Chapter 3
Building Capacity in Quality Assurance
The Challenge of Context

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The purpose of this chapter is to examine quality assurance as an important part of a capacity-building strategy. It looks at the issue of quality assurance in tertiary education with particular attention to the concerns of developing countries, where resources and competencies are often more limited.

Capacity building is essential for developing countries to help them reduce poverty and stimulate economic growth. Tertiary education is important to capacity building in that higher-order skills are a key part of each country's labour force and help to stimulate social and economic change. The growth of the knowledge economy also influences how tertiary education can be used as a capacity-building tool. The labour market is demanding new and changing competencies such as adaptability, communication, and the ability to acquire new skills independently; it is also stimulating migration of skilled labour. Tertiary education institutions must now adapt programmes, curricula, and pedagogy to meet to these challenges. In many countries rich and poor alike, the number of jobs requiring high-level skills has grown faster than those requiring only basic-level skills further stimulating demand (Thorn and Soo, 2006). In most regions of the developing world, demographic trends combined with improving secondary school completion rates led to a rapid expansion of demand for tertiary education. This expansion has put added pressure on many public systems, compressing public expenditure per student in tertiary education with a generally negative effect on quality.

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Many governments are seeking ways to absorb demand for tertiary education while maintaining or improving quality, yet trying to do so without raising public expenditure. Adding to this challenge is the international migration of the most highly skilled students and workers. Such movement of human resources increased dramatically in the 1990s, especially from developing to industrial countries; governments in developing countries find themselves struggling to retain their own students or attract their nationals to return homeward upon completion of study abroad. The population of youth aged 18-23 is projected to continue decreasing in Europe and Japan in the coming years thereby providing greater incentive for student migration, particularly from Eastern to Western Europe (National Science Foundation, 2006). In many instances, the pressure to retain local capacity and manage migration of skilled human resources has led governments to consider policies that seek to increase tertiary education opportunities locally. Such capacity-building strategies have included the expansion of private as well as cross-border provision of tertiary education. Many countries, however, lack a clear strategy although they have to respond to rapid and uncontrolled expansion of both private and cross-border tertiary education.

Planned or unplanned, such an expansion often leads to public concerns about quality of provision as stakeholders frequently lack reliable information about the quality of the education being provided. Governments wish to assure stakeholders that students are receiving a minimum standard of quality no matter the type of provision – whether public, private, domestic or cross-border. There are a range of systematic quality assurance practices in tertiary education that help to gather and disseminate information on quality.

The purpose of this chapter is to examine quality assurance as an important part of a capacity-building strategy. It looks at the issue of quality assurance in tertiary education with particular attention to the concerns of developing countries, where resources and competences are often more limited. This chapter begins with a discussion of the international norms that are emerging in quality assurance, considering the implications of convergence in a world where quality assurance agencies are growing in number and influence. It then transitions to discussion of the operational choices that policy makers, quality assurance agencies, and tertiary education institutions must make. Such decisions have a range of possible consequences that are strongly influenced by the context in which they are applied. Examples from a variety of industrial and developing countries are used throughout the chapter to highlight a sampling of anticipated and unintended consequences. The chapter concludes with an analysis of the overarching issues in quality assurance for cross-border tertiary education and their possible implications for developing countries and capacity-building strategies.

3.1. The complexities of quality assurance

Quality, quality assurance and the evolution of the concepts

The definition of quality itself poses some complexities. There is no universally accepted characterisation of quality in tertiary education. The heterogeneity of institutions, programmes, and degrees at the tertiary level makes the definition and measurement of quality inherently complex. The quality indicators for a research-intensive university are not directly comparable to those used to measure the quality of a teaching institution. Early definitions of quality focused almost exclusively on education inputs such as student selection, faculty credentials, volume of library holdings, and the state of laboratory facilities. The definition has evolved to include outcome measures such as student learning and labour market returns of graduates. But the indicators that are appropriate to measure the skills acquired by a student of one discipline or professional field are not comparable to those used to measure the learning outcomes of another. Assessing the quality of both learning outcomes and institutional development is a tall order for any tertiary education system, yet is ever more challenging for developing countries where financial and human resource constraints can be a major impediment.

While good learning outcomes at the tertiary level are critical to capacity building, institutional development is also understood to be an important element of quality in tertiary education (World Bank, 2002a). Healthy and agile tertiary education institutions are essential drivers of the knowledge economy not only as producers of knowledge, but also as significant societal structures delivering public goods through multiple externalities (Bloom *et al.*, 2006). Ideally, such important institutions should demonstrate accountable and transparent governance, efficient and effective use of resources, accurate and timely data collection, evidence-based decision making, along with the ability to respond to changing demands of myriad stakeholders and external factors.

In spite of its European origin, the Bologna Process is in many ways leading the worldwide dialogue on the question of harmonisation – one that is having a strong impact on tertiary education in developing countries. Bologna began as a multi-lateral initiative in 1999 to harmonise higher education systems and credentials within participating European countries (OECD, 2004). One goal is to have programmes and degrees that are sufficiently comparable by 2010 to permit students, faculty, and graduates to flow freely across national borders. The process started with 29 countries and now includes over 40 – with many developing countries outside Europe

making parallel reforms to keep pace and remain relevant and competitive. The general principles of the Bologna Process are driving part of the agenda as governments in developing countries consider how to leverage tertiary education for capacity building. Quality can be seen as a unifying element of the Bologna Process and quality assurance remains one of the key vehicles through which to assess and coordinate international comparability and harmonisation of tertiary education throughout the world (see Box 3.1 on Hungary).

Although many countries are concerned about the risk of losing highly skilled human capital through brain drain, they also seek to assure comparability of skills and the international recognition of credentials in support of the free flow of human capital for capacity building, or under pressure of new demands for international recognition of credentials. Therefore governments seek parallel objectives: to monitor and regulate the quality of tertiary education, whilst promoting harmonisation of competencies, programmes, and degrees.

Cross-border tertiary education adds a dimension of complexity to the definition of quality, with some observers suggesting that learning outcomes and labour market results should be the focus, whereas others suggest that institutional development still matters – as the providing institutions must be stable to provide for predictability and continuity for students and employers (McBurnie and Ziguras, 2006).

In response to the focus on quality concerns, many governments are choosing to give priority to structured quality assurance processes for tertiary education, frequently by establishing formalised quality assurance systems or by strengthening and even reforming the quality assurance systems already in place to meet new challenges. The evidence is seen in the number of quality assurance agencies that have multiplied rapidly over the past 14 years. The International Network for Quality Assurance Agencies in Higher Education (INQAAHE) was established in 1991 as a professional association in support of quality assurance agencies in 18 industrial countries (*www.inqaahe.org*). Since that time INQAAHE membership has grown to include the emerging agencies of more than 80 countries and membership continues to grow most notably from developing countries. One consequence of this is that formalised agencies have become the international norm upon which quality assurance is evolving.

The concept of quality as defined by formalised quality assurance agencies has transformed over the last half century, shifting from "excellence" or "outstanding performance" to "fitness for purpose", whereby institutions and programmes are judged according to their unique missions and objectives (Lenn, 2004). Moreover, different stakeholders

expect different outputs and outcomes from the same institution or programme. Such shifts in the interpretation of quality require analysts to parse out explanations for the assortment of ways to assess quality. This can sometimes thwart efforts at standardisation, comparability, and harmonisation (Finnie and Usher, 2005). While there are many points of concern impelling policy makers toward finding common solutions to assure quality, there remain multiplicities of contextual differences and path dependencies that necessitate the persistence of unique approaches.

Box 3.1. Hungary looks to Western Europe

With the dramatic political changes in Eastern Europe after 1989, higher education in Hungary fell into disarray. To bring some order to the system without heavy government regulation or control, the 1993 law on higher education created new buffer organisations such as the Hungarian Accreditation Committee (HAC) and the Higher Education Scientific Council (ESC). The HAC was established to oversee the ongoing supervision of the standard of education and scientific activity in higher education. By 1995 the Government of Hungary had formulated a higher education policy with one of its main objectives to move the country toward accession to the European Union by engendering and maintaining high quality standards. The government hoped to improve the quality and relevance of learning outcomes and also to speed the adjustment of skills of workers to the requirements of an outward-oriented market economy.

The World Bank supported a higher education reform project for Hungary that included training and development of HAC just prior to the Bologna Declaration. The project sought to make several changes in teaching programmes and structures with the objective of increasing flexibility, providing compatibility of Hungarian qualifications with the EU and ensuring quality. The Ministry of Education issued a decree in 2000 establishing a national student credit system, and higher education institutions took the initiative to implement the system. Full implementation will require establishing the minimum credit requirements for about 500 separate degree programmes. The project also supported strengthening quality control in the accreditation of degree programmes through the support of HAC, which not only developed a solid reputation but became an active member of the European networks which harmonise academic qualifications to ensure student and worker mobility within Europe. It has taken the lead in establishing the Central Eastern European Network. HAC began with institutional accreditation and has expanded its mandate to include programme accreditation – particularly of graduate programmes – with an orientation toward improvement and in support of institutional strategic planning rather than regulation.

Source: World Bank (2001).

Convergence and divergence of quality assurance practices

There is a documented tendency toward convergence on an international model of quality assurance practice (Crozier *et al.*, 2005). Whether using

audit, accreditation, evaluation, or other methodologies, formalised external quality assurance for tertiary education tends to be based on several nearly universal elements of practice: institutional or programme self-assessment, followed by an external peer review, with reporting to the institutions, oversight authorities and sometimes to various other stakeholders. These culminate in an official determination on quality and standards as they are defined by the system. The convergence model of quality assurance is based on general principles that have proved effective in assuring the quality of traditional delivery modes of tertiary education in a variety of industrial and developing countries. The most common mechanisms used by formalised agencies tend to be accreditation and audit of programmes and/or institutions. Audit is generally understood to be the evaluation or review of procedures, processes and mechanism in a programme or institution. Accreditation is generally understood to be an overall assessment of the quality of an institution or a field of study based on minimum standards.

Although it appears that most quality assurance systems around the world have converged on many common practices, they often differ in important ways: they vary according to their purpose, philosophy, level of state involvement, the tools they use for assessment, the nature of their judgments, the level and method of public reporting, the nature of benefits and sanctions, and the linkage to various regulations and funding decisions. Professional associations can also be involved in assuring the quality of their professions and can often be very much a part of the quality assurance system of a given country. The convergence model of quality assurance typically contains various components that form a web of data collection and assessment that serve first as a diagnostic tool. Today, however, the most effective quality assurance systems have incentives built in to encourage taking the information generated one step further: as part of a virtuous cycle of quality improvement within tertiary education institutions and programmes, as well as to inform evidence-based decision making.

Irrespective of the modality chosen for quality assurance, the locus of responsibility for quality is thought by many to rest with the tertiary education institutions themselves. This is underscored in the Bologna Process. In the Berlin communiqué of 2003, education ministers cite directly the role of institutions in conducting quality assurance exercises, thereby helping them to develop internal cultures of quality. In examining quality assurance options, policy makers can sometimes lose sight of the key role institutions must play in the process, and how policies and practices that affect institutions and their organisational behaviours are often key to developing cultures of quality. Ideally quality assurance is a balance of internal reflective processes and external verification and analysis. Nevertheless, reliance on internal institutional processes as a first step to

assure quality can be unrealistic in some instances, particularly in contexts lacking sufficient human resource capacity to undertake the required tasks, where governance structures present inherent conflicts of interest with a limited number of existing institutions (see Box 3.2 on Nepal) or where installation of checks and balances cannot keep up with the rapid expansion of new education providers.

Box 3.2. Nepal proposal for quality assurance in an environment dominated by a single institution

Nepal's quality assurance programme is now moving from concept to implementation. The Quality Assurance and Accreditation Committee (QAAC), was recently established under the auspices of the University Grants Commission (UGC) of Nepal – an outcome of recommendations made in the Tenth Five-Year Plan (2002-2007). The Government of Nepal has moved quite rapidly in establishing the QAAC and the detailed planning of processes and procedures are already in place. The World Bank is helping to support the establishment of QAAC to conduct quality assurance and accreditation of higher education colleges and study programmes. Its focus is on both accountability and quality improvement. Institutions can choose either accreditation or auditing depending on what is most appropriate for their regulatory status. Similar to many other countries, Nepal's higher education sector is going through rapid expansion. Nepal has five universities –although it is one institution, the Tribhuvan University, which enrols 90% of the 130 000 students enrolled – as well as two academies and a number of foreign university affiliated institutions.[1]

The QAAC manual lays out a very clear and detailed process for accreditation which converges on the international norms of self-evaluation, external review and recommendation by the QAAC. All accreditations in Nepal will be voluntary. The accredited institution will be graded on a four point scale with grades A (90-100), B (75-89), C (60-74), and D (50-59) based on the pre-determined criteria. The QAAC will be a subsidiary body based within the UGC. The fact that the proposed quality assurance system for Nepal is located within the UGC could be seen as authoritative, yet given the predominance of one institution over the entire tertiary education system of Nepal, alternative structures may not be advisable. The conditions in Nepal portend a quality assurance system that relies heavily on the commitment of institutions to the quality assurance process. It remains to be seen precisely what types of incentives the quality assurance system of Nepal will develop to ensure that institutions develop ownership.

Source: University Grants Commission of Nepal (2005).

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[1] The university system works under the affiliation system, similar to that in India and includes publicly funded constituent campuses and privately funded affiliated campuses. In total there are 511 higher education institutions of which 476 are run by national universities/academies and 34 are foreign.

It is also possible that emerging providers may be reluctant to make information about their conduct and operation public, necessitating external regulations requiring data provision. Quality assurance of cross border tertiary education also presents a particular challenge in this regard, as local bodies may be required to assure the quality of foreign-based education through heretofore unconventional methods.

General principles of good practice

Recently the members of INQAAHE, the global professional association in support of quality assurance agencies, debated and agreed upon key elements of good practice for quality assurance agencies. This culminated in the 2005 publication of the INQAAHE Guidelines of Good Practice (*www.inqaahe.org*), a set of 10 general principles that respect the wide diversity of approaches to formalised quality assurance agencies, but which can be used as a framework to consider the first layer of overarching decisions and practices each new and existing agency must make. These include development of an agency mission statement, relationship of the quality assurance agency to the tertiary education institutions under their review, governance issues related to decision making, external checks, public disclosure, documentation, financing, appeals processes, agency monitoring and inter-agency collaboration. The European Association for Quality Assurance in Higher Education (ENQA) has also developed a consensus on generic standards for both internal and external quality assurance practices (ENQA, 2005). With specific consideration of issues related to cross-border higher education and with foresight toward the protection of developing countries, UNESCO and the OECD have published a set of Guidelines for Quality Provision in Cross-border Higher Education; these were generated in broad consultation with member states (see Annex 1).

In addition, UNESCO has collaborated with the Asia Pacific Quality Network (APQN), a regional association of quality assurance professionals, to articulate practical steps to help countries address in a concrete manner the regulation of cross-border higher education.[2] Such general guidelines and toolkits are useful to policy makers, leaders of tertiary education institutions, and quality assurance practitioners at all levels; the documents cover panoply of issues that must be considered before making very context-specific decisions related to quality and quality assurance. The UNESCO-APQN toolkit is particularly sensitive to the concerns of developing countries, emphasising the resource constraints and practical steps in establishing an effective system to regulate cross-border tertiary education while considering prevailing public opinion. Such a toolkit can be particularly useful in guiding policy makers during the all stages of dialogue on quality assurance. Such guidelines notwithstanding, governments, policy makers, institutional leaders, professors and students will likely need to consider additional elements as they move forward with the establishment or reform of any quality assurance system or practice. The rest of this chapter will discuss such elements and their implications for cross-border tertiary education.

3.2. Developing capacity in quality assurance

There is no common definition of quality in tertiary education, and certainly no common metric with which to measure it. Yet, through the worldwide influence of the Bologna Process and the need for harmonisation of learning and recognition of credentials for the purposes of mobility, quality assurance has become important as a way to develop common metrics and provide information to stakeholders. There is clearly a convergence on quality assurance methodologies and increasing agreement on the general principles of good practice. Nevertheless, each country context is unique and therefore each country has its own purpose for quality assurance – whether to protect consumers from poor quality or encourage excellence. This section will discuss the alternatives offered to countries willing to develop capacity in quality assurance – either to improve their system or build a new one. The elements for consideration are outlined in Table 3.1 and will be discussed in this section.

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[2] *www.apqn.org/files/virtual_library/other_reports/unesco-apqn_toolkit.pdf*

Table 3.1. Considerations in the establishment and reform of systematic quality assurance practices

Purpose	Regulation Recognition – comparable standards Accountability Consumer protection – minimum standards Excellence Improvement in outputs/outcomes Institutional development
Philosophy	Motivational Authoritative Voluntary/mandatory
Audience	Government Institution Students, families Employers, benefactors Stakeholders Public at large Foreign institutions and employers
Authority	National Regional Provincial/state Municipal Institutional
Administration	Government Quasi governmental body Non-governmental body Professional association Institutional committee
Scope	Public sector Private sector Domestic/foreign Partial/comprehensive
Level of analysis	Institution Programme Instructor Learner
Focus	Inputs (*e.g.* admissions, faculty, learning environment) Outputs (*e.g.* graduates, research findings) Outcomes (*e.g.* student learning, jobs, innovations)
Mechanism	Licensing/certification Recognition Evaluation Audit Accreditation Examination Ranking Benchmarking Performance indicators Total Quality Management (TQM)/ISO 9000 Qualifications framework

Table 3.1. Considerations in the establishment and reform of systematic quality assurance practices (*continued*)

Methodology	External: survey/inspection Convergence: self-study/peer review Internal: institutional quality committees or cells
Product	Data Report, analysis Ranking, score
Transparency measures	Publication of all standards and procedures Establishment of norms relating to conflicts of interest Requirement that all reports be signed by all team members Formalised registry for decisions Establishment of a clear and effective system of appeals
Source of financing, sustainability	Government resources Institutional dues payments In-kind contributions of time, material, and resources Donor agency resources
Cost	Administration, staff and overhead Training for self-assessment, external reviewers Technical assistance Materials, website Self-assessment costs External peer review costs
Capacity assessment (central, institutional, departmental)	What dialogue is necessary? Whose input should be solicited? What processes, staff, administration is in place? What is needed? How long will it take? What will it cost?
Consequences	Recognition Authorisation to award credentials Rewards (*e.g.* resources, access, decision-making power) Warnings Sanctions

Source: World Bank.

Purpose and philosophy: quality assurance for what?

The first step toward the development or evolution of quality assurance systems should be a careful consideration of the specific reasons or purposes for establishing formalised quality assurance in the given country context.

For some governments the overriding concern is *regulation of the sector* – whether to impose order on a disorganised set of institutions in a fast-growing sector or to provide assurances as to the quality of emerging cross-border provision in the local environment. Some quality assurance systems are heralded as the cause of less government regulation. For instance the US system of voluntary, non-governmental accreditation is thought to be the

reason that the national government is not more involved in the affairs of US higher education – save for the federal role in higher education finance and equity measures which are used to steer public investments and encourage socially conscious institutional behaviours.

In other countries the overriding purpose of quality assurance is to *respond to the demand for recognition of credentials and harmonisation of programmes*. Quality assurance systems are frequently put into place to make tertiary institutions accountable to the government and to protect students and employers by ensuring that minimum standards are met.

Increasingly governments are seeking ways to infuse their quality assurance systems with incentives that stimulate a cycle of *quality improvement* – using the findings from the quality assurance process to inform decision making to go well beyond minimum standards toward improving outputs, outcomes, and efficiency. Determining the purpose or range of context-specific objectives for structured quality assurance processes is an important first step which provides a framework from which all other decisions will flow. Generating a consensus on the purpose(s) of quality assurance will help determine how quality will be defined (see Box 3.3 on Bangladesh). Consideration of the purpose(s) of quality assurance is not a static consideration and must be frequently revisited so that the system can be modified to changing realities.

It is the articulation of purpose and objectives that will determine the precise standards to be assessed, as well as the instruments and methods to be used. The purpose of a country's quality assurance system will also determine many of the operational characteristics of a quality assurance system, whether it is to be voluntary or mandatory, whether governance and finance will be dependent on public sources, and the nature of the quality assurance system.

While there is a range of philosophies upon which quality assurance can be based, there are generally two broad camps: *authoritative* or *motivational*.

Many traditional quality assurance systems which focus on regulation, accountability, and minimum standards tend to be driven by an implicit philosophy based on authority. Such a driving philosophy often emerges from a quality assurance system that clearly outlines the government's role as one of watch dog, providing the clear culture based on sanctions for under-performance of programmes or institutions. The authoritative philosophy is strongly couched in early models of quality assurance that focused on inputs over outputs and outcomes. Also, mandatory, government-based systems generally send a message to institutions about authority.

Box 3.3. Bangladesh purposes of a newly emerging quality assurance system

Establishing a quality assurance system for the tertiary sector has become a priority for the Government of Bangladesh since 2005. In its Strategic Plan for Higher Education in Bangladesh – a broad based strategy document for the tertiary sector covering the next ten years – the University Grants Commission (UGC) has proposed establishing an Accreditation Council "… for improving and facilitating higher education rather than a controlling and punitive body". At a time when the higher education sector has grown rapidly, with particular growth in private sector, quality assurance has come to be seen by the Ministry of Education as essential. The total number of universities in the country has grown from 7 public universities in 1985 to 79 public and private universities in 2005. Private institutions were initially permitted in 1994 and have expanded from 16 in 2000 to 53 in 2005. Today, a total of 2 million students are enrolled in the entire university sector. Another issue that has focused attention on quality assurance is the relevance and quality of qualifications from the tertiary education sector and how they meet the growing manpower needs of Bangladesh. At present there is no quality assurance system at the tertiary level in Bangladesh: there are no known internal quality assurance cells within public universities, and there are currently no external quality review systems.

The objectives of quality assurance in Bangladesh are to (i) ensure minimum standards; (ii) ensure a high quality standard of higher education that prepares competent, knowledgeable and far-sighted people to assume higher responsibility; (iii) extend the scope of educational courses, to provide for instruction and training of a large number of pupils, and to raise the standard of education and maintain it; and (iv) establish a quality assurance system that emphasises openness and transparency so that any stakeholder will be able to know about the quality of the institution. The proposal recommends the establishment of an independent and autonomous body called the Accreditation Council or Board. The proposed body would undertake three types of activities. These include formal accreditation reviews, promoting internal quality enhancement and quality improvement in universities, and undertaking external audits of self-assessments and self-reviews. Quality assurance would be mandatory for all public and private institutions yet to be funded by the UGC.

The proposed system emphasises both quality enhancement and accountability. It is very much a model that seeks to converge with international norms and practices. To achieve these ambitious goals, the needs for institutional and human resource capacity are very high. It is important to determine whether such capacity exists in Bangladesh for such an ambitious undertaking and, if not, what capacity building will be necessary to achieve the stated purposes.

Source: University Grants Commission of Bangladesh (2005).

Quality assurance systems that espouse a motivational philosophy appear to be emerging from the recent convergence on practices which intend to feed the virtuous cycle of quality improvement, focusing on using the quality assurance processes as a tool for institutional development and

decision making. While voluntary, independent quality assurance systems are intended to be more motivational, they can sometimes lack appropriate incentives to encourage participation and compliance. In such instances linking accreditation or audit results to clear rewards – such as supplemental financial resources for participation or good performance – can provide indirect incentives for compliance.

Depending on the country context, one strategy may be more effective than the other. A motivational philosophy may not work for private sector institutions in countries where the distribution of public resources is limited to public institutions, and it may be more difficult to practice with regard to cross-border tertiary education. Policy makers should consider how to motivate private and cross-border tertiary education institutions when financial incentives are lacking. One alternative is for the quality assurance system to leverage the need for private sector and cross-border institutions and programmes to generate credibility by securing local and international recognition of credentials and outputs. Public sector institutions require incentives as well, particularly in countries where the legal framework is skewed toward regulation of the private sector and can seem to tacitly exempt public tertiary education institutions from participating in the quality assurance process.

Quality assurance for cross-border tertiary education is frequently regulatory in nature and therefore strives to be authoritative when it stems from receiving countries. One of the problems with assuring the quality of cross-border provision is that there are a limited set of sanctions available in local markets, short of programme closure. Some sending countries also approach the quality assurance of the cross-border provision of their higher education institutions with a motivational philosophy wherein incentives are linked to reputation. It can also be seen as both authoritative and motivational when they do not allow domestic institutions to distinguish between their credentials awarded at home and under other cross-border arrangements.

Audience: information and quality assurance for whom?

Depending on the purpose and philosophy of quality assurance, policy makers need to consider to whom the results of quality assurance will be made public. Information is the key to quality assurance, whether it is gathered internally or externally through audit, accreditation, examination, inspection, routine data collection or other methods at the institutional or departmental level. Stakeholders of tertiary education – governments, students, families, employers, investors, and even foreign stakeholders – are keen to acquire information about the quality of institutions and academic

programmes. The information they seek is essentially about learning environments, learning outcomes, research outcomes, relative reputation and labour market returns. Such information is used for accountability to governments and stakeholders, as well as for decision-making purposes by students and employers. Another type of information sought concerns various aspects of institutional operations and efficiency.

Yet not all quality assurance systems can or do collect data to provide information on all desired aspects; not all information from the quality assurance process is intended for consumption by all stakeholders at all times. Since quality assurance is essentially about producing and using information, identifying the intended audiences and communicating quality assurance findings to them also represents an important step to developing an effective system. Policy makers have to decide what data should be collected, how it should be analysed, and who should receive which pieces of information. They also need to consider what form that information should take and how it should be used. This is a particular concern with information regarding the quality of cross-border tertiary education because of the generally authoritative, regulatory approach to such quality assurance. In addition to issues related to regulatory frameworks, policy makers should consider a communication strategy to inform stakeholders about the quality of cross-border provision and consider providing transitional arrangements to students who may be faced with the closure of their institution or non-recognition of their programme or credentials. The Guidelines for Quality Provision in Cross-border Higher Education (see Annex 1) put a strong emphasis on communication and transparency.

The choice of audience is linked to the purpose and the philosophy. Governments can use information generated through quality assurance processes to make regulatory and financing decisions, as well as decisions that can inform the design of incentives for good or improved quality. This can be in the form of a report, but in some instances governments focus on discrete performance indicators, examination results, or labour market returns on which to base their judgments. Institutions and programmes in some instances can also seek information from the quality assurance process and use it to make adjustments based on clear evidence so that they can improve quality factors. It is often said that accreditation reports are so dry that the only people interested in reading them are university leaders. Students, families, and employers tend to lean toward the consumption of press rankings or other scoring metrics. Scoring systems help to reduce a large amount of disparate data into a digested, if sometimes overly simplistic, form. Nevertheless, such information also lends itself readily to comparisons across programmes and institutions (Finnie and Usher, 2005).

Disclosure of quality assurance findings is a very sensitive topic, as it can either serve as an incentive or disincentive for participation and compliance. In the United States, accreditation results are generally not made public so that the institutions retain the incentive to participate in the process and are given time to take corrective action upon an unfavourable judgment. It can be argued that limited disclosure reduces the transparency benefit of quality assurance to a certain degree, yet the benefits of encouraging participation must be weighed in parallel. In some countries quality assurance results are widely broadcast to the public which can stimulate healthy competition among institutions and influence market mechanisms by providing end users with important information about quality. The output of the quality assurance processes should be tailored to the specific purpose and audience – whether raw or analysed data, a comprehensive report including quantitative and qualitative analyses, rankings, or examination scores.

The information about cross-border tertiary education emerging from a quality assurance or regulatory process is strongly intended to protect consumers as well as the local tertiary education institutions of receiving countries. Students receiving cross-border education need information about the recognition of their acquired competencies by local and foreign employers and authorities. Moreover, the quality assurance of cross-border education should inform students about the recognition and transferability of credentials and the long-term operational viability of the providing institution.

Administration: level of autonomy, authority, and oversight

Another question to be addressed is how quality assurance agencies or processes should be administered and what relationship to government they should have. Quality assurance processes can be administered by government-run quality assurance agencies or professional bodies, quasi-governmental bodies, private/non-governmental organisations, professional associations, or quality committees within tertiary education institutions themselves. In many countries, these quality assurance structures exist in parallel. Irrespective of administrative auspice of a quality assurance system, governments generally have ultimate authority over recognition of quality assurance judgments and enforcement of quality assurance-related sanctions for institutions or programmes that are determined to be sub-standard. Governments are in most instances viewed as the ultimate authority for monitoring the monitors. Governments are also generally the entity with the ability to enforce regulations and distribute quality incentives in the form of supplemental financing for good performance.

International experience suggests that one locus of authority is not necessarily better than another; however each has its benefits and drawbacks. The major concern is that any entity conducting quality assurance processes must have independence and freedom to conduct an unbiased assessment. Some level of autonomy is generally expected, though many quality assurance systems are largely financed by government and operate as a government entity, so there can often be a heavy hand by government and potentially inherent conflicts of interest. Public universities in many countries are often staffed by civil servants and are sometimes overseen by political appointees. Private universities are in many instances led and supported by some of the most influential members of local society – often by wealthy industrialists and respected intellectuals with close ties to government or to those engage in accreditation or audit processes. Quality assurance systems dominated by governments can become overly lenient on public institutions yet overly critical of private ones or vice versa. The goal in any system is to treat all programmes and institutions – public or private – equally and objectively. Moreover, in contexts where access relies heavily on public higher education and capacity is limited, there are no credible sanctions from the government as closing a university or programme can be a difficult decision politically. In addition, such a link between administration and oversight raises the risk of corruption and bias, problems that can deeply affect the legitimacy of the quality assurance process. On the other hand, private agencies can at times be suspected to depend too much on their stakeholders and to be too weak in their relationship with institutions: they are not immune to corruption and bias either. Establishing an agency that is in some way at arm's length from government influence is thus important in maximising objectivity.

Corruption risks can be mitigated by developing an assortment of checks and balances to ensure objectivity and independence of decisions. A legal framework that protects the independence of the quality assurance agency decisions should be enacted. A published operational procedures manual should outline transparent standards and procedures, and establish strict norms relating to conflicts of interest including codes of conduct for reviewers, along with implementation arrangements that separate the administrative functions, financial functions, and recognition/sanction functions as openly as possible. Published procedures should also include enhanced disclosure provisions such as annual accountability meetings, civil society oversight, active involvement of the private sector institutions, external financial auditing. To enhance transparency and recourse, a clear and transparent complaint-handling mechanism and system of appeals should be established. Another important check is to ensure separation between the financing of the quality assurance system and the operational aspects of quality assurance processes. Teams of peer reviewers rather than

individuals should conduct external reviews. Private professional associations often carry special mandates that permit for licensing for professional practice, though care must be taken to prevent lobbying and to prevent dues paying from becoming a corrupt practice by including appropriate checks and balances in accounting.

Many quality assurance agencies are typically responsible for assuring their *own* quality, though in some larger systems there are national recognition authorities that separately evaluate the various regional and specialised accrediting bodies as there may be no other body responsible for this function. Such recognition authority exists in the United States through the Council of Higher Education Accreditation (CHEA). There is also a move toward establishing international recognition bodies for quality assurance agencies, such as the Consejo Centroamericano de Acreditación (CCA) in Central America (see Box 3.4 on CCA). One way to reduce the potential influence of government funding is to insist on greater institutional participation in covering the cost of quality assurance processes. Given the nature of quality assurance, absolute autonomy of an agency is unlikely if not impossible, thus it is important to develop ways to reduce dependence on government resources and protect the independence and legitimacy of the process. Here again the objective is to find a good balance.

Box 3.4. Consejo Centroamericano de Acreditació**n (CCA)**

The *Consejo Centroamericano de Acreditación* (CCA) is a body created under the sponsorship of CSUCA, the association of public universities in Central America, yet has succeeded in including governments, professional associations and private universities in its operation. The CCA was developed with support from several German international cooperation agencies including the *Deutsche Gesselschafft fur Technische Zusammenarbeit GmbH* (GTZ – the German Agency for Technical Cooperation).

Initially the CCA was supposed to operate as a regional accreditation agency, carrying out accreditation in all countries of Central America. Yet there was some opposition to this approach from Costa Rica and El Salvador – countries that had already established their own national quality assurance schemes. The CCA has instead evolved to become the recognition authority of the various national and specialised accrediting agencies of Central America.

There are several specialised regional accrediting agencies under the umbrella of the *Consejo Superior Universitario Centroamericano* (CSUCA).

Source: *www.csuca.org*

Box 3.5. Conseil Africain et Malgache pour l'Enseignement Supérieur (CAMES)

The first formal accreditation processes in Francophone Africa took place in 1968 with the creation of the inter-governmental organisation *Conseil Africain et Malgache pour l'Enseignement Supérieur* (CAMES) to harmonise recognition and promote equivalence of qualifications among member states. Today, CAMES is also responsible for accrediting private universities as well as a number of professional programmes. Currently with a membership of 17 countries, CAMES has a small core team of two professional staff, five administrative staff and four supporting staff with responsibility for programme accreditation of 400-500 programmes every five years and an average of 43 institutional accreditations every year. Evaluation of programmes and institutions is done through its various commissions. However, the small CAMES secretariat is responsible for managing the work of these commissions and to verify accuracy and consistency of reports submitted by the commissions. Clearly CAMES is overburdened and quality assurance of tertiary education remains a concern of local policy makers in most francophone countries of Africa. The Association of African Universities (AAU) has been awarded resources through a Development Grant Facility (DGF) from the World Bank to begin a quality assurance capacity-building initiative across the countries of Africa. The AAU expects to bolster the capacity of regional agencies such as CAMES, along with national and professional quality assurance agencies, and individual quality cells within tertiary education institutions. Such capacity building will take place through technical assistance, training, and global knowledge sharing on quality assurance practices.

Source: World Bank (2006).

The administration, autonomy, authority, and oversight for the quality assurance of cross-border tertiary education introduce a level of complexity as the locus of the various elements can be in the receiving country, the sending country, or even in a third country or multiple countries. Moreover, these programmes are often operated in partnerships between local and foreign institutions. In weighing regulatory options, policy makers need to consider precisely which aspects of cross-border quality assurance should and can be handled locally. Chief among the considerations will be capacity and cost. For many developing countries that often struggle with assuring quality of local providers alone, taking on the added task of assuring the quality of cross-border provision can be overwhelming – or could become so as cross-border higher education expands. Some countries rely on the quality assurance processes of the sending country, yet given possible inconsistencies in the quality of provision, policy makers need to consider the various options for verification of foreign quality assurance results. Quality assurance systems tend to operate at the national or sub-national level. Yet francophone countries of Africa and the countries of Central

America have established regional bodies to help small states and states with very limited resources to pool resources and benefit from collective quality assurance activities – ranging from actual accreditation (see Box 3.5 on the Conseil Africain et Malgache pour l'Enseignement Supérieur [CAMES]) to recognition of national accreditation agencies and activities (see Box 3.4 on CCA). Quality assurance for cross-border tertiary education presents special challenges particular to trans-national nature. Cross-border programmes and institutions operate quite independently from government systems, making them in many ways "stateless" (Knight, 2005). Policy makers need consider now to identify the quality assurance authority that can provide the most comprehensive and frank assessment of quality of local cross-border offerings, yet within the limits of local capacity and resource constraints.

Scope of quality assurance and legal framework

Beyond the administration of quality assurance, policy makers willing to develop or reform their quality assurance system need to examine whether the legal framework in which it operates is appropriate. Another important decision is related to the scope of quality assurance, which does not always cover all sub-sectors of higher education systems.

Laws and regulatory issues are an important consideration in the establishment and reform of quality assurance systems. Existing administrative law, corporate law, and education law should be examined to identify any provisions which might conflict with the development of a quality assurance system. The next step is to determine whether the existing laws in general are sufficient, or whether specific legislation is required to establish an agency, develop regulations, or set standards. While it is presumed that such regulations and standards will be linked to learning outcomes, they can also be related to operational issues such as building safety or employment conditions – any of which could require the passage of new legislation or amendments to existing laws. As mentioned in the previous section, whatever the considerations, the legal framework should endeavour to protect the autonomy of the quality assurance process and its actors to help avoid conflicts of interest and mitigate potential avenues for misuse and corruption. This may include articulation of the governance structure of a quality assurance agency; ideally such structures should support the independence of quality assurance by placing the process at arm's length from governmental or institutional influence.

Another step is to determine the scope of quality assurance: what types of institutions and programmes should be subject to it? There is in principle no reason to have a legal framework for quality assurance that treats public and private institutions differently. It should focus on both with identical

standards. Such parity facilitates comparability (harmonisation of credentials and qualifications) and also ensures fair competition among institutions irrespective of auspice. Yet some countries have as a priority the regulation of the private providers and develop parallel quality assurance systems – one for public and one for private institutions – with divergent standards and practices (see Box 3.6 on Tunisia). Malaysia is one country that had two quality assurance systems – one for private institutions and the other for public institutions. The Government of Malaysia has made a decision to merge these two systems into one so that standards and treatment can be more readily judged as fair and equal irrespective of a university's auspice. The reverse can be seen in Mexico. In an interesting pre-emptive move, the private sector providers of tertiary education in Mexico banded together to form their own quality assurance system in order to ensure their quality of private tertiary education in the face of strong regulatory pressures from the government (see Box 3.7 on FIMPES).

Box 3.6. Tunisia: regulation of private higher education institutions

In 2000, Tunisia established a legal framework for regulating the private higher education sector. The legislation sets out minimum standards for private higher education institutions (HEIs), develops a process for licensing private HEIs that satisfy the stated standards, and provides for state support for licensed private HEIs through a number of measures. The minimum standards relate to a range of inputs: organisational structure, teacher-student ratios, study programme design, examinations process, and teaching infrastructure. For instance, each HEI must have an academic board, a library, a sick-bay, a 1:25 teacher-student ratio in science classes, an academic calendar, etc.

In order to receive a license to operate in Tunisia, a private HEI must submit an application providing information on: (i) the firm's legal status, (ii) its owners and their share of the firm's capital, (iii) the director's personal and professional standing, (iv) the location and ownership status of land and buildings, (v) equipment and library holdings, (vi) the budget, (vii) study programmes, and (viii) teaching staff. This process imposes additional requirements; for instance, there is a minimal level of capital, and the director must be a Tunisian national and have a university degree.

Source: *www.universites.tn*

Some legal frameworks simply outline the baseline requirements to authorise institutions to operate, whereas other frameworks are more detailed, outlining the governance structure for the quality assurance agency, a roster of government sanctions for poor quality assurance performance, and in some cases guidelines for the allocation of public funding linked to quality assurance determinations. Due to evolving labour market demands

and education needs, legal provisions should remain sufficiently general and flexible to adapt readily to changing circumstances. The legal framework is oftentimes the most important (or only) tool for assuring the quality of cross border tertiary education through local regulation (Waite, 2006). It is also partly what can make a country more or less attractive for foreign providers.

Box 3.7. Federación Mexicana de Instituciones Particulares de Educación Superior (FIMPES)

The *Federación Mexicana de Instituciones Particulares de Educación Superior* (FIMPES) was created about 30 years ago, as a way to assemble private universities in a time when the government was establishing strong guidelines for the recognition of private providers. Over the last decade FIMPES role has evolved into one which guards the reputation of good quality private higher education against the rapid growth in the number of so-called "universidades patito" or low quality private higher education institutions. Private universities in Mexico have grown from just 100 institutions to over 2 000. In 1998 FIMPES managed to convince the government to establish a separate institutional accreditation scheme for private universities which runs parallel to the state-based *Consejo Interinstitucional de Instituciones de Educación Superior* (CIIES) accreditation process. This was done in an attempt to avoid oversight from the Ministry of Education. FIMPES has made efforts to have its own accreditation substitute for the CIIES and *Consejo Para la Acreditación de la Educación Superior* (COPAES) accreditation even though FIMPES institutions are founding members of both state-based organisations.

The current leaders of FIMPES are Monterrey TEC, Universidad de la Americas (UDLA) and Universidad Tecnología de Mexico (UNITEC) – all prestigious and recognised private institutions. Several catholic institutions have since left FIMPES membership over disagreements on fees charged. While FIMPES has a certain political weight, it represents only the strongest institutions in the private sector. Some FIMPES members have undergone state accreditation by COPAES, *e.g.* TEC and UNITEC, but other members have only FIMPES accreditation. While it certainly is a parallel system, it has been managed in a transparent and accountable manner and is seeking to expand its mandate to include a student loan system.

The Mexican government has expressed its desire to have the FIMPES institutions simply become part of the official state system of programme accreditation, yet it appears more concerned about assuring the quality of the 1 500 or so institutions that do not belong to FIMPES.

Source: *www.fimpes.org.mx*

Financing and human resource needs

There are two important considerations for policy makers to consider regarding the resources necessary to set up and operate a quality assurance system: costs and revenue sources. Assessing the precise costs of quality

assurance is complex. In estimating the resources necessary for establishment, costs can only be determined once many key decisions have been made: purpose, scope, level of analysis, quality assurance methodology, data collection, review process, etc. Establishing a national, centralised institutional audit system for 100 universities is likely to have different cost implications from starting a system of programme accreditation for 20 disciplines across 100 universities, for instance. The exercises require a vastly different set of inputs, and the precise cost of each input is often hard to estimate, from the staffing of a secretariat to the compensation for peer reviewer time, travel, etc. Perhaps most daunting is to identify the hidden costs to programmes and institutions, as well as the opportunity costs of staff time consumed, teaching days lost, research undone.

Case studies assessing the cost of running national quality assurance agencies in five African countries show a range in costs from USD 200 000 for Cameroon to USD 2.3 million for South Africa (excluding South Africa, the average of the remaining four systems was USD 450 000 per year). When considering programme accreditation, the costs provided by three of the agencies for a single programme review showed an average cost of USD 3 700 per programme review. If a country had a hypothetical 150 programmes to review and assuming that a similar audit team does all of reviews USD 3 700 each (a very unlikely scenario), the total cost would be estimated at USD 550 000. Of the 12 accreditation agencies in Africa, almost 70% of them conduct programme accreditation and several others plan to do so (Materu, 2007). It is important to be cautious when comparing costs among a cross section of countries due to currency valuations and factors related to local cost of living, though international technical assistance and training costs are likely to be similar for a cross section of countries.

It is also important to consider the cost implications for institutions and programmes, not least of which is the opportunity cost involved in faculty and administration time. Institutional leaders will have competing priorities from satisfying government directives related to quality assurance, to promoting an internal culture of quality that is commensurate with the mission and capacity of the institution. As budgets and human resources are constrained in each country, it is important to consider ways in which to economise while still achieving the objective of assessing quality of inputs, outputs and outcomes in a manner that provides sufficient information to make evidence-based policy decisions and provide meaningful incentives for good performance. In some countries this means limiting accreditation or audit to a sample of programmes or institutions, in others it means emphasising the self-evaluation process over the peer review process. In

countries with small systems, the peer review process requires a disproportionate number of foreign peer reviewers to assist in the task, often raising the costs exponentially. In many countries in all regions of the world there are simply not a sufficient number of people with the requisite expertise to carry out the work.

One solution for small countries or for countries with weak capacity is to focus at the institutional level, and establish quality "cells" or departments of institutional research that are charged with data collection and analysis. Such internal systems within universities and other tertiary education institutions cannot only help coordinate a self-study exercise, but can also serve as a repository for longitudinal data on enrolment, retention, repetition, completion, outcomes, finances, etc. Institutional research is a practice that is spreading from North America, Europe and Australia to East Asia and South Africa. Many lessons can be drawn from these experiences, one of which is the ability to initiate quality assurance processes while limiting cost. Institutional research can also leverage regional cooperative activities to build capacity for quality assurance, whether at the institutional or national level. There are several associations which support institutional research as a professional field and offer capacity building through national and international conferences on the topic. More information about institutional research can be found at the Association for Institutional Research (AIR), an American professional association whose purpose is to provide support and professional development opportunities to people doing institutional research. There are also a number of regional and state associations of institutional researchers in the United States, such as the Southern Association of Institutional Research (SAIR), the North Carolina Association for Institutional Research (NCAIR), and the Indiana Association for Institutional Research (IAIR). There are also several international organisations such as the European Association for Institutional Research (EAIR), the Southeast Asian Association for Institutional Research (SAAIR) and the Southern African Association for Institutional Research (SAAIR).

In addition, there are at least five graduate certificate programmes in the area of institutional research at four universities within the United States: Florida State University, Indiana University, Pennsylvania State University, and University of Missouri. These programmes aim to build up skills necessary to conduct institutional research, data collection, statistics, analysis, and reporting. One way to build capacity is to train a number of local faculty or administrative staff through such certificate programmes. Another cost-saving measure can be to encourage the quality assurance role of professional associations, particularly in professional disciplines such as engineering, architecture, medicine, nursing, etc. Governments can support capacity-building activities for licensure in professional fields. Such quality assurance processes oftentimes influence related departments to undertake

self-evaluation practices. While the institutional research and quality assurance support for professional associations can be a good strategy for small countries with weak capacity, these are also good steps for any incipient or reforming quality assurance system – large or small, strong or weak. Regional cooperation for capacity building is growing as a method to ease costs, share opportunity cost, develop expertise, and ensure greater harmonisation of competencies and credentials. Regional networks for quality assurance will be discussed a bit further in this chapter.

The concern is that as policy makers move to promote quality they easily lose sight of the cost implications which become quite real once a system is up and running. Another concern is that policy makers thrust multiple unfunded mandates onto institutions that are already very resource-constrained at the start, often adding the proverbial straw to the camel's back. Cost projections – including opportunity costs and unfunded mandates for departments and institutions – as well as human resource capacity projections are exercises that must be completed long before any decisions are made about which type of quality assurance system is most appropriate for a given context.

Box 3.8. Quality assurance in Indonesia – reform of a large system to deal with resource constraints

By the 1980s, Indonesia developed a limited quality assurance system to evaluate and accredit the rapidly expanding number of study programmes being offered by emerging private higher education institutions. By 1994, the Directorate General for Higher Education (DGHE) found this system to be inadequate and not addressing issues of quality in the public sector institutions. With support from a World Bank project, the DGHE established a single, autonomous National Accreditation Board for Higher Education of Indonesia (*Badan Akreditasi Nasional – Pergurnan Tinggi* or BAN-PT) for accreditation of study programmes at both public and private institutions (World Bank, 1994a). By the turn of the millennium, Indonesia had over 2 000 private and nearly 100 public higher education institutions with tens of thousands of study programmes in need of accreditation. The World Bank began support for reform of the existing BAN-PT to make the workload more manageable by shifting part of the accreditation process from study programme accreditation to institutional accreditation, and by shifting some of the accreditation oversight responsibilities for professional study programmes to professional associations. Chile and Colombia have also needed to reassess their comprehensive quality assurance systems in relation to their capacity to implement.

Source: World Bank (2005).

The source of the funding for quality assurance is the other important consideration. Policy makers need consider how the system will be made *sustainable*. In many instances this means estimating the level and

predictability of government funding for quality assurance, as well as any revenue-generating fees to be charged to the institutions or programmes that are to be assessed. Policy makers must consider how cost sharing can affect the process, particularly when quality assurance systems are based in government offices and often within the funding source itself. There may be little motivation for institutions to pay for accreditation practices. Many systems become sustainable by relying heavily on in-kind contributions – requiring faculty and staff time and effort to conduct self-assessment, as well as participation on external peer review panels of nearby institutions or programmes. Developing countries should also include consideration of donor financing with an eye on short-term and long-term needs, approaching multi-lateral and bi-lateral agencies, as well as NGOs. Low-, medium-, and high-case scenarios for cost sharing should be considered and debated before coming to a final decision on a resource generation and sustainability plan.

While the convergence on an ideal set of centralised quality assurance practices aids in comparability of institutions and programmes, many countries risk biting off more than they can chew by expecting to create a full-blown audit or accreditation system overnight. One consideration may be a gradual, phased approach, limiting the number of institutions or reviews at first until the real cost implications and human resource demands are fully realised. In some instances governments may wish to start with the strongest institutions to experiment with quality assurance in the local context before expanding practices to weaker institutions. In other instances, the quality concerns surrounding a sub-set of institutions may be so acute that it is most prudent to begin with an examination of potentially harmful institutions for regulatory purposes. A third alternative is to begin by assessing a random or purposeful sample on programmes to limit the scope of the interventions. Such practices can give governments and quality assurance systems a chance to re-evaluate their financial and human resource projections early and avoid entering a crisis mode requiring either much greater investment than anticipated, or a complete revamping of the proposed quality assurance process (Box 3.8).

Level, focus of analysis, and mechanisms

The cost estimates and human resource considerations help bring into better light the reality on the ground for the implementation of quality assurance processes. This can sometimes help determine what level of analysis will be emphasised: the institution, the programme, the faculty, or the individual students (through examinations, for instance). The focus of the analysis is considered at the same time to determine just what mix of inputs, outputs (*e.g.* graduates, skills, research findings), and outcomes

(*e.g.* jobs, product development, innovations) will be assessed through the quality assurance process. Instruments such as student learning assessments and graduate tracer surveys are important but can be costly and complex. Depending on the resource constraints, various sampling techniques can be considered to reduce the cost yet produce very useful results that can help provide strong evidence for informing policy directions or for modifying pedagogical practices. In post-conflict environments the concerns for quality in tertiary education are generally related to the institutional development aspects of reconstruction and nation building initially emphasising inputs and outputs over outcomes (see Box 3.9 on Mozambique).

Box 3.9. Quality assurance in post-conflict Mozambique focuses on institutional development

After a protracted civil war, Mozambique held its first elections in 1994, and now has been one of the fastest growing economies in the world, but it remains one of the poorest countries, with a per capita income of USD 430 (2002, current dollars). Sustained economic growth is critical for long term social and economic development and reduction in poverty levels. Mozambique is facing an acute shortage of high level professional skills which are critical for sustaining investments, improving public service delivery and providing leadership for the country. Signalling the seriousness of its intent to strengthen the higher education sector, the Government formed a new Ministry of Higher Education Science and Technology (MESCT) in early January 2000 with a view to supporting the coordination and direction of policies in the sector. Together with the Higher Education Task Force established in October 1999, this accelerated the preparation of the National Strategic Plan for Higher Education (PEES). The strategy, approved by the Council of Ministers in August 2000, forms the basis for a variety of initiatives undertaken in Mozambique higher education – one of which is quality assurance.

One of the initiatives supported by the ongoing World Bank higher education project in Mozambique is the introduction of an accreditation system. Given the post-conflict environment where institution building is paramount, the initial focus of the accreditation systems has been on aspects of institutional development with support for monitoring system performance and quality; analytical studies on incentives, accreditation, validation of degrees; along with the design, introduction and initial operation of a comprehensive Management Information System so that information on quality factors can eventually be used to evidence-based decision making.

Source: World Bank (2002b).

The choice of mechanism(s) to be employed will inform the largest number of decisions to be taken with regard to the operational details of the quality assurance processes. This is why policy makers have to keep in mind their respective cost and be pragmatic. The convergence model of quality

assurance described in the first section is based on general principles that have proved effective in assuring the quality of traditional delivery modes of tertiary education in a variety of industrial and developing countries. Some of the most common methods of quality assurance are defined in Table 3.2. However, moving forward uncritically toward the convergence model of practices without clarity on objectives, structures, processes, costs of operation, and uses of the information collected can lead to many unintended consequences and potentially to a need for major reforms as the systems evolve. By making reasoned decisions on critical issues at appropriate phases, policy makers can better ensure that capacities are built in a sustainable manner that suit local needs most appropriately. This is particularly important in developing countries where capacity building initiatives must be tailored with weak and fragile economies and overstretched human capacity in mind.

Quality assurance mechanisms are frequently presumed to be a national-level system of accreditation or audit; these methods can be applied to entire institutions or to individual study programmes (disciplines, professions) within institutions. A mixture of both institutional and programme quality assurance is quite common, particularly in countries with large and diverse tertiary education systems. These can range from institutional licensing, certification to operate, recognition of legal status, to evaluation, audit, accreditation, or benchmarking. Governments can develop broad qualifications frameworks, or institutions can adopt the practice of Total Quality Management (TQM). International standards can even be assessed using methodologies such as ISO 9000. In many instances the press plays an important role by publicising various types of institutional and programme rankings which have become increasingly vital as information tools for stakeholders. While new quality assurance systems start with one method, reforming systems often add new types of quality assessment mechanisms to their array of quality assurance processes.

The vocabulary surrounding quality assurance is very context-specific and is often highly sensitive; this is particularly the case with translation of terms from one language to another. Although Table 3.2 provides a general set of definitions, these are by no means universal. The most common mechanisms used by formalised agencies tend to be accreditation and audit of programmes and/or institutions. Audit is generally understood to be the evaluation or review of procedures, processes and mechanism in a programme or institution. Accreditation is generally understood to be an overall assessment of the quality of an institution or a field of study based on minimum standards. It is sometimes presumed that audit is less likely to stir political controversy than accreditation, though there is no hard evidence of this since either mechanism can be linked to funding or other rewards and

sanctions. Either mechanism can be manipulated or abused (Alderman and Brown, 2005), particularly in environments where transparency and accountability measures are lacking, or in very small sectors where government officials, university faculty and staff assume overlapping roles.

Table 3.2. Definitions of quality assurance mechanisms

Licensing of institutions	A process by which new tertiary education institutions are granted the authorisation to operate.
Recognition	A process of external quality review of accrediting organisations.
Evaluation/audit	A process of internal and/or external quality review of the quality and efficiency of tertiary education institutions for regulatory and benchmarking purposes.
Accreditation	A process of internal and external quality review to scrutinise tertiary education institutions for regulatory and quality improvement purposes.
National examinations	Used in a few countries to assess the relative aptitudes and knowledge of students about to graduate (as in the Brazilian Provao administered three months before graduation) or to determine the capacity of graduates to exercise a professional activity (medicine, law, accounting, etc.).
Ranking	Exercises that consist in assessing the relative performance or value of tertiary education programmes and institutions against a set of objective criteria (mostly input measures) and perceptions from employers, professors and alumni. These statistical and reputational rankings are designed to provide information to prospective students and to employers. While rankings are sometimes made as part of a formalised quality assurance process, the most popular rankings are generally completed by the press.
Certification of institutions	A process by which the quality of an institution is guaranteed to meet some agreed standards.
Total Quality Management (TQM)	A process of voluntary evaluation and quality improvement commonly used in industry which has also been adopted by a number of tertiary education institutions.
Qualifications framework	A system that recognises and assesses the skills and qualifications of individuals at any age and any stage in their careers, whether these skills and qualifications are acquired in a formal education setting, on the job or through self-study.
Professional licensure	A system generally overseen by professional associations that conducts subject examinations to recognise and assess the skills acquired through a programme of study. This generally leads to a license or certificate to enter professional practice in a chosen field.

Note: Terminology varies across countries.

Source: World Bank.

Yet, different tertiary education systems have divergent needs and capacities for quality assurance – many of which depend on system size, level of institutional diversification, available resources (both financial and human) and the extent of system internationalisation (institutional linkages abroad, level of cross-border tertiary education provision or export). Some countries may have

just one public university or non-university tertiary institution such as Niger or Mauritania, whereas others have thousands of public and private tertiary institutions and multiple foreign providers such as India, Mexico, Indonesia; the size and complexity of the tertiary education system has implications for a country's quality assurance requirements and capacities for implementation. The quality assurance needs for the tertiary education systems in industrial countries are understandably different from the needs of developing countries. Caution must be taken to carefully weigh local concerns, not least of which is often, again, a lack of resources and capacity to conduct a complete array of structured quality assurance processes: one size does not fit all.

In some instances governments must often provide resources – financial and human – to promote the development of effective quality assurance (see Box 3.10 on Indonesia). In countries with limited capacity, it may be the case that governments should consider similar ways to provide basic resources to support the quality assurance of cross-border tertiary education in their domestic environment to protect local stakeholders from poor quality provision.

Box 3.10. Indonesia – government resources to teacher training institutes to support and encourage self study

The World Bank supported the introduction of accreditation mechanisms in a project which helped to finance the improvement of teacher training standards in selected public institutions after the Government of Indonesia decided to upgrade all pre-service teacher training institutions to university status. The objective was to agree upon a set of standards by which all teacher-training institutions could be evaluated as well as to establish a baseline for institutional development. Five autonomous Institutes of Teacher Training and Pedagogy were selected on a competitive basis to participate in the programme, and eleven teaching subject areas were identified. Small planning grants were made available to each institution to enable them to do a self study, which was externally evaluated and validated by professionals and education practitioners. Importance was placed on ensuring that these validations were non-threatening and collegial. According to project completion reports, shortcomings were viewed not as something to be penalised, but were instead viewed by participants as guidelines for improvement. This initial accreditation pilot is credited with generating acceptance of accreditation as a mechanism to improve teacher training, yet infusion of government resources to support the process was instrumental. An Education Consortium was then created to advise the Ministry of National Education on standards of teacher training and investments in quality improvements.

Source: World Bank (1994a).

Product: data collection to assess inputs, outputs, and outcomes

An important decision in the methodological choice is about the type of data collection to be undertaken. This will be necessarily driven by the

purpose, audience, scope and focus of the quality assurance process. The data collection methodologies to inform quality assurance processes range from standard surveys, statistical analyses for key performance indicators, student learning assessments, institutional or departmental self studies, and top-down inspections. As the convergence in international quality assurance practice appears to be in the direction of self assessment followed by peer review, the process can be leveraged as an opportunity to not only collect data, but to build data collection capacity at the institutional level. As institutions are widely viewed as the gatekeepers of quality, the self assessment process can serve as a powerful, formative exercise from which much data can be gathered and evidence marshalled for decision making. Indeed, particularly where data collection capacity is relatively strong and institutions seek engagement in the quality assurance process, the self assessment is the foundation from which the rest of the quality assurance process emanates.

Nevertheless, some institutions or departments may be ill positioned to conduct a sufficiently thorough, reliable and frank self assessment to satisfy the chosen purpose of the quality assurance system. For instance, when the tertiary education system is in disarray and the government seeks greater control over quality assessment to reassure stakeholders, it may be necessary for the quality assurance system to be government-led, compulsory, and based on threshold standards with a strong role for external assessment. Systems driven by the need for greater government control are often high-stakes, culminating in licensing decisions and sometimes even sanctions. Given the variety of resource constraints, policy makers should consider methodologies that leverage existing data sources and local human resource capacity strengths, remaining ever mindful of the chosen purpose of the quality assurance system. While many of the existing guidelines of good practice for quality assurance are instructive and helpful for policy makers and for setting standards, they are less useful on a practical level for academics and quality assurance professionals who must develop data collection strategies and capacities. Lack of sufficient and reliable data collection capacity in developing countries is often the Achilles heel to the introduction of an effective quality assurance system. Building capacity for data collection should be an integral part of quality assurance development. Data on inputs and outputs are more readily available than data on student learning outcomes, so this is likely the most pragmatic starting point for quality assurance in countries with limited capacities. Nevertheless, all quality assurance systems should endeavour to include the measurement of student learning. Such measurements can begin with internal, systematic recording of student course examinations results and grading. These can be expanded to include institution-wide pre-and post-testing.

Development of broad-based, comparable methodologies and tools to assess student learning across institutions, systems, or countries require a significant investment in capacity and coordination. Professional fields such as engineering and medicine benefit from having many instruments to measure outcomes and offer possibilities for comparable standards. National-level general assessments of student learning in tertiary education are fraught with complexities. In 2006, the US Department of Education issued a report by the US Commission on the Future of Higher Education, signalling the need for greater emphasis on measurement of student learning outcomes, yet the precise methods were unspecified (Spellings Commission, 2006). The 2006 G-8 Summit in St. Petersburg also discussed the need for greater comparability of student learning outcomes in tertiary education both within and across countries. And the 2006 meeting of OECD Education Ministers called again for the development of comparative indicators measuring leaning outcomes of tertiary education. Measurement of student learning, while part of the quality assurance process, is surprisingly often not its centrepiece. Brazil is one country with experience in the area of broad-based student learning assessments, having invested heavily in the development of the PROVAO and ENADE examination systems for higher education graduates (see Box 3.11).

Given the complexities of assessing the quality of cross-border tertiary education, measurement of student learning will only grow in importance as a way to judge quality. Given the variety of delivery modes, cross-border tertiary education can often be difficult to assess using traditional quality assurance measures such as institutional resources, inputs, student admissions criteria, research outputs and the like. Even if it is possible to assess a programme's "fitness for purpose" through structured quality assurance processes, such a determination may not provide students and governments with the type of information needed to sufficiently appreciate quality level. Information about student learning outcomes and success of graduates in the labour market are therefore likely to be the most useful, comparable measures for quality of cross border tertiary education. For this reason, it will be important for policy makers to focus on ways to most accurately measure student learning and employment.

Box 3.11. Brazil's experience with PROVAO and ENADE

In 1995 the Brazilian government began a gradual process of implementing a system – enacted by law – to assess higher education through a series of examinations. At the centre of the system was the National Exam for Higher Education Courses (known by its Portuguese name *Provão*). Although it was initially boycotted on a number of universities campuses, it eventually became part of the Brazilian higher education culture in certain fields of study. Despite the growth of the *Provão* (from 3 areas of study tested in 1995 to 26 tested in 2003) and its widespread acceptance, it was strongly criticised by many, including members of the academic community and assessment specialists. Changes to the *Provão* were widely discussed during the 2002 presidential campaign and soon after the new president (Luiz Inácio Lula da Silva) took office, his administration announced that a commission had been formed with the objective of suggesting significant changes to the assessment system. In August 2003, the commission proposed a new system called SINAES (National Assessment System for Higher Education) which was formally enacted in 2004. The new system offered a different approach to the course exams, creating what is referred to as ENADE (National Exam for the Assessment of Student Performance). These two assessment models differed in design, governance, sampling procedures, test development, exam administration, data analysis, and reporting of the results.

ENADE maintained many technical characteristics of the *Provão*, with some key differences, namely:

- ENADE is applied to both freshmen and graduating students of those courses being evaluated rather than *Provão*'s annual approach.

- ENADE criterion is referenced, meaning that tests are based on pre-defined minimum standards.

- ENADE proposes to encompass various dimensions in its tests so as to cover learning acquisition over the duration of the course (instead of simply measuring student performance at the end of the course). It also places greater weight on professional competencies and general learning, giving emphasis to transversal themes.

- ENADE aims to reduce costs by applying the tests to a representative sample.

- ENADE reports its results in a discrete manner that is intended to draw less attention from the media.

- ENADE assumes a diagnostic role as it claims to be capable of identifying those competencies that were not developed by students over the three-year higher education period.

- ENADE is based on the premise that institutions and courses will use their results as an ingredient that is part of a more all-encompassing institutional assessment process.

Box 3.11. Brazil's experience with PROVAO and ENADE (*continued*)

ENADE and *Provão* are similar in many aspects of administration, but the main differences are in the focus and objective of the two tests including the insertion of a general studies component that is common to all areas of study. The ENADE still has problems with comparability of individual performance over the study period making it an imperfect measure of education quality, yet it is less costly due to the sampling methodology used. *Provão* had more of a regulatory function, whereas ENADE attempts to be a stronger diagnostic tool. There is need for improvement in the interaction between the federal and state governments so as to promote participation of state institutions of higher education in the exam process. There is also a need for greater integration of undergraduate and graduate assessments so that they are complementary and that there is better comparability across tests and over time.

Source: Verhine, E and L. Vinhaes Dantas (2005), "Assessment of Higher Education in Brazil: From Provão to ENADE", Report commissioned by the World Bank.

Enforcement: incentives and sanctions

The capstone element in a quality assurance system lies in the consequences of the quality assessment. In order to be credible and effective, a quality assurance system has to find a good balance between incentives and sanction. Incentives are key to building cultures of quality, yet sanctions are necessary to protect students and employers from poor quality tertiary education. Sanctions for poor quality or weak performance are frequently the most apparent regulatory tool in quality assurance. Yet effective quality assurance systems generally demonstrate a range of possible sanctions from the mild to the severe. While these are largely considered a protective device for stakeholders, when staged gradually they can also be part of the virtuous cycle of quality improvement. Some countries allow their quality assurance systems to permit a certain level of tolerance for poor quality, but handle severe sanctions such as institutional closures in waves. Such waves of strong action send a clear signal to education providers. El Salvador experienced two waves of closures, one in the late 1990s and another in 2006.

Mexico closed 80 programmes in 2003 but has refused to mention the names of the institutions publicly for fear of legal suits. South African government applied heavy sanctions in 2004, closing 10 MBA programmes including two located within respected public universities. Also in 2004, the Philippines closed down 23 nursing schools determined by the quality assurance system to be of dubious quality. That same year Russia's newly established Federal Service for Supervision of Education and Science

rescinded the accreditation of nine colleges. The Higher Education Commission of Pakistan has placed a number of public and private institutions on notice that they must improve their quality by 2007 or risk being downgraded from universities to degree colleges, or even outright closure. Malaysia and Nigeria also enforced institutional closures based on quality assurance results, with Nigeria using a ranking system on which to base its decisions. In 2001 Brazil chose to shut down 12 courses based on examination results (*Provão)* but these closures have been challenged in courts.

Even with warnings and sanctions quality assurance processes can move a system toward one that embraces the virtuous cycle of quality improvement as long as initial actions are paired with clear guidance for improvements and technical assistance to help move the programme or institution toward improvement. Funding is increasingly being used as an incentive for quality. Governments are linking competitive funding mechanisms, performance-based financing, and access to subsidised demand-side financing (portable student scholarships, vouchers, subsidised student loans, etc.) to the results of the quality assurance process. In some instances accreditation is a precondition for eligibility; in other instances an institution's or programme's rank in the accreditation process determines the permitted allocation of public resources. When linking funding with quality assurance to stimulate institutional performance, policy makers will need to consider how the articulation of resources influences organisational behaviours. Moreover, consideration should be given to what level and what method of financial incentive is sufficient to stimulate changes in behaviours that have an impact on institutional efficiencies and quality outcomes. In some instances it is the amount that matters, but in others it is the way in which the resources are distributed that dictates behaviours related to quality. Competitive funding mechanisms have been shown to influence cultures of quality in many countries: Argentina, Chile, Ghana, Indonesia, Mozambique, Sri Lanka, Tunisia, and Vietnam all use some type of competitive funding to distribute a percentage of the government's investment budget for higher education. In some countries these funds are limited to the benefit of public institutions; in others the resources are available for both public and private institutions with the goal of stimulating quality provision irrespective of auspice. To stimulate positive changes in organisational behaviours, the mechanism is as important as the resources available. For instance, in some countries competitive funding can be so difficult to access that most institutions do not bother to compete, whereas in others the funds can be so easy to acquire as to dilute the quality-inducing power of competition.

Performance-based funding is another way to link quality assurance processes to institutional performance in tertiary education. There are many forms of performance-based funding with many different names. The basic principle behind all such funding is that a portion of public resources is allocated based on the achievement of specific measurable outcomes (post hoc) or based on a contractual agreement between the institution and the government to produce such outcomes by a future date (pre hoc). The objective is to give the government an additional way to monitor the achievements of tertiary education institutions, and this can be done by providing institutions with discretionary authority over an additional amount of government resources and pegging those resources to specific performance indictors. Many OECD countries have experimented with various forms of performance-based funding across a variety of public sector institutions at various levels (national, regional, and municipal) and in various types of institutions (*e.g.* government agencies, hospitals, and schools). The extent of the implementation of performance-based funding may be limited by a lack of the political will on the part of the central authority to cede some of its budgetary discretion to institutions or by a lack of capacity within the target institutions to manage their resources and monitor their own performance. As there are as yet no standard implementation practices for performance-based funding, it is important to design a mechanism that takes into account for these possible limitations.

Performance-based funding for public higher education has taken many different forms and many contexts. Nevertheless, there are some key universal lessons that can be learned from assessing the various schemes. First, the performance indicators must be agreed upon up front between the government and the institution. Second, the performance indicators should be limited in number so that there is a clear link between performance and funding – too many indicators tend to dilute the effectiveness of the mechanism. There is no ideal number, but it has been suggested that anywhere from one to six indicators is optimal. Third, the funding linked to performance should be supplemental and not part of the core recurrent budget of the institution – core budgets should be predictable from year to year to ensure regularity of operations. Fourth, the amount of funding should be sufficient to provide incentives for improved performance, yet not so significant that any reduction or loss of such funding would create budget instability from year to year – there is no ideal amount, but in higher education performance-based funding should generally account for 3 to 10% of the part of the institution's government allocation over which it has discretionary authority. Fifth, performance-based funding in higher education is more likely to succeed when faculty and administrators are directly involved in the process of deciding on performance indicators and in deciding on the investment strategy for enhancing the institution's

performance in those areas. Sixth, performance data must be completely reliable and of high quality. Finally, there should be a clear institutional strategy for investment of the supplemental resources that links investments to intended improvements in performance.

The data required to determine institutional performance are generated through quality assurance processes and can be collected through an office of institutional research or other such department within an institution. While the links between performance-based funding and institutional performance are not automatic, there are several important benefits to implementing such a system, in particular the promotion of good governance through the development of incentive mechanisms and of positive organisational behaviour. These benefits are yielded when the government collaborates with institutions to develop the system and select the performance indicators, when there is a system-wide focus on outputs over inputs, when institutions have enhanced discretionary authority over their resources, when staff are fully engaged in institutional investment decisions, and when there is transparency and accountability in the flow of funds and in service delivery. Performance-based funding does not only devolve responsibility from the central authority to the institutions; it does so while demanding accountability for results and encouraging public institutions to link strategic planning to service delivery. Performance-based funding in higher education has been tried in many US States, and is now being piloted in Chile and Indonesia through World Bank projects (World Bank, 2005).

Cross-border higher education is unlikely to have much access to public financial resources in a near future so that funding mechanisms are unlikely to be an effective incentive for quality. Malaysia is one example, though, where public research funding was opened to foreign institutions in order to attract the best foreign institutions and ensure they develop some local research capacity. Sometimes the rewards for quality provision can be as simple as offering recognition of programmes, credentials, and competencies of graduates.

Governments have at their disposal a number of incentives to attract the highest quality cross-border providers and programmes. Such incentives include tax breaks, land grants, and access to student aid or other types of demand-side financing. In many instances, governments can also impose conditions on programmes to ensure that cross-border offerings meet their domestic needs. Such conditions can include scholarships to needy or talented students or site development in underserved areas. Compliance with such capacity-building policies by cross-border providers can be verified and monitored through an effective quality assurance system.

3.3. The way forward: ideal systems vs. manageable systems

Building a sustainable quality assurance system

Convergence on quality assurance processes is based on lessons of experience that produce useful information for myriad stakeholders in particular contexts. The move toward virtuous cycles and cultures of quality based increasingly on outputs and outcomes is laudable, but developing countries with severe resource constraints must generally determine how they can best achieve the same or similar quality assurance objectives given the local context. This is not to say that countries should be less ambitious about their quality assurance goals, but they should consider a carefully phased approach to quality assurance capacity development based on accurate cost and human resource needs required to reach their goals (see Box 3.12 on Sri Lanka).

In addition, policy makers, quality assurance practitioners, institutional leaders, and stakeholders should keep a watch on the emergence of the many potential unintended consequences of implementing a quality assurance system. As described earlier, conflicts of interest, biases against certain institutions, ineffective incentives, avenues for corruption, inappropriate regulatory frameworks, heavy workloads, unfunded mandates, and simple lack of capacity to implement quality assurance can make a quality assurance system dysfunctional and risk turning institutions off to the process or in making the results meaningless to stakeholders. Poorly conceived quality assurance can produce a variety of useless data, cause public confusion, and generate stakeholder bitterness at a very high cost.

Box 3.12. Sri Lanka builds its quality assurance system from worldwide lessons of experience

The Quality Assurance and Accreditation Council of Sri Lanka (QAA Council) was established in 2005 as part of a broader reform process being pursued to address the failure of the existing higher education system to provide relevant skills required for Sri Lanka's economy. Key factors in the sector that have brought this about include: insufficient relevance and quality of public universities, high unemployment among graduates, low student intake, poor social harmony and gender equity, weak university administration and poor internal efficiency.

The QAA Council has three distinct missions: to ensure quality, to guarantee the development of and efficient performance of Sri Lanka's higher education institutions, and to build confidence in graduates of the system in the wider community. The authority and ownership of the QAA Council is with the University Grants Committee (UGC). Establishing the autonomous body is critical given the conflict of interest between UGC's dual role as the key funding body for public higher education institutions and as a regulation/quality assurance body.

Box 3.12. Sri Lanka builds its quality assurance system from worldwide lessons of experience (*continued*)

The QAA Council undertakes both institutional and subject reviews, among other responsibilities. Currently only assessments are being undertaken and with prospects of conducting full accreditation in the future. Institutional reviews cover university goals and corporate planning, financial resources and management, research, quality management and administration, quality assurance, learning resources and student support, external degree programmes, and other extension activities with industry.

Subject reviews, meanwhile, focus on evaluating the quality of education within a discipline and examine student's learning experience and achievements. The subject reviews assess curriculum and content, teaching and learning and assessment methods, student progress and achievements, use of student feedback, skills development, postgraduate studies, peer observation, and academic guidance and counselling.

Internal quality assurance units within the public university have also been set up for internal assessment as well as to prepare for the international review processes.

After one year 40 subject reviews and two institutional reviews have been carried out. Although both public and private institutions are under the remit of QAA Council, the initial focus has been on the 13 public universities. In the first round of the assessment, funding to higher education institutions will not be linked to the institutional review; subsequent review cycles may affect UGC allocations of funds. Institutions who perform poorly either on the institutional review or the subject review have a year or six months, respectively, to address the problem in coordination with the QAA Council.

Establishing meaningful autonomy is a difficult task and will involve more than the passage of legislation. Funding of the QAA Council, if undertaken by the UGC, could potentially undermine this process.

The lack of appropriate incentives to make the quality assurance process meaningful is a potential problem in Sri Lanka. Currently participation in the quality assurance process is voluntary and it is left to universities to take sanctions on institutions' non-performance. The 2002 Handbook on Quality Assurance developed by the Committee of Vice-Chancellors and Directors (CVCD) notes this problem and offers the possibility of linking UGC grants with the quality assurance process. If such a system is implemented, it could serve as a motivational tool to encourage compliance with the quality assurance process. Private sector higher education institutions may be driven to undertake quality assurance and comply if it offers them legitimacy in the market place. This depends on establishing the quality assurance system's legitimacy within the broader public.

Source: Committee of Vice-Chancellors and Directors (2002), World Bank (2003).

The large diversity among systems in terms of size and scale, objectives, needs, and capacity indicate that the fitness of purposes should continue to

be an important driving force. Yet the diverse goals and priorities of quality assurance need to be debated in the local context while considering the capacity of the country to implement the proposed system or reforms. As the mandate of quality assurance systems tends to expands, such debate should be continuous. Implementation considerations are also a constant imperative. Such dialogue has been an important aspect to the reforms taking place in Indonesia and Chile.

Countries must also consider how sufficient human resources can be properly cultivated for the task, and how the size and scope of the quality assurance task can be made manageable with available resources. Analytical, methodological, and administrative expertise need to be integrated into the academic and administrative apparatus of tertiary education institutions, so that faculty and administrators are not only aware of the expectations of the structured quality assurance processes, but also aware of how the process can be used both as a self-assessment exercise and as a tool for improvement.

Alternatives: regional and cross-border quality assurance

It is important to ascertain whether a country or its tertiary education system has the need or capacity to develop a complete, independent quality assurance system or agency. Alternatives to comprehensive quality assurance systems and agencies should be considered by policy makers with an eye on regulatory, institutional, or regional solutions. In some instances – particularly for small states with limited human and financial resources – alternatives to a full-service quality assurance agency should be considered as a pragmatic response to the quality challenge.

A regional or multi-national approach to quality assurance may be advisable to avail of resource synergies with neighbouring or partner countries. As noted earlier, this has been the approach for some countries in francophone Africa, Central America, and the Caribbean. Such a solution further preserves tertiary education as a public good, whether its provision is public, private, domestic or cross-border. Similar to national-level systems, it is important for the member states of such regional quality assurance bodies to generate consensus on decisions relating to operations – including a critical assessment of the human resources and technical assistance necessary to conduct adequate external reviews and administration, as well as to secure member contributions sufficient for long term financial sustainability. In addition, regional bodies must consider issues such as protecting local linguistic, cultural, social and economic contributions of tertiary education, as well as ways to develop local capacity for quality assessment, preservation, and improvement.

In other instances governments or institutions may seek to have another type of cross-border quality assurance by engaging the external quality assurance services from a country with a ready-made system of review. Oftentimes cross-border quality assurance is sought by individual institutions for the purpose of international recognition. The benefits of an external quality review and international recognition can be multi-fold, particularly for countries that lack sufficient capacity to conduct external quality assurance independently (Box 3.13 and 3.14). However, there are potential risks. These can range from conflicts of interest, to language incompatibility, to application of locally inappropriate standards, to uneven and inequitable distribution of accreditation activities. While US agencies and many accreditation agencies in other countries tend to be private and independent, many countries also have public quality assurance systems and are forbidden from conducting off-shore quality assurance with public resources (Hofmann, 2006). Caution must be taken to ensure that cross-border quality assurance arrangements do no interfere with or contradict national systems of accreditation, audit, licensure, or evaluation.

Box 3.13. Vietnam and cross-border quality assurance

RMIT Vietnam (RMIT-VN, *www.rmit.edu.vn*) is the first, and so far the only, foreign-owned private university operating in Vietnam, with campuses in Ho Chi Minh City and Hanoi. As such, it is an example of cross-border trade in higher education services through institutional mobility. In theory, Vietnamese students have access to an Australian higher education without having to leave their home country. RMIT-VN is a Vietnam-registered company, established under Vietnamese legislation on foreign direct investment, rather than under any education-specific or institution-specific legislation. The higher education institution is wholly owned by RMIT Holdings (Australia), which in turn is wholly owned by RMIT Melbourne, an Australian public university. However, it receives no subsidy from Australian governments. RMIT-VN's initial investment was supported by loans from the International Finance Corporation and the Asian Development Bank.

RMIT-VN has some 1 200 students, 95% of whom are Vietnamese, and 150 staff, including 75 non-Vietnamese staff. As a perverse effect of the higher education institution marketing itself as offering a foreign education, students (and their parents) often express a preference for being taught by non-Vietnamese staff, even though the Vietnamese staff all have master's or doctoral degrees from overseas English-language universities.

RMIT-VN operates under an Australia-based quality assurance system: entry requirements are those of RMIT Melbourne, all degrees are issued by RMIT Melbourne, examination papers are re-checked at RMIT Melbourne, and the higher education institution as a whole is audited according to Australian norms. Vietnam has recently initiated its own quality assurance system for Vietnamese universities, yet RMIT-VN is not at present subject to a Vietnamese quality assurance.

Source: Waite (2006).

Box 3.14. Cross-border quality assurance: a few examples

The United States is one country that has widespread off-shore quality assurance activity. Many of the approximately 80 accreditation agencies in the United States have undertaken institutional accreditation or evaluated specialised professional fields of study outside of the United States (CHEA, 2002). According to a 2002 survey, it was estimated that hundreds of programmes and institutions in dozens of countries had already been accredited by US-recognised agencies.

Some international alternatives are also emerging, particularly in specialised fields of study. The European Quality Improvement System (EQUIS) provides international assessment and accreditation of MBA programmes through the European Foundation for Management Development (EFMD). EQUIS is an international system of quality assessment and accreditation that facilitates standard setting, benchmarking, mutual learning, and the dissemination of good practice. *www.efmd.org/html/home.asp*

The International Association of MBAs (AMBA) also provides international accreditation of MBA programmes. AMBA accreditation is independent, market-driven and international in focus. The characteristics of an institution and its programmes are assessed against a set of criteria established by the International Accreditation Advisory Board (IAAB). *www.mbaworld.com/*

Engineering programmes can also seek international accreditation through the European accreditation project led by the Fédération Européenne d'Associations Nationales d'Ingénieurs (FEANI) or by the American Board for Engineering Training (ABET), a federation of 28 professional and technical societies – though its mandate is to focus on the accreditation of US-based programmes engineering, computer science, and other technical fields. *www.abet.org/*

One unintended consequence of cross-border quality assurance, however, can be institutions "shopping" around for cross-border accreditation and the risks involved. For instance, many foreign institutions approach US, European, Australian and other accreditors to seek accreditation, but when one accreditor will not take on the task, they often simply ask other accrediting agencies until they find one willing to perform an accreditation procedure. There is very little systematic consideration of who accredits whom and which criteria are used to select the institutions and programmes that should or can be accredited by a foreign entity. Also, it is important to remember that many of the accreditation agencies have as a mandate to accredit first the programmes in their home countries, whereas choosing which institutions or programmes to accredit abroad is often very unsystematic, discretionary, and even arbitrary. One challenge of cross-border accreditation is how one can ensure that institutions will receive equal treatment from the various accrediting bodies. Finally, the process of cross-border accreditation can be quite costly to the institution or programme seeking accreditation. There is a risk of commercialisation of quality assurance practices on an international scale.

In the past few years there have been a series of newly-formed *regional networks* for quality assurance agencies and professionals. These networks

serve an important capacity building role for quality assurance in developing countries. They provide region-wide training for quality assurance professionals to develop local skills for institutional and programme self-evaluation and assessment, to build a pool of peer reviewers capable of providing external reviews of institutions and programmes that have undergone only a self evaluation, and to offer regional consulting services to fill technical gaps depending on a country's needs. These regional networks are also helping to develop guidelines for good practice and assist in the harmonisation and recognition of competencies and credentials worldwide. The Asia Pacific Quality Network (APQN) was established in 2004 to promote capacity-building activities among the quality assurance professionals in the countries of East Asia and South Asia. One year later, the Latin America Quality Network for Higher Education (RIACES) began operations in support of quality assurance capacity across Latin America and the Caribbean. In 2006 the Association of African Universities (AAU) started its own regional network for capacity-building activities across sub-Saharan Africa. In 2007 the Association of Arab Universities launched a similar network. Also in 2007 the Global Initiative for Quality Assurance Capacity (GIQAC) will be established as a worldwide umbrella to support capacity-building activities of all regional networks, as well as global knowledge sharing activities undertaken by INQAAHE. These regional and worldwide activities have all received funding via the World Bank's Development Grant Facility (DGF) and are helping to bridge the capacity constraints experienced by developing countries by focusing technical assistance and training at the regional level, facilitating local solutions to local challenges in quality assurance.

3.4. Conclusion

The proliferation of cross-border institutions, programmes and partnerships is real and is having an impact on developing countries. Whether part of a capacity-building strategy or not, such an expansion of cross-border provision leads to public concerns about quality. As there is frequently a lack of reliable information about the quality of the education being provided, it will be important for countries to consider regulation of the sector. While policy makers should consider how quality assurance mechanisms can help to serve a regulatory role for local cross-border provision, such reflections should not be limited to cross-border issues, but should instead be made in a larger context related to key operational decisions for the overall quality assurance system.

There is no common definition of quality in tertiary education, and certainly no common metric with which to measure it. Yet, through the

influence of the Bologna Process and the need for harmonisation of learning and recognition of credentials for the purposes of mobility, quality assurance has become important as a way to develop common metrics and provide information to stakeholders.

There is clearly a convergence on quality assurance methodologies and increasing agreement on the general principles of good practice. Nevertheless, each country context is unique and therefore each country has its own purpose for quality assurance – whether to protect consumers from poor quality or encourage excellence. Systematic quality assurance practices provide information to governments, students, employers and society about tertiary education institutions and programmes. Such information increases accountability, transparency, and helps policy makers, institutional leaders, students and employers make informed decisions.

In whatever way quality assurance processes are governed and administered, independence of operation is paramount to increase the legitimacy of the process. Supportive legal framework must be in place to ensure that quality assurance can operate with sufficient support and away from government interference, as well as to support the recognition of competencies and credentials. In some countries the laws related to tertiary education are the only form of regulation and therefore substitute for a quality assurance system. A variety of mechanisms are available to conduct quality assurance, each with its advantages and consequences. There is increasing international agreement on the general principles of quality assurance and convergence on methods which tend to focus on quality assurance agencies to oversee the systems. Collection of accurate, timely and appropriate data remains a challenge, particularly in the area of student learning assessments at the tertiary level. Quality assurance requires both financial and human resources that determine the depth and breadth of quality assurance. To be meaningful, quality assurance processes must not only provide information, but be linked to both rewards and sanctions. Rewards are needed to provide institutions incentives for good performance and stimulate cultures of quality, and sanctions for poor performance are needed to protect stakeholders.

Table 3.3. Expected and potential consequences of quality assurance for cross-border tertiary education

Quality assurance mechanism	Quality assurance for cross-border tertiary education (branch campus, partnership programme, distance/online learning)
Local licensing	Granted to foreign institutions by receiving country Provides authorisation for foreign providers to operate – regulatory Permits awarding of credentials Can provide legitimacy to foreign providers and protect local stakeholders Potential consequence: strict licensing can stifle entry of good-quality provision
Audit/accreditation (receiving country)	Conducted by local quality assurance agencies and professional associations to assess cross-border study programmes and institutions according to local standards Provides information to local stakeholders and helps protect them Provides legitimacy to foreign providers Can be used as a regulatory tool Facilitates recognition Potential consequence: costly and may stretch available human resources; standards for cross-border and local provision may differ
Audit/accreditation (sending country)	Conducted by quality assurance entities in sending countries Provides information to both sending and receiving country Can provide legitimacy to foreign providers and protect local stakeholders Can be used as a regulatory tool Facilitates recognition Potential consequence: may not be aligned with local norms; may use lower standards for cross-border provision; may thwart development of local cultures of quality
Regional accreditation	Conducted by recognised multi-country agency Provides information to local stakeholders and international audience De-linked from government authority Can provide legitimacy to foreign providers and protect local stakeholders Facilitates recognition Potential consequence: may not be recognised by local government; can conflict with local accreditation practices; may thwart development of local cultures of quality
Ranking	Often conducted by local or international press Provides information to local stakeholders and international audience De-linked from government authority Can provide legitimacy to foreign providers and protect local stakeholders Potential consequence: may use questionable methodology; interpreted as de facto accreditation; press may be biased or have a particular agenda; authors potentially the target of corruption (bribes, misuse of power, etc.)
Cross-border quality assurance	Conducted by foreign quality assurance agency entity in the local environment Provides information to local stakeholders and international audience De-linked from government authority Does not absorb a large amount of local human resources Can provide legitimacy to foreign providers and protect local stakeholders Potential consequence: may use questionable methodology; may prevent capacity building for the development of local quality assurance; expensive to administer; risks commercialising the quality assurance process; may thwart development of local cultures of quality
Qualifications framework	Conducted by local or international authority Provides information to local stakeholders and international audience Can provide legitimacy to foreign providers and protect local stakeholders Facilitates mobility of human capital Potential consequence: development of framework can become politicised

Source: World Bank.

Existing quality assurance agencies cannot be assumed to have the capacity to monitor incoming and outgoing cross-border education. Indeed, many quality assurance bodies around the world have not even begun to consider how to address the cross-border issue. Quality assurance systems tend to seek foremost a quality enhancement role for existing local tertiary education institutions and programmes. In some cases, they do not cover the private domestic sector; in others, the public sector. Yet, governments wish to assure stakeholders that students are receiving a minimum standard of quality no matter the type of provision – whether public, private, domestic or cross-border. Many developing countries frequently lack sufficient resources and capacities to establish and operate comprehensive, agency-based quality assurance systems that meet the basic international norms. Assuring quality of cross-border tertiary education requires an additional level of capacity. Given local limitations, policy makers should review the wide range of options, effects, and potential unintended consequences of operational choices related to establishing or reforming a quality assurance system. With the growth in the importance and influence of cross-border tertiary education, policy makers should also consider the range of possible implications that the operational choices related to quality assurance can have on their capacity-building strategies. Table 3.3 reviews some possible choices and their potential consequences.

At a minimum, receiving countries should endeavour to develop clear policies and strategies toward foreign providers of cross-border tertiary education, particularly as they relate to issues of access, equity, relevance to the labour market and funding. Such a discussion can be viewed as an important part of an overall capacity-building agenda since cross-border provision can fill in the many gaps left by domestic offerings. All relevant government agencies (*e.g.* education, trade, science and technology, health, etc.) should be included in the dialogue. Compliance with locally determined policies by cross-border providers can be verified and monitored through an effective regulatory framework and quality assurance system.

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List of Acronyms

AAU	Association of African Universities
ABET	American Board for Engineering Training
AIR	Association for Institutional Research
AMBA	International Association of MBAs
APQN	Asia Pacific Quality Network
CAMES	Conseil Africain et Malgache pour l'Enseignement Supérieur
CCA	Consejo Centroamericano de Acreditación
CSUCA	Consejo Superior Universitario Centroamericano
DAC	Development Aid Committee of the OECD
DGF	Development Grant Facility (World Bank)
EAIR	European Association for Institutional Research
EEA	European Economic Area
EFMD	European Foundation for Management Development
ENQA	European Association for Quality Assurance in Higher Education
EQUIS	European Quality Improvement System
FEANI	Fédération Européenne d'Associations Nationales d'Ingénieurs
FIMPES	Federación Mexicana de Instituciones Particulares de Educación Superior
GATS	General Agreements on Trade in Services
GIQAC	Global Initiative for Quality Assurance Capacity
GTZ	German Agency for Technical Cooperation
IAAB	International Accreditation Advisory Board

INQAAHE	International Network for Quality Assurance Agencies in Higher Education
IOM	International Organisation for Migrations
MFN	Most-favoured-nation
MoU	Memoranda of Understanding
MRA	Mutual Recognition Agreements
OBHE	Observatory on Borderless Higher Education
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PIFI	Institutional Enhancement Integral Programme
RIACES	Latin America Quality Network for Higher Education
SAAIR	Southeast Asian Association for Institutional Research
SAAIR	Southern African Association for Institutional Research
SADC	Southern African Development Community
SANSA	South African Network of Skills Abroad
TQM	Total Quality Management
TRIPS	Trade Related Aspects of Intellectual Property Rights
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WEI	World Education Indicators of the OECD/UNESCO
WTO	World Trade Organisation

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