

A large, stylized architectural drawing of a building facade, showing a two-story structure with a balcony and a gabled roof. It serves as the background for the main text.

***Quality Assurance:
Role, legitimacy, responsibilities
and means of public authorities***

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**Council of Europe Higher Education Forum
Starsbourg, 19-20 September**



Quality mechanisms can have diverse objectives and uses in higher education, some more honourable than others.

- **Quality improvement**
- **Quality management**
- **Information for the public or market clients**
- **Substitute for trust in institutions**
- **Compliance with government objectives or control**
- **Supranational policy enforcement tool**



The emergence of markets in higher education

Competition is not new in universities. Students have long competed with each other for access to scarce university places and professors are used to competition for academic distinction on the basis of their published research and scholarship (Dill *et al* 2004: 327).

What is new is the use of market mechanisms as a tool for increasing the efficiency of public services – including higher education – to maximise the provision of social benefits.



The emergence of markets in higher education

In many countries governments have been experiencing with market-type mechanisms to force higher education institutions to compete for students, for funds, for research money.

The Bologna Declaration “redefining the nature and content of academic programmes is transforming what were once state monopolies over academic degrees into competitive international markets” (Dill *et al* 2004: 330).



The emergence of markets in higher education

The emergence of the market in higher education gives legitimacy to state intervention to avoid the negative effects of market competition and to create conditions for their efficient operation, which includes the need of consumer information.

Disclosing the results of quality assessment of institutions and programmes and providing an array of performance indicators are information tools frequently used by the state.

The supposed social benefits of markets cannot in fact be realised without appropriate government regulations.



The emergence of markets in higher education

For the allocation of goods and services to be 'optimally efficient for the larger society' (Leslie and Johnson 1974) the market needs to be perfectly competitive.

- **Non-market or government failures**
- **Market failures**
- **The information problem**
- **Imperfect information and asymmetric information**



The emergence of markets in higher education

The problem of information in higher education.

- **A consumption good**
- **A rare purchase**
- **High opting-out costs**

The simultaneous presence of these three characteristics makes a strong case for state intervention for the sake of consumer protection.



The emergence of markets in higher education

The lack of appropriate information for rational economic choices.

Behavioural economics and the immature consumer. The theory of behavioural economics is based on the idea that people systematically deviate from rational behaviour. This theoretical paradigm describes human behaviour by integrating a number of psychological concepts into economic theory reflecting a more general development toward integrating concepts of other social sciences into economics.

The emergence of quasi-markets



Institutional autonomy and markets

The implementation of markets needs that providers and consumers have a number of freedoms (Jongbloed 2003).

Public universities are non-profit organisations that by law are forced to reinvest any surplus in the organisation itself instead of ending-up in private benefits for its members.

However, institutional autonomy combined with market competition may lead to difficulties in effective regulation.

Using the microeconomic theory of non-profit enterprises, Massy (2004) demonstrates that under those conditions institutions tend to behave like for-profit ones, ignoring the promotion of the public good inherent to their missions.



Institutional autonomy and markets

This forces the state to intervene by changing the rules of the market to ensure the fulfilment of its own political objectives, quality assessment being one of the tools that might be used to ensure the compliance of institutions with public policies.

When quasi-markets are implemented, the government agencies making the purchases in the name of consumers face the classical principal-agent dilemma.

How the principal [government] can best motivate the agent [university] to perform as the principal would prefer, taking into account the difficulties in monitoring the agent's activities?



Quasi-markets and the principal-agent dilemma

The principal-agent problem is exacerbated when providers have considerable autonomy and may result in contradictions of neo-liberal policies.

The roundabout model (Jongbloed)

Effective delegation of ‘public-interest decision-making’ authority to institutions requires “an affirmative desire to interpret and serve the public good, the will to hold institutional self-interest at bay, and the financial strength to balance intrinsic values with market forces” (Massy 2004).



Quasi-markets and the principal-agent dilemma

The unchecked behaviour of institutions, especially under conditions of strong competition and financial stringency, may not correspond to the best public interest.

Governments have been introducing an increasing number of mechanisms to ensure that institutions will behave the way the government wants them to do.

The roundabout with traffic lights

Quality assessment can be used as a compliance tool.



The emergence of the New Public Management

New Public Management has championed a vision of public managers as the entrepreneurs of a new, leaner, and increasingly privatised government, emulating the practices and the values of business.

Under NPM the public are clients of the government, and administrators should seek to deliver services that satisfy clients. In higher education, too, students are referred to as customers or clients.

In most higher education systems quality assurance and accountability measures have been put in place to ensure that academic provision meets the clients' needs and expectations.



The attack on the professions

By imposing market competition through political dictate and administrative fiat, the ideology of 'new managerialism' attempted to destroy, or at least weaken, the regulatory structures that had protected unaccountable professional elites and their monopolistic labour market and work practices across the full range of public sector service provision throughout the 1980's and 1990's (Reed 2002: 166).



Attacks on traditional university governance.

The emergence of academic capitalism

Introduction of market-like competition mechanisms

From desinterested professionals to service providers

This change from professional to a mere employee status has made academics to be “expected to respond to penalties and incentives devised by the funding agency, and required like any other employee of the state to account for themselves and their behavior to a bureaucracy” (Trow 1996).



These developments resulted in loss of trust in institutions and professionals, and in the gradual proletarianisation of the academic professions.

For Martin Trow (1996) every institution is linked to its surrounding through some combination of accountability, market and trust.

For Martin Trow (1996) accountability is an alternative to trust, and efforts to strengthen it usually involve parallel efforts to weaken trust, and he adds that accountability and cynicism about human behaviour go hand in hand.



The loss of trust

It is true that the loss of trust was not only the result of public policies derived from new public management.

The massification of higher education systems was accompanied by a large increase in the heterogeneity of both students and professors, and by the emergence of new institutional forms much different from the elite university.

All this has led to a decline of trust in the higher education systems, their institutions and their professionals and paved the way to quality assessment mechanisms (Martin Trow 1996).



The Bologna process and a stratified EHEA

Empirical evidence points to the possibility that the Bologna process and the Lisbon strategy are converging into one policy framework.

This may increase the relevance of the economic factors in European policies, while inducing a move of higher education from a paradigm of cooperation to a paradigm of competition.

- A qualification system for European HEIs.
- Best use of resources
- European accreditation systems
- Rankings of institutions



The Bologna process and a stratified EHEA

The necessary level and type of investment and their consequent impact on efficiency depend on the development level of the country as defined by its proximity to the technology frontier (i.e. relative to the technologically most advanced countries). Countries far from the frontier should focus on primary and secondary education (imitation process), whereas countries close to the frontier should invest primarily in higher education (innovation process).

From “The Best Use of Resources”, European Commission



The Bologna process and a stratified EHEA

Consequences of massification

The growth and diversification of higher education, along with associated changes in pedagogy will require that a society and its systems of higher education surrender any idea of broad common standards of academic performance between institutions, and even between subjects within a single university – ministerial assertions to the contrary notwithstanding. (Trow 1996: 320)



The Bologna process and a stratified EHEA

Therefore, it is possible to conclude that quality assessment can also be used as a tool for the implementation of supranational policies.

In the case of the Bologna process, probably under the influence of the more economic emphasis of the Lisbon strategy, “efficiency” is increasingly becoming a new buzzword.

Some instruments leading to the emergence of a European market for higher education are taking form, which corresponds to a move from a cooperation paradigm to a competition paradigm.



Some concluding remarks

The first concluding remark is that there is an indisputable responsibility and legitimacy of public authorities in guaranteeing the quality of higher education.

This will be the case when the model of relationship between institutions and government is one of centralised state control, but also the case when institutions are autonomous and the market plays a role.

An effective and active regulation by the State, clarifying and endorsing the rules of the system, can take advantage of the benefits of market-like mechanisms. Otherwise it will drive the higher education system to a complicated course.



Some concluding remarks

However, much will depend on the uses and objectives of the quality assurance system to be implemented, as well as on its mechanisms and ownership. For the time being it is apparent that in Europe there is a movement towards systems based on accreditation mechanisms.

The Council of Europe has produced two timely and important documents, one on Public Responsibility for Higher Education and Research, the other on Higher Education Governance.



Some concluding remarks

It is important to stress two fundamental ideas of the Council of Europe: that governance should avoid micromanagement, leaving reasonable scope for innovation and flexibility, and that quality assessment mechanisms should be built on trust and give due regard to internal quality development processes. No doubt every academic will strongly support these ideas based on elevated and generous principles.



Some concluding remarks

The second concluding remark refers to the use of micromanagement mechanisms as a governance tool in higher education.

Higher education institutions are increasingly using micromanagement mechanisms in order to respond to outside (state) pressures, which promote the new values and demands of “economy, efficiency, utility, public accountability, enterprise and various definitions of quality”.

Management control technologies include systems for evaluation and performance measurement of research, teaching and some administrative activities, particularly those linked to finance.



Some concluding remarks

In 2000 the Lisbon European Council has formally adopted the OMC to enlarge intervention to other policy areas: information society, research, innovation, enterprise policy, education and social exclusion (Veiga and Amaral 2006).

The normative pressures stemming from a desire to look good or fear of being embarrassed may be a strong mechanism for converging with the European definition of good policies and striving for performing well on the indicators in cases where it is considered important to keep up with the ‘European Jones’s’ (Gornitzka 2005: 7).



Some concluding remarks

The use of performance indicators and benchmarks are becoming a common practice in European policy implementation, which is congruent with the implementation of accreditation mechanisms, rankings of institutions and the emergence of a stratified EHEA.

The last concluding remark goes to accreditation and trust. There is today a tendency for a change from quality assessment mechanisms to accreditation, both at European level as well as at the level of its member states, which unmask a tendency for lack of trust in institutions.



Some concluding remarks

Apparently the EU has made an option for accreditation, which probably translates an increasing mistrust of institutions and academic peer review methods, a trend that is being followed by a number of European countries.

Options for the future of a quality system are not separated from considerations of the type of higher education system the relevant authorities want to foster. Apparently the objective of Brussels puts more emphasis on competition and the creation of a stratified European Higher Education Area than on cooperation and quality improvement.

The growing emphasis on market mechanisms, new public management and competition accompanied by the loss of trust in institutions and the proletarianisation of academics may well lead to developments in an opposite direction to that proposed in the documents produced by the Council of Europe.



Some concluding remarks

Therefore I would like to end this presentation with an appeal to the Council of Europe to remain attentive to developments taking place in European higher education and to use its moral and legitimate power to ensure that the European Higher Education Area will become an example to the world by preserving the core values of universities in this new world where the human being is seen as a trader, persistently engaged in making judgements about the economic advantages and disadvantages of various courses of action (Drache 2001).