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NAVIGATING THE TRANSITION TO A DECENTRALIZED GOVERNANCE MODEL FOR STATE UNIVERSITIES IN UZBEKISTAN

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ABSTRACT

This article discusses the challenges and opportunities involved in transitioning state universities in Uzbekistan to a decentralized corporate governance model. Drawing on international experiences and local context, the article examines the importance of reducing state funding, providing support for universities, and developing new forms of accountability and transparency. The article also highlights the potential benefits of decentralized governance, including greater efficiency and innovation. The article concludes by emphasizing the need for careful planning and effective support mechanisms to facilitate a successful transition.

KEYWORDS

Decentralized university governance, state universities, Uzbekistan, transition, accountability, transparency, innovation, funding, support.

INTRODUCTION

Uzbekistan has been undergoing a series of higher education reforms since 2016, aimed at modernizing its higher education system and ensuring state universities are better equipped to meet the needs of the 21st century (UNESCO, 2021). One of the key components of these reforms has been the granting of

financial and academic autonomy to 40 state universities (Decrees of the President of the Republic of Uzbekistan, 2021). This transition to decentralized university governance is part of the higher education reforms aimed at improving the sustainability and

quality of education in Uzbekistan and making state universities more competitive on the global arena.

However, successfully transitioning from a centralized state governance model to a decentralized university governance model in Uzbekistan will require overcoming several obstacles. These challenges include issues related to institutional capacity, bureaucratic inertia, and resistance to change (World Bank, 2020).

Decentralized corporate governance models have been gaining popularity in the higher education sector in recent years, as they offer several advantages over centralized models, such as greater efficiency, innovation, and responsiveness to stakeholders' needs (Gulbrandsen, 2019). In Uzbekistan, the government has initiated a series of reforms aimed at transitioning state universities to a higher level of autonomy, which involves a shift towards a decentralized corporate governance model (Khasanov, 2023a).

Decentralized governance models give more autonomy to academic departments, faculties, and other units, allowing them to make decisions that are more responsive to local needs and priorities. This approach to governance is seen as a way to promote academic freedom, innovation, and excellence, and to improve the overall quality of education and research (Marginson, 2012; Tsai & Yang, 2018).

The importance of this topic is underscored by the fact that higher education institutions play a critical role in driving economic growth and development, creating

new knowledge and technologies, and training the next generation of leaders. As such, it is essential to ensure that these institutions are well-governed and effectively managed. However, the transition to a decentralized corporate governance model is a complex process that requires careful planning, effective communication, and support mechanisms.

In this article, we will examine the challenges and opportunities involved in transitioning state universities in Uzbekistan to a decentralized corporate governance model. We will begin by providing an overview of the benefits of such a model, including greater efficiency, innovation, and responsiveness to stakeholders' needs. We will then discuss the challenges involved in the transition, such as reducing state funding, developing new forms of accountability and transparency, and adapting to new legal and regulatory requirements.

Drawing on international experiences, we will provide examples of successful transitions to a decentralized corporate governance model in other countries (Gulbrandsen, 2019) and highlight the lessons that can be learned from these experiences. We will also examine the specific context of Uzbekistan and the challenges and opportunities that exist in this context (Khasanov, 2023a).

Overall, this article aims to contribute to the growing body of literature on decentralized corporate governance models in higher education and to provide practical insights and recommendations for

policymakers, university administrators, and other stakeholders involved in the transition process. By doing so, we hope to help facilitate a successful transition to a decentralized corporate governance model that will ultimately improve the quality and efficiency of higher education institutions in Uzbekistan.

Decentralized University Governance

Decentralized university governance refers to a model of governance in which decision-making authority is distributed across various academic units, rather than being centralized in a single administrative body. This approach to governance is based on the principle that academic units are best positioned to make decisions that are responsive to local needs and priorities, and that this autonomy can promote academic freedom, innovation, and excellence (Marginson, 2012).

Transitioning to higher levels of independence in university governance by granting greater autonomy to universities enables them to better respond to the needs of their students and stakeholders. This shift in governance allows universities to be more flexible and innovative in their academic and administrative practices and to develop programs that are more relevant to the needs of the labor market (World Bank, 2020). Moreover, academic autonomy allows universities to become more research-oriented, promoting knowledge creation and dissemination, which can help to develop a more dynamic and responsive higher education system that can adapt to

the rapidly changing needs of the global economy (Khasanov, 2023a).

In addition to these benefits, granting autonomy to universities can also improve the quality of education within the country. Universities will be able to establish their own admission requirements, academic staff qualifications and standards, which can help to ensure that students receive a higher quality education. Furthermore, financial autonomy can encourage universities to become more self-sufficient, allowing them to generate their revenue and allocate resources more efficiently. This, in turn, can help to reduce the burden on the government and create a more sustainable higher education system in Uzbekistan.

Examples of universities that have successfully implemented decentralized governance models include the University of British Columbia (UBC) in Canada, the University of California, Berkeley in the United States, and the University of Melbourne in Australia. At UBC, for example, the university has implemented a model of governance that gives faculties a greater degree of autonomy to make decisions related to academic programming, research priorities, and resource allocation. This approach has been credited with promoting innovation and excellence in research and teaching, and with improving the overall quality of education at the university (UBC, n.d.).

The benefits of decentralized governance are many. By giving academic units a greater degree of autonomy, universities can promote academic freedom and innovation. This approach can also help to ensure that decisions are made in a more timely and responsive manner, as academic units are better positioned to respond to local needs and priorities. Additionally, decentralized governance can help to promote a sense of ownership and accountability among faculty and staff, as they are more directly involved in decision-making processes (Clark, 1983).

However, while there are numerous benefits to decentralized university governance, transitioning to this model can also present challenges. One of the main challenges is related to accountability. With decision-making authority distributed across various academic units, it can be difficult to ensure that decisions are being made in a way that is consistent with the overall goals and priorities of the university. Additionally, communication can be a challenge, as academic units may have different priorities and perspectives that can make it difficult to reach consensus on important decisions. Finally, resource allocation can also be a challenge, as academic units may have different needs and priorities that can make it difficult to allocate resources in a fair and equitable manner (Marginson, 2012).

Despite these challenges, many universities around the world have successfully implemented decentralized governance models and have seen significant benefits

as a result. In the next section, we will examine some of the challenges that universities may face in transitioning to a decentralized governance model and will discuss some strategies for addressing these challenges.

Challenges of transition

Transitioning to a decentralized corporate governance model for state universities in Uzbekistan may face significant challenges, including resistance to change, lack of understanding of the role of the corporate body, power struggles between stakeholders, lack of resources, and compliance with legislative and regulatory requirements.

Resistance to change is a common challenge when implementing organizational changes, even minor changes can cause significant difficulties, and major changes can be met with active resistance (Kotter & Schlesinger, 2008). Stakeholders most affected by the reforms will experience a higher level of stress, which may cause feelings of insecurity and enhance the effect of rejection and subsequent resistance to change. Some stakeholders will actively resist the changes, seeing in the new corporate governance model their fears, disbelief, and inability to cope with the tasks set and achieve the strategic goals (Kotter & Schlesinger, 2008).

Additionally, a lack of understanding of the role and tasks of the corporate body can reduce the effectiveness of the work of university supervisory boards (Chowdhury & Lang, 2016). This can slow down

their activity, and discredit new management models of state universities.

Transitioning to decentralized management may lead to a power struggle between different stakeholders, resulting in conflicts and a lack of coordination in the management model (Hillman & Dalziel, 2003). During the reforms, there is a break in existing processes and connections, which will be the next challenge in conducting reforms. Decentralized management can lead to disruption of communication between various management bodies and stakeholders, historically formed in state unitary management. This can lead to confusion and a lack of clarity regarding decision-making processes, which in turn will result in delays in decision-making.

In conducting reforms and transitioning to decentralized management, it will also lead to a power struggle between different stakeholders. Due to the redistribution of functions and duties of higher state bodies, as well as the imposition of more functions on the supervisory board, there will naturally be a redistribution and shift of the center of power, which in some cases can lead to conflicts and lack of coordination in the management model (Hillman & Dalziel, 2003). Therefore, it is crucial to understand and control this process, not allowing it to destructively affect the creative process of creating a new corporate governance model.

Furthermore, the lack of resources, including financial and technological resources, may be a significant

obstacle to the reforms. To carry out large-scale reforms, which aim to improve resource efficiency and provide state universities with greater self-financing opportunities, implies a phased reduction in funding from the state and stimulating state universities to search for additional alternative sources of financing for their daily and long-term activities. Given the fact that state universities in Uzbekistan have never been in a situation requiring them to independently search for resources for their activities, their DNA lacks the knowledge, skills, and experience to be "entrepreneurs" and take risks independently in finding new partners and sources of additional financing, as the cornerstone of long-term development and success of the university (Bennett, 2010).

Moreover, transitioning to new standards of decentralized corporate governance may pose challenges in understanding and complying with legislative and regulatory requirements, particularly if disagreements arise between corporate governance bodies and involved parties (Chowdhury & Lang, 2016). Therefore, it is necessary to define and approve in regulatory legal documents the goals, functions, and responsibilities, mechanisms for periodic assessment of activities, and requirements for passing training programs and professional development for all participants of university supervisory boards.

Overall, addressing the challenges and issues discussed in this paper is crucial to the success of transitioning to

a decentralized corporate governance model. It is essential to redefine the role of higher state bodies, change their functions from controlling to monitoring, and conduct training programs, retraining, and professional development of state body representatives involved in the future decentralized corporate governance model of state universities (Bennett, 2010).

CONCLUSION

In developing a methodology for transitioning to a decentralized corporate governance model for state universities in Uzbekistan, it is important to understand that as a complex process of change, it implies probable difficulties and problems that may arise during the transformation (Khasanov, 2023b). From this, it can be concluded that the success of reforms to transfer state universities to a higher level of self-financing will depend, among other things, on the phased reduction of funding from the state budget as an incentive for universities to search for alternative sources, as well as support for state universities with professional and technological knowledge, which will help universities more quickly acquire the necessary experience in building partnership relations with external stakeholders, attracting financing, and more efficient management of their resources. It is also essential to mention that universities worldwide are centers for creating innovative knowledge and technologies, which brings additional resources for

financing scientific and innovative activities and strategic development of universities.

Transitioning to a higher level of autonomy, on the one hand, implies a higher level of independence, however, due to involving a larger number of stakeholders, increasing transparency in university activities, and providing more open information about the activities for periods and future plans for strategic development and expansion, this entails a transition to new forms of accountability, not only for state authorities but also for new participants, which will cause difficulties in the adaptation period and developing new approaches and forms of accountability, especially when forming new legal and regulatory requirements in parallel and lacking clarity regarding roles and responsibilities of the parties.

Addressing the aforementioned issues and challenges is part of the transformation process and the "growth" of universities in their transition to an independent model of decentralized corporate governance, which will subsequently ensure increased efficiency of their internal management structures to meet the needs of their stakeholders and achieve their goals. As Uzbekistan has only recently started its reforms within the overall transition of the higher education system towards a higher level of efficiency and university autonomy, it can be expected that the process of transition will take from one to two decades, as it will require dramatic changes in the culture of university

autonomy and construction of a new university governance system in Uzbekistan.

Furthermore, it is worth noting that successful transitions to a decentralized corporate governance model have been observed in various countries, such as the United States, Canada, and the United Kingdom, among others (Gulbrandsen, 2019). In these countries, the transition was facilitated by the development of clear legal and regulatory frameworks, the establishment of effective communication channels between different stakeholders, and the availability of financial and technical support for universities. Therefore, Uzbekistan can learn from these experiences and adapt them to its own context to facilitate its transition to a decentralized corporate governance model.

In conclusion, the transition to a decentralized corporate governance model is a complex process that requires careful planning, clear communication, and effective support mechanisms. While the process may be challenging, successful transitions in other countries demonstrate that it is possible to achieve. Uzbekistan can learn from these experiences and adapt them to its own context to facilitate its own transition to a decentralized corporate governance model that will ultimately contribute to the efficient management of its state universities and the achievement of their goals.

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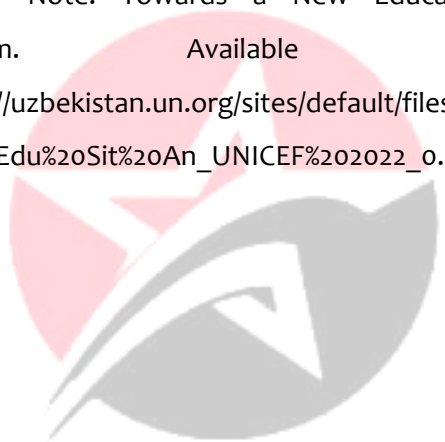
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