certificate. In these cases, institutional accreditation seems to be an effective way of assuring the quality of all university offerings, including those from abroad.



## **Barriers to foreign provision of higher education in Chile**

Chile is a country with few barriers to foreign trade in general. Higher education follows that rule, with the notable exception of professional degrees.

*Table 10.4* shows how current regulations affect foreign providers using two criteria: market access and national treatment.

Quality assurance schemes applied in Chile were developed in order to deal with domestic concerns, mainly with the increasing vertical and horizontal diversification of the higher education sector. They did not take into account transnational education provision. Nonetheless, there is growing concern about it among policy-makers. This concern is promoted by higher education leaders, who are beginning to feel its impact through competition for students with the ability to pay for these services.

Nevertheless, if foreign provision is restricted to the kind of graduate programmes currently being offered, it is probable that no new quality assurance procedures will be established. The situation will be addressed through improved information schemes, leaving prospective students to make their own decisions regarding enrolment. Quality assurance might be considered necessary only if there are public funds involved, either as grants or subsidized loans, or if programmes move into other protected areas, thereby requiring the recognition of degrees.

**Table 10.4 Formal barriers to foreign provision of higher education**

Modes/criteria	Limitations to market access	National treatment
Crossborder supply	<ul style="list-style-type: none"> <li>- None</li> <li>- Professional degrees obtained through this mode must be recognized by <i>Universidad de Chile</i></li> <li>- Graduate degrees do not need recognition.</li> </ul>	None
Consumption abroad	<ul style="list-style-type: none"> <li>- None at the graduate level.</li> <li>- Professional degrees obtained abroad must be certified by <i>Universidad de Chile</i>, except in the case of those countries with which Chile has signed international agreements.*</li> <li>- Graduate degrees do not need recognition.</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Universidad de Chile</i> must recognize professional degrees obtained abroad.</li> <li>- No further professional certification is required.</li> </ul>
Commercial presence	<ul style="list-style-type: none"> <li>- New institutions must be licensed by the <i>Consejo Superior de Educación</i> in a process that takes between 6 and 11 years.</li> <li>- Graduate degrees do not need recognition, although there is a voluntary accreditation process for doctoral and academic Master's programmes.</li> </ul>	None, beyond those that apply to national providers.
Presence of natural persons	<ul style="list-style-type: none"> <li>- None, for teachers or researchers.</li> <li>- Professionals in regulated professions must have their degrees recognized by <i>Universidad de Chile</i>.</li> </ul>	None

\* Chile has signed international agreements with several countries. The most significant ones are the following: México Convention, 1902, which recognizes all degrees except those in the area of health from Bolivia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Peru; treaty with Ecuador, 1917; with Uruguay, 1916; with Colombia, 1921; with Spain, 1967; with Brazil, 1976; and with MERCOSUR, 1998. These agreements provide for the mutual recognition of degrees, thus eliminating the need for recognition through *Universidad de Chile*. Interestingly, Spain has unilaterally suspended the application of the agreement with Chile since its incorporation into the EU. The government is currently studying alternatives to the automatic recognition of degrees established in these agreements, which point in the direction of MRAs of accreditation decisions.

*Source:* Analysis of current regulations as applied to local and foreign higher education offerings.

## **Transnational education and its relevance for quality and equity**

Transnational offerings could certainly enhance the quality of domestic higher education. Indeed, they do so in some parts of the world. This is particularly true where local higher education systems are unable to offer updated programmes, faculty is poorly trained, or coverage is low.

In Chile, the situation is different. Since 1980, the higher education system has grown from eight universities enrolling 120,000 students (about 10 per cent of the cohort) to 200 institutions enrolling over 500,000 students, or about 35 per cent of the corresponding age group. From a mostly publicly-funded system, it has evolved into a self-funding one that charges relatively high tuition fees, even in public institutions. At present, practically all applicants with basic qualifications can find a place in a public or private institution, and 60 per cent of students studying in the public sector are studying with the aid of scholarships or subsidized loans. The composition of the faculty in most institutions is changing: There are fewer full-time faculty members, more people with experience in professional practice being asked to perform as teachers, and a growing market for graduates with Master's and doctoral degrees obtained in Chile or abroad, thus making it more attractive to those graduates to return to Chile.

Foreign providers tend not to bring new offerings into the country. Rather, they offer the same kind of programmes and cater to those students who can pay relatively high fees. Their offerings are flexible insofar as they provide a mixture of virtual and face-to-face education and make it possible for part-time students to organize their studies around their other activities. They use the same kind of faculty, hiring local professionals or academics. If they bring in any specialists, they do so for very short periods of time to offer concentrated courses.

In summary, our experience shows the following traits in transnational higher education:

- market-driven offerings. Transnational programmes concentrate on the areas of business and management, which are those with a

high potential for paying students. Fifty per cent of the programmes identified are in the business area, and no other field emerges as a significant one;

- some innovation and flexibility in the organization of teaching. Most programmes cater to older, part-time students who already have a degree. For this kind of student, the combination of face-to-face and virtual teaching is a plus, and the opportunity to travel abroad to complete the curricular requirements of a programme is also attractive. But this also means that most students are relatively wealthy or that they can at least afford high tuition fees;
- access for those who can pay (in a context where access for wealthy students is not a problem). As stated above, most transnational programmes are expensive (although their fees are not significantly higher than some national programmes).<sup>32</sup> In terms of selectivity, Chilean higher education used to be based on qualifications. Currently, it is more dependent on the ability to pay, at least in the private sector, where public grants, scholarships and loans are scarce;
- quality is at best unknown, many times just poor. The lack of regulation and difficulty in obtaining information on transnational programmes make it very difficult to learn about the actual quality of a given programme. In some cases, it is possible to infer quality from general information (such as the relative prestige of the institution hosting the programme, or the qualifications of the faculty). It is possible only to monitor the information provided by different programmes and ensure that no false information is given to students;
- transnational offerings are mostly concentrated in metropolitan areas (that is, in places with many people, where it is easy to find students and teachers). This is true of most higher education offerings. In those cases, where institutions open branches in rural or distant areas, there are always questions about the availability

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32. All higher education in Chile is paid, and that fees are fixed at the market level. This makes transnational education not significantly more expensive than similar programmes, but middle-income students cannot afford it.

of qualified faculty or teaching and learning resources. However, the country already has a more-than-sufficient number of higher education institutions and programmes. There seems to be no real need for ‘more of the same’; and

- transnational offerings seldom make a significant contribution to the local university that hosts these programmes. In many cases, they seem more like a franchise than a twinning arrangement, even if they are presented as the latter. This is because the local institution provides faculty, teaching and learning resources and, in many cases, even the curricular design.

In this context, the best answer to the challenges posed by transnational education is probably one that does not address the latter directly. Rather, it is one that deals with the quality of higher education offerings within the country. This means establishing stronger or more focused regulatory processes, which may be resisted by some existing higher education institutions. Regulation policies must develop a wider scope and a long-term view, trying to anticipate new developments and challenges that may be associated with transnational education. In order to do this, the following issues should be addressed:

- the need to establish a quality framework that applies to national and international providers within national borders, and to national providers beyond national borders;
- the need to have a strong information system that shows the extent and impact of trade in higher education. It should demonstrate the actual impact of each of the four modes of trade on the provision of a professional labour force, the operation of higher education institutions within the country, access and beneficiaries. It must also make it possible to inform the public about higher education offerings and regulate publicity so that it is accurate and reliable, in order to help potential students make good decisions;
- the need to address national priorities and policy objectives, and to protect national culture, which may be difficult to achieve in a context of competition from foreign suppliers;

- the need to revise current international agreements with a view to protecting quality and introducing the concept of quality assurance or accreditation; and
- the need for adequate measures to protect intellectual property rights of learning materials.

While the role of the government has changed, in part as a consequence of the emergence of private providers and the increasing reliance of public institutions on private resources, it is still responsible for providing a long-term policy framework, regulatory schemes and appropriate financial incentives. This must be done mainly for national higher education. However, the government cannot ignore the fact that transnational education is part of an increasing trend and that trade in higher education will grow whether countries commit to it or not.

### **Strengths and weaknesses of current quality assurance mechanisms**

Chile has a quality assurance system that is probably one of the most developed in the Latin American context (only Argentina and Colombia have arrangements as comprehensive as Chile). But quality assurance schemes in Chile have been developed in response to the needs of the higher education system. As a result, while they have quite effectively dealt with quality issues at the national level, they have been unable to anticipate those challenges that have not been evident. Transnational education poses one of those challenges. It may therefore be said to 'fall through the cracks' of a quality assurance system that addresses many other important quality issues.

Currently, quality assurance mechanisms in Chile effectively regulate the quality of new, private higher education institutions through the licensing process. Licensing has much strength; it has acted as an important means for capacity building within new higher education institutions. It also helped legitimize private institutions, showing that at least some of them were able to consolidate and develop in compliance with quality standards. It has prevented the existence

of poor higher education institutions, at least during the supervisory period, and has made institutions think twice before beginning a process that is rigorous and demanding. In this way, it has helped to weed out weaker proposals.

Licensing also has some weaknesses: It is expensive and time consuming, both for the CSE and the institution. As it focuses on the fulfilment of institutional purposes, institutions quickly learned that in order to achieve autonomy, their proposals had to be kept to a bare minimum. As a result, mediocre institutions survive, become autonomous and then are free to act as they wish, sometimes offering very poor programmes.

Licensing has been a good response to a serious problem, and the evidence from other Latin American countries shows that Chile has managed to keep its higher education system in a manageable condition. However, it cannot adjust to institutions of proven quality, making them go through the whole process. As a result, institutions that have reached international quality levels are tempted to bypass national regulations.

Voluntary programme accreditation has been extremely successful, even if no specific incentives are associated with it. Over 500 programmes leading to professional degrees have applied for accreditation, and most doctoral and Master's programmes have also done so.

Programme accreditation has helped programmes to focus on processes and outcomes, as well as inputs. At the graduate level, accreditation has widened its impact, focusing not only on eligibility for scholarships and grants, but also on quality improvement. Programme accreditation has also provided useful guidelines for more effective allocation of resources, and has made it possible to identify general problems that should be addressed at the institutional level, improving the general health of the organizations.

There are, of course, problems. Programme accreditation is voluntary, which means that the weakest programmes do not apply for accreditation. The fact that there are no additional incentives also makes

accreditation less attractive. At present, the government covers the costs of accreditation. Eventually, however, they should be covered by the institutions themselves, further reducing the interest in accreditation.

From the point of view of transnational education, there are no accreditation schemes available for graduate programmes with a professional orientation, which are mostly offered across borders. Most of these programmes are addressed to adults who already hold a degree, and who require part-time or online teaching. This has probably made it less urgent to provide regulation, since it is assumed that clients for these programmes are mature and knowledgeable enough to decide whether or not to pay for programmes.

Although people with graduate degrees or post-degree certificates find work more easily and receive higher salaries, there is no valid and reliable information available to prospective students regarding the market value of specific programmes. Decisions are usually made on a very flimsy basis.

Institutional accreditation puts the responsibility for all programmes and activities on the institution itself. As such, it can be an effective way of indirectly regulating transnational programmes offered through a national institution. Even though institutional accreditation is in its initial stages, the experience to date shows that institutions take good care to ensure that there are no obvious quality problems with any of the programmes they offer.

### **International guidelines**

International support is essential when dealing with transnational or cross-border education. In the absence of recognition requirements, the ability of a given country to act on programmes offered by another country is reduced and ineffective.

The quality of higher education and regulation schemes depends on the features of national higher education systems and on the definition of national needs and priorities. However, international organizations can provide a general framework that recognizes the potential of



transnational education to improve access and introduce innovation, but is also aware that this is not always the case.

This is the case of the work carried out by UNESCO and the OECD regarding the *UNESCO/OECD Guidelines for quality provision in cross-border higher education* (UNESCO and OECD 2005). One of the most significant contributions made by these guidelines is the emphasis on quality as a joint responsibility of governments, higher education institutions and providers, student bodies, QA and accreditation agencies, agencies dealing with the recognition of qualifications, and professional bodies.

All of these organizations have something to gain from the provision of quality higher education, whether it is provided across national borders or within them. Cross-border higher education reveals responsibilities a lot more clearly. But the important fact remains: quality – whether in national or cross-border higher education – is a shared responsibility. As all parties have something to gain, all must put something in.

By stating what each of these stakeholders is expected to do, and what their role is in improving higher education and helping it become more responsive to the emerging needs of changing societies, the *UNESCO/OECD Guidelines for quality provision in cross-border higher education* (UNESCO and OECD 2005) provides a useful navigation map for the initial stages of quality assurance of cross-border education, and shows the international commitment to quality and equity in higher education.

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## **PART IV**

# **HOW CAN INTERNATIONAL FRAMEWORKS AND CO-ORDINATION CONTRIBUTE TO THE REGULATION AND QUALITY ASSURANCE OF TRANSBORDER PROVISION?**

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## **11. THE UNESCO/OECD GUIDELINES FOR QUALITY PROVISION IN CROSS-BORDER HIGHER EDUCATION: UNESCO PERSPECTIVES**

*Stamenka Uvalic-Trumbic*

### **Context**

Higher education in a more globalized society is characterized by the growing importance of the knowledge society or economy; the development of new trade agreements covering trade in education services; innovations in the field of ICTs and education; and the growth of different forms of cross-border higher education provision. Part of the debate and a response to these trends are issues related to the value of the qualifications offered and their acceptance by the labour market. Quality assurance and the need to provide protection from non-reputable providers or 'diploma mills' are additional concerns for students, employers, the public and the education community itself.

It sheds new light on the issues of recognition of qualifications and the related fields of quality assurance and accreditation, shifting these from a technical level to policy debate.

Within these trends, there is renewed interest in regional conventions on the recognition of qualifications. Adopted under the auspices of UNESCO and covering all regions of the world, it is increasingly recognized that they can provide an educational response to the phenomena of commercialization of higher education, maximizing the opportunities offered by globalization and minimizing its threats with UN principles and instruments.

The main areas of action for UNESCO in higher education were developed at the 1998 World Conference on Higher Education and include the key issues of access, relevance and equity. A follow-up event in 2003 identified the challenges of higher education and globalization. The role of higher education in knowledge societies as an

element of sustainable development was also discussed. Furthermore, looking at new dimensions in quality assurance and the recognition of qualifications as a response to globalization, a Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications was launched in 2002. This forum provided a platform for dialogue and policy debate between different regions and stakeholders in higher education. Moreover, a resolution on “globalization and higher education” adopted by UNESCO’s General Conference called for the organization to work with other partners and develop principles and guidelines for cross-border higher education.

The UNESCO-OECD initiative to elaborate joint guidelines for quality provision in cross-border higher **education is part of this wider context.**

### **The process**

Three drafting meetings were organized (April 2004, UNESCO, Paris; October 2004, MEXT, Tokyo, Japan; January 2005, OECD, Paris). All UNESCO and OECD member states were invited to participate. Official representatives from 94 member states took part in the meetings, as did observers from countries, experts and NGOs, including student representatives.

UNESCO ensured that an inclusive process was adopted, allowing the least-developed countries to be active contributors and express their concerns.

The text produced at the final meeting was further circulated to member states and participants for a one-month consultation process (February-March). This process provided input to the final draft of the guidelines.

The final draft was presented to UNESCO and the OECD decision-making bodies in April 2005. At its 33rd session in October 2005, UNESCO’s General Conference made a decision about further action on the guidelines, which were then considered by the OECD Council in November 2005.

## **Objectives and principles**

The objectives of the guidelines are to support and encourage international co-operation and understanding on the importance of quality provision in cross-border higher education, to protect students and other stakeholders from disreputable providers, and to encourage the development of quality cross-border higher education that meets human, social, economic and cultural needs.

Although voluntary and non-binding, the guidelines, with the support of UNESCO and the OECD, have already gained high visibility. They are aimed at governments but also at other stakeholders, such as higher education institutions and academic staff, students, quality assurance and accreditation agencies, academic recognition and professional bodies.

The guidelines are based on a set of principles:

One of their major features is to enhance responsibility for partnerships, sharing, dialogue, and mutual trust and respect between sending and receiving countries in assuring quality and relevance in cross-border higher education. Furthermore, the guidelines recognize the sovereignty of national authority and the diversity of systems. The guidelines have also enhanced collaboration and exchange. This includes both internal collaboration and exchange between the six stakeholders targeted by the guidelines, but also external collaboration and exchange between sending and receiving countries.

Access to transparent and reliable information, as a key element for mutual trust and understanding, underpinned the discussions related to the guidelines. UNESCO was seen as the central organization to respond to this need, given its clearinghouse function and legitimacy and universality as a UN agency for education.

Part of this effort is the development of an information tool on higher education institutions (HEIs). A portal to be hosted by UNESCO will offer reliable information to students and other stakeholders on the status of HEIs and programmes. It will be accessible free of charge,

and will contribute to protecting students from disreputable providers. The portal contributes to UNESCO's overall activities as a service to students, but also to the Third Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications to be held in 2006, whose primary focus will be empowering students for informed decision-making.

### **Guidelines as a basis for capacity building**

Many participants felt that the guidelines were a good resource for developing countries, as their value resided in the follow-up to be given as a framework for capacity building. At the same time, they are also perceived as relevant for developing countries. Although some 60 countries around the world have quality assurance systems in place, most of them are not geared towards cross-border higher education.

A strategy for capacity building developed by UNESCO is based on regional inputs to the Second Global Forum (June 2004). One of its tasks is to launch a regional network for quality assurance in Africa, AQUAnet, in partnership with the African Association of Universities and with possible support from the World Bank (WB).

Similar activities are supported in other regions. They involve liaising with other partners such as APQN in Asia and the Pacific, Ibero-American Network for Quality and Accreditation of Higher Education<sup>33</sup> in Latin America, CANQATE in the Caribbean, regional accreditation in the Arab states, and the Gulf Cooperation Council as a sub-regional network.

Hopefully, these guidelines will serve as a tool to implement activities.<sup>34</sup>

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33. Ibero-American Network for Quality and Accreditation in Higher Education

34. The guidelines is available at: [www.unesco.org/education/amq/guidelines/](http://www.unesco.org/education/amq/guidelines/)

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## **12. THE UNESCO/OECD GUIDELINES FOR CROSS-BORDER HIGHER EDUCATION – OECD PERSPECTIVES: WHAT DO THEY BRING TO INTERNATIONAL CO-OPERATION?**

*Bernard Hugonnier*

### **Introduction**

The present document focuses on the value added by the *UNESCO/OECD Guidelines for quality provision in cross-border higher education* (UNESCO and OECD 2005) to international co-operation, in particular as regards international trade and investment in education services.

### **The value added by the UNESCO/OECD Guidelines to international co-operation**

As recognized by participants in the three sessions that led to the draft adopted by the governing bodies of UNESCO and the OECD, the guidelines are an original and innovative approach for the following reasons:

- (1) While both UNESCO and the OECD have in the past developed sets of non-binding guidelines separately, this is the first time that they have joined their efforts in a common endeavour. This is a unique feature that will allow all countries to adopt the guidelines voluntarily.
- (2) The internationalization and trade of higher education can benefit both sending and receiving countries. However, certain conditions need to be fulfilled for recipient countries to reap the benefits of such an accord (OECD, 2004). Eight main conditions can be identified:
  - the foreign provision meets the needs (economic, social and cultural needs) of the importing country (relevance condition);

- learners are protected from low-quality provision and qualifications (quality condition);
- qualifications are internationally valid and portable (usefulness condition);
- the risk for the stability and continuity of the education system of the receiving country is limited (sovereignty condition);
- international co-operation among national quality assurance and accreditation agencies is increased (co-operation condition);
- there are strong quality assurance and accreditation systems or their development is to be supported (capacity building condition);
- the brain drain risk is minimized (brain drain condition); and
- the education gap between the least developed countries and other developing countries is mitigated thanks to appropriate development aid in education (education gap condition).

Unless these conditions are all met, questions could be raised as to the benefits for importing countries, notably developing ones, of taking part in further higher education exchange and import, as well as of foreign direct investment in this area.

To be met, these conditions obviously require the involvement of both parties. These issues have not been examined at the bilateral or multilateral levels, while the need to do so is increasing as the internationalization and trade of higher education is rapidly expanding.

This is one of the strengths of the UNESCO/OECD Guidelines for quality provision in cross-border higher education (UNESCO and OECD, 2005) in addressing most of these issues (only the last two are not dealt with by the guidelines).

- (3) In doing so, the guidelines recognize that fulfilment of the above conditions is the joint responsibility of the receiving and the sending countries.
- (4) However, the guidelines go further by identifying the various stakeholders who, within sending and receiving countries, have



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a stake in the fulfilment of the above conditions. Aside from the government, they fall into five categories, namely:

- higher education institutions or providers, including academic staff;
- student bodies;
- quality assurance and accreditation bodies;
- academic recognition bodies; and
- professional bodies.

For each category of stakeholders, the guidelines have identified a set of recommendations.

- (5) Stakeholders are encouraged to take part in drafting guidelines, enhancing their ownership. For the same reason, their dissemination and implementation should rely on the specific involvement of these stakeholders, thus increasing efficiency.
- (6) The conditions listed above are directly related to the challenges posed by the internationalization and trade of higher education. At the same time, fulfilment of these conditions is an issue for the education systems of countries. It is quite appropriate that educational experts develop the guidelines, which in a way are responses to trade and investment challenges.
- (7) The guidelines will emulate international co-operation between sending and receiving countries on quality assurance, accreditation and recognition of qualifications procedures and systems.
- (8) Finally, the guidelines should help developing countries improve their quality assurance qualifications and their higher education system.

## **Conclusion**

The aim of the UNESCO-OECD Guidelines was not to facilitate further expansion of the internationalization and trade of higher education.

Bearing in mind that cross-border higher education is set to expand, the guidelines aim to limit its drawbacks and to maximize its benefits for both sending and receiving countries. This neutral approach can

only stimulate countries to further develop their co-operation, and thus build a globalization system shaped to benefit all.

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### **13. REGIONAL NETWORKS OF QUALITY ASSURANCE AGENCIES: TOWARDS A COMMON FRAMEWORK OF STANDARDS AND PROCEDURES FOR QUALITY ASSURANCE**

*María José Lemaitre*

I have been asked to share with you some comments about quality assurance developments in the Latin American context. I will focus mainly on the experience of MERCOSUR and the recent establishment of the Iberoamerican Network for Quality and Accreditation in Higher Education (RIACES).

MERCOSUR – the Southern Common Market – brings together six very different countries in Latin America: Argentina; Brazil, Bolivia, Chile, Paraguay, and Uruguay. We are different in size, complexity, culture, language and just about every variable it is possible to think of.

We were invited to develop a scheme to compare degrees in the six countries, without interfering with national sovereignty or institutional autonomy, bearing in mind that only three of the six countries had quality assurance schemes. Of course, the three systems were also very different. This made an already daunting task even more complicated.

It took us four years to design an experimental accreditation mechanism, which is currently being implemented. This involved regular meetings – on average, four times a year – of a relatively stable working group of specialists. This stability was a very important factor, and was maintained even when governments changed.

At the same time, three Consultative Committees – one each for medicine, engineering and agronomy – were established. They were responsible for the development of common standards for these professional degree programmes, selected for the initial stage of the MERCOSUR accrediting mechanism.

In each case, a group of disciplinary and professional experts from the different countries decided on a core set of contents, skills and attitudes to be included in the 'graduate profile' or expected learning outcomes for each programme. At the same time, they worked on a basic set of *conditions of operation* (management, human resources, curriculum development, teaching and learning strategies, scholarship, and learning resources) that made it possible for each institution to achieve the already-determined learning outcomes.

Curiously enough, this was the easy part. Experts from the three professions readily agreed on this core and on the basic conditions, with some minor adjustments to specific country characteristics. This was so even when these requirements meant introducing significant changes to the curriculum in some countries. The main difficulty was getting the experts to focus on the essential aspects of training. In many cases it was necessary to differentiate essential learning from mere tradition.

After this, we agreed on a common definition of quality, involving two basic elements:

- external consistency, adjusting definitions in line with the disciplinary and professional reference group; and
- internal consistency, meaning the ability of the programme to respond to the principles and priorities that emerge from the higher education institution's mission or stated purposes.

Under this definition, programmes are able to respond to different cultural demands, social differences and the requirements of different constituencies, while complying with the essential learning outcomes that determine professional proficiency.

The second stage – that of determining common quality assurance procedures – proved to be far more difficult. The initial proposal suggested a supranational organization (this was never mentioned in so many words, but the power vested on external review teams turned them into a *de facto* decision-making body over national agencies). However, this was promptly and strongly rejected by all.

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The issue, then, was how to make accreditation decisions by national agencies mutually recognizable by the other countries. The discussion centred on the procedures that agencies must follow. Countries that already had operative agencies tried to protect their own procedures, but after several months of heated discussions, we agreed on the following set of common procedures:

- all countries had to base their decisions on the outcomes of self-evaluation processes and of external reviews;
- the basis for both the self-evaluation and external review were the agreed-upon criteria and standards for each programme;
- external reviews had to be carried out by teams including at least two reviewers from other MERCOSUR countries; and
- all external reviewers had to go through a training process approved by the MERCOSUR secretariat.

As a result, each country trusts the decisions made by the national agencies and, on that basis, immediately recognizes accredited degrees.

This experience shows that when external quality assurance agencies apply rigorous standards, consistent with the expectations of the disciplinary and professional community; have procedures that are able to ensure that higher education institutions and their programmes fulfil those standards; have internal quality assurance procedures of their own; and comply with standards of good practice for QA agencies; they contribute to building trust in higher education provision.

The MERCOSUR Accreditation Scheme is still at an experimental stage. We have finished the accreditation of agronomy programmes, and are working on engineering. As for medicine, accreditation procedures started during the second semester of 2005. This gives us the chance to revise and improve standards and procedures as well as information necessary to extend the process to other programmes. This will then improve the procedures used to recognize degrees on the basis of quality considerations throughout the region.

The MERCOSUR process was possible due to the collaboration of a number of stakeholders: It had the active support of each national government; higher education institutions and professional associations contributed the experts who developed the standards for each programme and were willing to test them in experimental reviews; and quality assurance agencies and specialists agreed to change their procedures in order to make them compatible with those agreed upon for MERCOSUR, and accepted the responsibility for conducting accreditation processes with the support of academic and professional reviewers. As a result, the measure of trust among countries and agencies increased significantly. This in turn helps achieve the long-term goals of integration for countries in the region.

## **RIACES**

The Latin American countries, with the added presence of Spain, have established the Iberoamerican Network for Quality and Accreditation of Higher Education (RIACES). This is meant to provide support to other countries that are just beginning to develop quality assurance procedures.

RIACES is focusing its work on the following main areas:

- training for staff working on quality assurance agencies;
- support for the higher education institution's faculty and staff engaged in self-assessment;
- training and exchange of external reviewers;
- establishment of a clearinghouse for manuals and other QA materials; and
- translating manuals and other materials into Spanish, in order to take advantage of what is being done in the rest of the world, and into English for those materials developed in the region.

We are grateful for opportunities such as this meeting. Gatherings held in languages other than English seem not to exist in the larger community. We think that our experience may offer a useful contribution to the international development of quality assurance.

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## 14. INTERNATIONALIZATION OF HIGHER EDUCATION: THE INDIAN CONTEXT

*Ved Prakash*

### **Introduction**

There has been an upsurge in demand for higher education since the country's independence in 1947, accompanied by a virtual explosion in the number of universities and colleges. India now has a system of higher education with 343 degree-awarding institutions. All of these institutions of higher learning can be broadly placed in six categories, namely: central universities; state universities; deemed universities; private universities; institutes of national importance; and premier institutes of management. There are also 16,885 colleges providing both undergraduate and postgraduate education. Approximately 200 of these are autonomous colleges. Although they are affiliated with different universities, these colleges have the freedom to develop their own curricula, evolve their own criteria for admission, pedagogy and assessment procedures, and conduct their own examinations.

A large number of young people enter higher education with a view to obtaining degrees necessary for entering into a growing number of jobs. Enrolment currently stands at 9.95 million, with 8 per cent of students enrolled in colleges and the rest in universities. Of the total enrolment, 45 per cent of students are pursuing their degrees in arts, 20 per cent in the sciences, 18 per cent in commerce and management, and the remaining 17 per cent in professional courses. As regards enrolment of the relevant age group in higher education, we have achieved a rate of 7 per cent. Higher education in the country is taught by 456,742 teachers. Although faculty are recruited by individual institutions according to their rules and statutes, the minimum qualification and scales of pay for different posts are prescribed by the University Grants Commission (UGC) in the case of general institutions

and by other regulatory bodies such as the All India Council For Technical Education (AICTE) for professional institutions.

### **National qualification framework**

There are four principal levels of qualifications within the higher education system in the country, namely:

- (1) Diploma courses. These are available at the undergraduate and postgraduate levels. At the undergraduate level, their duration varies from one to three years; postgraduate diplomas are normally awarded after two years of study.
- (2) Bachelor's or undergraduate degrees in arts, commerce and sciences. These require three years of education (after 12 years of school education). In some places, honours and special courses are also available that are not necessarily longer in duration but indicate greater depth of study. A Bachelor's degree in the professional field of study in agriculture, dentistry, engineering, pharmacy, technology and veterinary medicine generally takes four years, while for architecture and medicine it takes five to five-and-a-half years respectively. Some other Bachelor's degrees, such as those in education, journalism and library science, are treated as second degrees. A Bachelor's degree in law can either be taken as an integrated five-year degree course or as a three-year course as a second degree.
- (3) Master's degree programmes. A Master's degree normally lasts two years. It may be coursework or research-based. Admission to the postgraduate programmes in engineering and technology of some institutions is on the basis of the Graduate Aptitude Test in Engineering (GATE).
- (4) Pre-doctoral/doctoral programme. These are taken after completion of the Master's degree and may lead to the degree of MPhil or PhD. This can either be completely research-based or can also include coursework. A PhD is awarded two years after an MPhil, or three years after a Master's degree. Students are expected to write a substantial thesis based on original research.



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The University Grants Commission has specified as many as 144 degrees awarded by various Indian universities.

Since education is on the 'concurrent list' in the Union List of the Constitution, the central government has exclusive legislative power for the co-ordination and determination of standards in institutions of higher education. By discharging its responsibility, it has established as many as 13 regulatory and statutory bodies.

**Norms and standards in higher education**

The system of higher education, like any other system, requires performance evaluation, assessment and accreditation of the country's universities and colleges. The University Grants Commission (UGC) established the National Assessment and Accreditation Council (NAAC) in 1994. This council carries out institutional accreditation through a process of self-study and peer-review using seven defined criteria, namely: curricular aspects; teaching-learning and evaluation; research consultancy and extension; infrastructure and learning resources; student support and progression; organization and management; and healthy and innovative practices. The accredited institutions are rated on a nine-point scale ranging from A++ to C, supplemented by a qualitative report. The Government of India established in 1994 the National Board of Accreditation (NBA) under AICTE. NBA carries out programme accreditation of technical institutions. As a result of the sustained efforts of both these bodies, the usefulness of quality and related issues has been widely accepted in the country's higher education system, and the stakeholders of the system, in particular students, parents and potential employers, attach much importance to assessment and accreditation carried out by both the NAAC and NBA.

The Government of India, through AICTE, has also brought out regulations for the entry and operation of foreign universities in India. The policy framework notes that operation of foreign educational institutions should not have a deleterious effect on Indian culture and ethos and shall be open to practitioners of all religions. There shall be mandatory registration of foreign education service providers with a registering authority.

Institutions and programmes offered by such foreign providers should be accredited in their own countries and their awards recognized as equivalent to the awards given for their own campus programmes. They shall maintain minimum standards as laid down by the concerned agency and are subject to external quality review by a designated agency. No any campus of any foreign university is currently operating in the country. However, the presence of cross-border educational providers is very much in evidence through their active campaigns either to enroll students for studies in their home institutions or through the new provisions they offer in collaboration with local institutions through twinning or franchise arrangements. There has been a spurt in the activities of foreign educational institutions since 1990 and their promotional drive is focused mainly on attracting students to their home campuses.

### **Quality assurance and accreditation framework**

In pursuance of the policy of the Ministry of Human Resource Development (MHRD), the Committee on International Accreditation, constituted by NAAC, has resolved to develop a procedural framework. It determined that accreditation should be made mandatory for all foreign universities operating in India. Moreover, the credentials and profile of these universities, including their infrastructure, learning process, fee structure and faculty profile, among others, should be made available to the general public.

The regulations of the All India Council for Technical Education (AICTE) regarding the entry and operation of foreign universities in India aim to facilitate partnerships between Indian and foreign universities. They also intend to safeguard the interest of students and ensure the maintenance of norms and standards laid down by the AICTE. During the period of operation, the foreign institution shall be treated on a par with other technical institutions in India and governed by all the rules and regulations, norms and guidelines issued by the AICTE from time to time. This will put a check on the entry of institutions that are not accredited in the country of origin. With these regulations, the government is determined to enforce accountability in

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addition to systematizing the operation of foreign institutions engaged in imparting technical education in the country.

It is clear that if a foreign institution fails to comply with any of the conditions contained in the AICTE regulations, and/or consistently refrains from taking corrective action contrary to the advice of AICTE, the AICTE may – after giving reasonable opportunity – withdraw the registration granted to such an institution. The AICTE shall also inform the concerned agencies, including the Ministry of External Affairs, Ministry of Home Affairs and Ministry of Finance, of such decisions and advise these agencies to take appropriate measures against the erring institutions.

### **Recognition of qualifications**

In India, the Association of Indian Universities (AIU) has been entrusted with the responsibility of granting the equivalence of degrees and diplomas awarded by universities in India and abroad. It has therefore been designated as a national agency dealing with the recognition of foreign degrees at the national level. The evaluation work involves collecting documentation on education patterns at universities across the world. For this purpose, a close liaison is maintained with the Indian missions abroad and with foreign missions in India.

The equation of equivalence is always established on a course-to-course basis. Major points taken into consideration include: the structure of education along with the timespan for each stage; entry requirements for admission to the course; the nomenclature of the certificate/degree issued at the end of the course; the status of the university; the duration of the programme; the course curriculum and regulation; the examination system; pass requirements; conditions for award of the degree; and parity of the degree outside the country. With all these parameters in mind, each case is examined individually. The matter is then placed before the expert committee for the purpose of ensuring comparability between the course contents. The recommendation of the expert committee is placed before the standing committee, which eventually decides on the equivalence of the degree.

India recognizes foreign degrees obtained through study abroad on a full-time basis. However, they are not yet recognized if obtained through study in India, by whatever means, as part of a transnational programme. This is the case even if both programmes are treated as identical in the country of the transnational provider. Transnational provisions therefore remain unregulated and unrecognized, but the number of such operations is increasing. The Confederation of Indian Industries (CII), for instance, works in partnership with the University of Warwick and the Indian Institute of Management, Bangalore, with Lancaster University in offering degrees in management studies, although the degrees offered by the UK universities in these transnational provisions are not formally recognized. This signifies that even though there is no formal regulatory framework, transborder providers can still enter the education market. The issue of non-recognition of qualifications in such cases does not seem to bother students, who are confident of the value of such degrees in the world of work both at home and abroad. The non-recognition of qualifications might affect only the prospects of those students who wish to enter the public sector, which is currently shrinking rapidly.

### **Cross-border provision**

A number of Indian universities have already established their centres abroad for the purpose of imparting higher education in a foreign land. Indira Gandhi National Open University (IGNOU), one of the leading universities, offers its programmes in more than 30 countries mainly in the Middle East, East Africa, Indian Ocean islands and South-East Asia. Other universities such as the University of Hyderabad, University of Pune, Goa University, Visva-Bharati and the University of Mysore offer a combination of short-term courses for international students known as the 'Study India Programme'.

The University of Delhi has collaborative arrangements with as many as 35 universities throughout the world, including the University of California and University of Texas. Pondicherry University offers its programmes in Dubai, Abu-Dhabi, Doha and Bangladesh. The Manipal

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Academy of Higher Education (MAHE) has set up two centres: one in Muscat and another in Dubai. The Birla Institute of Technology and Science (BITS), Pilani, has set up a centre in Dubai. The Birla Institute of Technology, Ranchi, has set up a centre in Bahrain. These universities have been offering programmes such as the BBA, MBA, computer science and engineering programmes in information and technology for several years.

Several Indian universities have been approached by foreign universities to enter into 'twinning' collaborative arrangements involving exchange programmes in education and research. These would lead to the exchange of students and faculty, the award of joint degrees and the publication of joint research work, among other measures. The Indian higher education system does not have sufficient experience to enter into such collaborative arrangements and is looking for guidelines that could be beneficial to both sides.

The centres of Indian universities abroad award Indian degrees. The equivalence of these degrees with the degrees awarded by foreign universities could be decided by a committee constituted with the consent of both sides. The policy of the Government of India is to take a 'futuristic' view that involves facilitating transborder educational operations without compromising on national safety, culture and stakeholders' interest. These are indicative of trends in a nation that is becoming both a provider and a recipient of transnational education. Indeed, they have a great bearing on the policy and formulation of the guidelines in dealing with transborder providers.

**Prerequisites for cross-border providers**

Any institution that wishes to operate in a foreign country should be required to register with one of the designated regulatory bodies of the host country. This should be reviewed every three years, subject to the satisfaction of the host country. Foreign institutions should be made to submit a 'No Objection Certificate' from the host country embassy. For the registration of a foreign institution, the regulatory body of the host country should run an inspection of the institution with a view

to ensuring that the programmes and institutions are appropriate and up to standards. Once these terms are met, the regulatory body should provide the institution with a registration certificate, with the following conditions:

- (1) at the time of registration, the foreign institution should submit to the registering body of the host country proof of financial viability for a minimum of five years;
- (2) no foreign institution should be allowed to operate under the host country if it is not accredited in the home country;
- (3) the foreign institution should offer only home-country courses;
- (4) foreign institutions should ensure that the degree, diploma, curricula of the courses offered and their duration, etc., are identical to those they offer in the home country;
- (5) foreign institutions are obliged to publish all information necessary for students and parents prior to the start of their programmes;
- (6) the foreign institution should not offer any such programme that jeopardizes the national interest of the host country;
- (7) fees charged by the foreign institution to the students should be prescribed by the institution within the regulatory framework of the host country;
- (8) the foreign institution may offer programmes in collaboration with an institution of the host country provided the latter is accredited by a recognized accrediting agency;
- (9) where a foreign institution offers a distance education programme, the collaborating host institution should have adequate student support facilities as may be prescribed by the professional statutory bodies;
- (10) any change in the collaboration agreement pertaining to the management or functioning of the registered foreign institution, including the expansion of its activities, shall require prior approval by the regulatory body of the host country;
- (11) any foreign institution functioning without registration shall be stripped of its visas and funds and expelled; and
- (12) the regulatory body of the host country may withdraw the certificate of registration of a foreign institution at any time if it

feels that the concerned institution has violated the terms and conditions.

### **Comments on draft guidelines for quality provision of cross-border higher education**

The draft guidelines proposed by UNESCO with the objectives of ensuring quality and safeguarding the interest of the students are indeed praiseworthy. The guidelines are not just addressed to governments, but to different groups of stakeholders. There are seven major stakeholders in India:

- (1) **government** – both central and state governments;
- (2) **recognizing body** – University Grants Commission;
- (3) **higher education providers** – universities and colleges;
- (4) **quality assurance bodies** – National Assessment and Accreditation Council (NAAC) and National Board of Accreditation (NAB)
- (5) **professional councils** – There are as many as 12 professional councils, namely:
  - All India Council for Technical Education (AICTE)
  - Distance Education Council (DEC)
  - Indian Council of Agricultural Research (ICAR)
  - Bar Council of India (BCI)
  - National Council for Teacher Education (NCTE)
  - Rehabilitation Council of India (RCI)
  - Medical Council of India (MCI)
  - Pharmacy Council of India (PCI)
  - Indian Nursing Council (INC)
  - Dental Council of India (DCI)
  - Central Council of Homeopathy (CCH)
  - Central Council of Indian Medicine (CCIM)
- (6) **teachers' associations** – All India Federation of University and College Teachers' Organizations (AIFUCTO), Federation of Central University Teachers' Association (FEDCUTA), and individual associations at universities and colleges; and

(7) **students' associations** – National Student Union of India (NSUI), Students Federation of India (SFI), etc., in addition to individual university and college-level associations.

The draft guidelines indicated for each stakeholder are appreciated. However, there appears to be an overlap in some of the issues both within and across stakeholders. For example, guidelines 1 and 3 of paragraph 16 overlap in terms of providing comparable quality education in the host and home country. Similarly, guideline 7 of paragraph 16 overlaps with guideline 5 of paragraph 20 concerning the requirement to follow the code of good practice in the provision of transnational education.

India is still at its formative stage with regard to providing education abroad. At the same time, a number of foreign institutions – both high quality and low quality – are operating in India without any sound mechanism to regulate their entry or operation in India. The country must take urgent steps to ensure that only quality institutions are allowed to operate in India along with the proper mechanisms for the mutual recognition of degrees. By and large, the guidelines indicated for each stakeholder are adequate and correspond to the current reality in India. However, the country has yet to establish a procedure and methodology to make these guidelines operational. Moreover, of the 12 sectors, education is covered by the General Agreement on Trade in Services (GATS). India is a member of the World Trade Organization (WTO). All member countries were mandated to finalize commitments in the education sector under GATS in 2005. The government is in the process of preparing negotiations.

There is a need for strong linkages and interaction between different stakeholders to achieve fruitful results. India has a robust higher education system with a framework of quality assurance. The national quality assurance agencies, namely NBA and NAAC, were established by the AICTE and UGC, respectively. The UGC is an apex body of the higher education system that is mandated to determine and maintain the standards of higher education in India. It has established NAAC as a service sector inter-university centre to assess and accredit



**How can international frameworks and co-ordination contribute to the regulation and quality assurance of transborder provision?**

higher education institutions in India. The mandate of NAAC can be further extended to cover foreign institutions operating in India. This council has also created linkages with international accreditation bodies to ensure that its accreditation is internationally recognized. If India allows foreign service providers to operate in India, it may make it mandatory for them to be accredited through the NAAC.

Cross-border higher education is a developing area in our country. We are both a recipient and provider of transnational higher education. However, we are still at a formative stage and are trying to identify areas in which the entry of foreign institutions should be allowed, as well as whether they should enter on an independent footing or in collaboration with an Indian university or institution. The current government has set up a high-powered committee to look into a number of issues pertaining to the entry of foreign institutions in the sector of higher education. The committee is in the process of developing a nation-wide policy. However, it is felt that the opening of the sector will help students by providing them with access to advanced areas of knowledge, quality content and better delivery mechanisms, in addition to making them globally competitive. While concurring with the draft guidelines, the proposed guidelines should also provide for the following:

- (1) no foreign institution should be allowed to operate in the host country if it is not accredited in the home country;
- (2) foreign institutions should offer only those programmes (with identical curricula, degree, duration, quality, etc.) in the host country that they offer in the home country;
- (3) cross-border providers may be subjected to the same sanctions as domestic providers are likely to face in the country of origin;
- (4) fees charged by the foreign institution should be determined within the regulatory framework prescribed for it by the host country; and
- (5) guidelines may need to address concerns about mutual recognition and reciprocity.

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