University governance and transparency in the PNG higher education system

Dr. Albert Schram

ABSTRACT

The pace of change in the higher education sector has increased noticeably over the last years. National university systems, however, have been slow to adapt their governance structures to new strategies requires to deal with the changes in the environment. Countries which have lagged behind in addressing the challenges of increasing gross enrolment rates and offer independently and internationally accredited programs, such as the PNG university system, must now make haste in implementing the agreed upon reforms. The Independent Review of the PNG University System (IRUS), or Namaliu/Government report, commissioned by the Rudd/Somare governments in 2010, essentially recommends limiting Council size to no more than 13 and improving academic quality before increasing quantity of enrolments any further. It is high time its recommendations and implementation plan which was approved by the government in June 2012 are implemented. The Sevua Investigation into the governance and administrative practices of the Papua New Guinea University of Technology is further evidence for the problems indicated in IRUS.
INTRODUCTION

The pace of change in the environment for higher education has accelerated noticeably over the last decades, due to the impact of globalisation and technological innovation. Some have argued that the models of higher education that were successful globally in the 20th century now are broken, and that an avalanche of change is coming (Barber et al. 2013). Others maintain that Massive Open Online Courses (MOOC’s) are game changers that will drive a fundamental transformation (van den Berg 2013) (Greatrix 2014).

In addition, changing demand conditions such as student preferences and behaviours on the one hand, and supply conditions such as the unbundling of education services made possible by internet technology on the other hand, are impacting the higher education sector today. These trends may change the fundamental nature of the higher education sector, and most likely its governance systems will need to adapt.

Universities have responded to these trends by increasing their student enrolment, program offerings and research activities, and nowhere faster than in the Asia Pacific region (Schram 2013). The differences within the region, however, are enormous. While giant countries like China and India over the last decade have created millions of new university enrolments, other countries like Singapore, Hong Kong and South Korea are surging in the rankings of world class universities, helped by massive state investments. Still other countries have lagged behind in increasing enrolments or improving quality.

In this article, we examine the development of the Papua New Guinea higher education system against the background of global trends affecting higher education, and in the light of the existing national policy framework for higher education. This policy framework consists of quantitative targets for university graduates established in the Vision 2050 country strategy published in 2009, and the policy guidelines contained in the Independent Review of the PNG University System (IRUS) commissioned by the Rudd and Somare government (National Strategic Plan Task Force 2013) (Garnaut and Namaliu 2010).

The Vision 2050 document sets a global target of 100% increase in the number of graduates by 2030, and IRUS’s main recommendations are first to undertake university governance reform, and then focus on the quality of teaching, before increasing enrolment. The actions of government, not its rhetoric, will show whether the Vision 2050 is more than a document to fulfil donor requirements, like in so many other developing countries. We must stress that both documents were created after consultation with many stakeholders and involvement of numerous experts in the field with many years of experience in higher education field in PNG, both national and non-national. For the first time, in June 2010 PNG had therefore an approved and coherent policy framework, and a promise by the Australian government for dollar for dollar matching funding, if PNG engaged in the proposed reform. Given the reluctance of other donors to sponsor higher education, this presented a truly unique opportunity that should not have been wasted.

The purpose of this article is to help speed up the necessary reform of the PNG university system by extracting the lessons learned from the process so far. These lessons may be useful when the University acts are reformed as a consequence of this process. After examining how different
university governance systems assure the necessary financial sustainability and accountability, academic freedom, and institutional autonomy, we argue that before any substantial quality improvement or investment in the higher education system can be carried out, basic conditions of good governance and financial accountability need to be fulfilled (Schram 2013). We will focus in particular on issues regarding the role of Council, the Chairman of the University Board, and the role of the Rector. We will describe in detail the sequence of events regarding the attempted reform of the Papua New Guinea (PNG) higher education system after the Independent Review of the PNG University System, with the purpose of identifying the lessons learned.

First, in section 2 we analyse the main global trends in higher education. In section 3, we review the literature on university governance and transparency. In section 4, we present the findings of our case study of the Papua New Guinea University of Technology, and discuss the results. Finally, we distil some lessons learned and formulate some recommendations regarding the implementation of the existing policies.

LITERATURE REVIEW

Overall, globally the number of higher education students in the world is expected to quadruple, from around 100 million in the year 2000 to 400 million in 2030, with particularly strong absolute growth of student numbers in Asia and Latin America (European Commission 2013). From 2000 to 2010 in China alone, for example, student enrolment increased with 23 million. Using Gross Enrolment Data, we showed that in the decade between 2000 and 2010 low-income countries have managed to grow enrolment in their higher education systems at a considerably faster pace than high-income countries, and are therefore slowly catching up with industrialised countries. In this process, we found the population size of a country is not correlated to the growth in higher education enrolment (Schram 2013). In other words, many small, low-income countries have managed to catch up over the last decade and increase their student enrolment considerably. Regrettably, this is not the case for Papua New Guinea.

Excluding the more mature Japanese university system, we distinguish three categories of countries in this region. When we look at the rankings of world class universities in the Asia-Pacific region, we find countries with a significant number of leading (top 500) universities, rising quickly through the rankings, in particular in Singapore, Hong Kong and Korea. These university systems face some minor, and specific challenges regarding sustainability of funding, and internationalisation.

Secondly we find countries like Malaysia, Vietnam and Fiji where we can identify some upcoming world class universities. These university systems still face large challenges regarding governance reform, the capacity to mobilise sufficient capital for the necessary infrastructure investment, and capability to attract and retain talented Faculty and students.
Finally, we observe countries like Indonesia, Papua New Guinea (PNG) and Solomon Islands, where most universities do not stand a realistic chance of becoming a world class university any time soon. Here some major institutional changes are required assuring appropriate governance structures, transparency and financial accountability, and basic conditions and support for mission critical activities. From the returns to schooling literature we know that countries with a strong mining sector have a relatively higher return to schooling at all levels, while less diversified economies have the highest return to schooling at the primary school level (Montenegro and Patrinos 2013).

Little has been written on university governance in developing countries specifically. In many of those countries, however, the university governance traditions of the colonial power at the time of decolonization were copied wholesale with few modifications. It is instructive, therefore, to look at university governance in Europe to compare alternative governance models. After all in Europe the concept of university originated with the foundation of the university of Bologna in 1088 (University of Bologna 1988).

In the quest to find a balance between university on the one hand, and accountability on the other, a great variety of solutions were developed in different European countries. University autonomy is required to guarantee academic freedom as well as to allow universities adapt to rapidly changing context for higher education such as labour market conditions for academics, and changing preferences of students, as well as to increase universities’ research output and general performance. Accountability is required to make sure public funds are invested responsibly, efficiently, and effectively.

In its study on university autonomy, the European University Association has highlighted the great variety of governance systems which exist in 34 countries in Europe (Estermann and Nokkala 2013). One of the main lessons from this report is that there is a high degree of diversity in the condition, regulations and implementation processes governing the manner in which universities operate in Europe. There is not one ideal model which guarantees good university governance, accountability and transparency, institutional autonomy and academic freedom, or world class performance.

In all higher education systems in Europe, the state retains a central role in the regulation of higher educations systems, although there is a trend away from direct control to indirect mechanisms, through financial and quality assurance mechanisms. Financial measures include demand based financing, output financing, and real cost accounting (Salmi 2009). Quality assurance is done through national evaluations, but these can be complemented by adopting international voluntary standards.

In this article we will focus on the first dimension of organisational autonomy, which is the principal issues defining university governance. Conventionally four dimensions of university autonomy are distinguished:

1. *organisational*, in particular the ability to establish structure and governing bodies, university leadership, and who is accountable to whom;
2. **financial**, different forms of acquiring and allocating funding, the ability to charge tuition fees, to accumulate surplus, to borrow and raise money from different sources, the ability to own land and building and reporting procedures as accountability tools;

3. **staffing matters**, the capacity to recruit staff, responsibility for term of employment and issues relating to employment contracts such as civil servant status; and

4. **academic matters**, the capacity to define the academic profile, introduce or terminate degree programmes, and define their structure and content, roles and responsibilities regarding quality assurance and the extent of control over student admissions.

These four dimensions are interrelated and in some cases overlap (Estermann and Nokkala 2009). Here we will emphasize organisational autonomy which can be sub-divided into three aspects: freedom to determine internal academic and administrative structures; characteristics of the governing bodies (dual or unitary); and executive leadership.

In two thirds (21) of the 34 surveyed countries universities are essentially free to determine their internal academic structures, such as the establishment of faculties or schools. In 10 countries guidelines are established by law, and in 3 countries faculties are listed in the law. In all countries, faculties are no longer separate legal entities. Regarding governing bodies, there are three main aspects: governing bodies established by law or not; dual or unitary governance structures; and external membership allowed or not.

In most countries on the European continent the framework for decision-making bodies is established by law. Universities may however have some autonomy in the implementation of such frameworks, for example the proportion for specific categories may be stipulated, but the universities may decide their actual numbers. In the UK, universities established after 1992 have their decision making structures defined in the higher education acts, while older universities are bound by their own Charters and Statutes in the English Common Law system.

Secondly, there are two main types of university governance structures: dual and unitary. In most countries (23 of 34) universities have a dual structure comprising of a board or council, and a senate or academic board. The primary decision-making role can lie with either of these bodies, or there can be a balance between both depending on matters. In the dual structure, the University Board or Council is responsible for long-term strategic decisions, and the appointment of the Rector and budget allocation. The Senate is responsible for academic issues such as the curriculum, degrees and staff promotions. The Senate consists mainly of internal members, while the board/council includes external members. In some countries universities, such as France and Denmark, have a unitary system of only one main decision-making body.

In 28 of the 34 countries external members are included in the governing bodies, 22 of these 28 countries have dual structure, or what is called shared governance. In some cases external members may be a majority, or all members may be external. External members can be chosen by the university itself, or by the Ministry of (Higher) Education.
Finally, in Europe the matter of executive leadership is dealt with in many different manners. Historically, in the middle ages, when the state did not contribute to university, the Rector was a student (University of Bologna 1988). Today the Rector can be elected by a specific electoral body with representation of faculty, staff, and students, elected by the Senate, appointed by the council/board, or appointed through a two step process in which both the Senate and the Council are involved. In 24 of the 34 countries the Rector’s required qualification are defined by law, among the 7 exceptions most notably the United Kingdom, Switzerland and the Netherlands. In these same cases, the rector can also be recruited from outside academia. In most cases, the same body that selects the Rector can dismiss him or her.

The position of the Rector in relation to the governing body reveals two models: in 21 of the 34 countries the rector is part of the governing body as a voting member or as the chairperson, or he is external but accountable to this body in 9 of the 34 countries. In 4 countries this varies by university, most notably the United Kingdom.

The Rector as chief executive officer of a University provides leadership, and drives the strategic planning, finance and external affairs of the university across a growing network of campus and teaching locations. The Rector advises the Council about the setting of strategic directions and priorities, reports to Council regularly on the efficiency, effectiveness and quality of University programs and activities, and assists Council in the discharge of its formal external accountabilities. The Rector also represents the University to government, industry, the wider community and internationally.

In commonwealth countries, the governance model derive from the English traditions, hence the somewhat confusing use of the title of Vice-Chancellor. This commonwealth tradition creates flexibility which in our view is positive in the sense that the Vice-Chancellor can come from outside academia. It also established a tradition of external membership of the Council, which can be positive or negative depending on the quality of the appointed members. If the appointment process is purely political, the quality of decision making in the Council may suffer. The historical inheritance did introduce shared governance or a dual structure, which is alien for example to the French governance systems. The non-membership of the Council of the Vice-Chancellor, and the Chancellor (Chairman) of the Council being a symbolic figure (e.g. royalty), however, are typically English oddities, which are hard to understand outside the historical context of the British isles.
FINDINGS AND DISCUSSION OF THE CASE STUDY: PAPUA NEW GUINEA

First of all, since independence the growth of university enrolment in PNG has barely kept up with population growth of the relevant cohort. As a consequence, although official statistics have not been published, the gross enrolment ratio has probably not increased much (Schram 2013).

In PNG, the national development strategy Vision 2050 strives for an increase of 100% in the number of higher education students until 2030. By the rule of 70 this implies a rather most growth rate of 3%. The Independent Review of the University System (IRUS) however found the system in a precarious state. It therefore recommended two key measures: first, improving the quality of teaching before increasing the quantity of students, and secondly reviewing the governance structures and reducing the size of university councils from over 30 members to less than 13 independent members. Another independent review by Engineers Australia of the Papua New Guinea University of Technology (UNITECH) engineering programs, undertaken in 2010, proved that first major investments in laboratories and internet were required in order to be able to offer internationally accredited programs. This is probably true for science programs at all PNG universities.

In the case of UNITECH, additional reports had been commissioned by the Council but had never led to any actual plan being implemented. A human resource consultancy report, for
example, concluded that hiring practices had been ad-hoc and arbitrary. More importantly mandatory external audit reports had been indications since 2005 that the university had no adequate accounting system. Moreover, the position of internal auditor had been left vacant. Unsurprisingly, the public report to Parliament of the Auditor General for 2011 again expressed an adverse opinion, making UNITECH the only state institution to receive such an assessment.

Upon reflection, the governance failures at UNITECH derive in equal measure from failures of particular individuals, as from the provision of the University Act, in particular the provision regarding the size of the Council of 32 members (“Papua New Guinea University of Technology Act 1986” 2013). The following failures related to organisational autonomy, respect for due process and the law are highlighted in the Sevua Investigation report:

1. Failure of chairmanship in conducting Council meetings (organisational). The Sevua investigation, for example, finds that the meetings on 12 April 2012 and 8 November 2012 were “riddled with illegal overtones”, consisting in breaches of rules for quorum, lack of debate and voting, not properly constituted Council, Pro-Chancellor wrongly presiding, and not revoking earlier decisions. The team concluded that the meetings were “a reflection of a dysfunctional and defunct Council without a vision and foresight as shown by a lack of educated plenary debates, and compliance with standard regulatory meeting procedures.”

2. Confusion about roles (organisational). Over the years, the Chancellor took on an executive role, and acting as executive president, and was not corrected by the Council or the management. He personally signed, for example, several memoranda of understanding, a few of them even more than once since he took a liking to travel abroad. He also instructed management on the admission of students, family members of his, who had failed to be admitted due to insufficient academic performance. Furthermore, the Chancellor personally acted against the recommendations of the search committee regarding the appointment of head of departments.

3. Manipulation of Council membership categories (organisational). The membership of council became loyal to the Chancellor personally. The Chancellor used to convert the Ministerial appointments converted into internally appointed members in order to easier to influence them. Council meetings would be excessively short given the amount of documents to discuss, since everybody would agree with the Chancellor. After the UNITECH Council had been dissolved, a code of conduct and manual for Council members was prepared by the Office of Higher Education (OHE) with the help of an Australian consultant, but this has not been circulated as of yet.

4. Failure to comply with the provisions of the Act (organisational). The Pro-Chancellor did not respect the provision of the act whereby the Academic Board (or Senate) establishes the dates for the council meeting, and the Vice-Chancellor issues the convocation. Instead, for some key decisions the Chairman of the Council sent off almost half the council members – those who were employees of the University - with the purpose of forcing a decision. According to the Act, emergency powers are firmly the prerogative of the Vice-
Chancellor. In November, however, the Pro-Chancellor called for “emergency” Council meeting, although a change in location at the last moment precluded the Council members who were university staff to attend it. At this meeting, however, the main agenda point was the dismissal of the Vice-Chancellor, and an attempt was made to appoint a new management team.

5. Dominance of political considerations in decision making (organisational). Great care was taken by the University management never to contradict the opinions of the Chancellor and Pro-Chancellor both aspiring politicians. In most key decisions, electoral considerations or political convenience were the overriding concern.

6. Illegal self-serving actions by Chancellor and Pro-Chancellor not countered by Council (organisational). The Chancellor and Pro-Chancellor refusal to stand down at all, when they stood for the elections of June and July of 2012. Possibly in their calculations, they would control the university management from outside in case they won, and if they lost they would get rid of the new vice-Chancellor and appoint a more pliable and gullible one.

7. No respect for due process, the rule of law or human rights (organisational). When their intent were thwarted, the Pro-Chancellor circulated a fake court order with the public on 7 December, which led to an intent to take over the administration building with armed policemen on Sunday 12 December 2012. Similarly, the Vice-Chancellor was deported while in possession of a valid work visa, which is a violation of the human right of freedom of movement to return to the place of residence.

8. Failure in duty of care (organisational). The UNITECH Council failed in it duty of care by not demanding accountability from the management team at least since 2005. This has been amply documented in the first mediation team report, and in the Sevua investigation report (Papua New Guinea Blogs 2014).

Other failures are in the university autonomy areas of academic matters, staffing matters, and financial matters:

9. Abuse of power by the Council (academic matters). Council abused its power and rule on academic matters, which are the privilege of the Academic Board by launching new academic programs without Academic Board approval. In addition, management referred operational matters to Council, while at the same time abolishing the Committee system which assured collegial decision making.

10. Arbitrary firing, hiring of academics by council, and deportation of foreign Vice-Chancellor by the government (staffing matters). After an irregular appoint of a Head of Department, the Pro Vice-Chancellor who had correctly and with ample reasons opposed this appointment was threatened with immediate dismissal. After several unlawful attempts were made to dismiss the Vice-Chancellor, a spurious complaint led to him being declared a persona non grata in the PNG. This led to two unlawful deportations on 8 February 2013 and 9 March 2013 without deportation orders, and while he was still in position of a valid visa. His visa was eventually cancelled on 14 March 2013. Recently, the travel ban in his regard has been
lifted, but only after a student boycott of classes during almost 3 weeks (ETMV news 2014)

11. Compliance with financial regulations (financial matters). Both the Chancellor or the Pro-Chancellor who acts as his deputy failed to assure that financial audit reports be followed through by the management. Even after the management provoked a long and fierce student and staff strike in 2007, it stood by the management, and failed to hold it accountable.

12. Failure to raise tuition fees in line with other PNG universities and increasing costs (financial matters). While the former Chancellor, Pro-Chancellor, Registrar and former Vice-Chancellor all had political ambitions, and ran for national elections in 2007 and 2012, they never increased tuition fees afraid of the electoral consequences. At the same time, the Council failed in its duty of care for overseeing management in following up on the failures identified by the external auditor since 2005, since this responsibility was defused among its many members.

In all we can see that university autonomy and academic freedom were completely eroded by the politicisation of Council. Hence a strong case for reform of the governance structure can be made.

Evidently, a change in the governance structure requires a change in the Act of the University. The recommendation of the IRUS, which have been adopted by the NEC, must be carried out. In the new Act, we propose to end the confusion about roles and call the chairman of the Council, Chairman instead of Chancellor, and call the chief executive officer President instead of Vice-Chancellor.

Normally, for reforming the Act, the Council should appoint a committee with sufficient legal knowledge and experience with parliamentary procedures so that a revised Act can be presented to parliament. This process needs consultation with different stakeholders. Since this is a matter of institution building, nationals should lead this process, but foreign advisor can play a role. In fact, a specialised advisor was employed by the PNG office of higher education, but her services and knowledge was never utilised.

LESSONS LEARNED AND POLICY RECOMMENDATIONS

In the Asia Pacific region, there should be sufficient autonomy for universities to be able to survive in a rapidly changing environment, to defend academic freedom, and freedom of speech. At the same time, there should be an adequate degree of accountability to assure financial sustainability and transparency. Regrettably, over the last decades a large degree of autonomy was won, but not put to good use. The universities are highly indebted, and cases of alleged corruption and mismanagement have been published in the press on multiple occasions.

We should not discard the commonwealth traditions in university governance, but we should carefully adapt to local traditions, and the necessities of the times. This must not be used as an excuse, however, to completely pervert the functioning of Council as happened at the Papua New
A functional university Council can probably not be larger than 12 or 13 members. The government of PNG has acknowledge this by adopting the IRUS recommendations and implementation plan. A University Council must limit itself to strategic decision-making, and help drive the necessary transformation through. It must, of course, hold management accountable and not hesitate to take the necessary measures without favour. The quality of external Council membership and the management will be crucial in all this. Council member can be in part appointed by the Council and in part by the Ministry, but should not be yes-men and women. The must have knowledge of international standards in the higher education sector.

The challenges of complex, multi-site, multi-stakeholder university organizations are daunting in the best of times. Given the number and extent of the legacy issues in the higher education sector in PNG, exceptional leadership is required, backed up by a solid governance structure. Before any investment can be made in the higher education system, however, the basic issues around effective management, governance and transparency in higher education system need to be carefully addressed.

In PNG, given the lack of substantial progress in implementing its higher education policies, we must conclude that so far there has been great reluctance to undertake meaningful reform. Short-term political consideration seem to prevail. Infrastructure investments have not been made, and the opportunity to utilize the generous offer by the Australian government to match these funds seems to have been lost. Given the structure of its economy heavily reliant on the mining sector which has a high demand of skilled workforce at all levels, the failure to reform the higher education system is a luxury PNG can ill afford.

**END NOTES**

* Dr. Albert Schram is Vice-Chancellor of the Papua New Guinea University of Technology since 7 February 2012. The opinions expressed here are his personal views, and do not necessarily reflect the views of the University Council or the Office of Higher Education.

2 We will use the European continental terms throughout this article. The Rector in the UK is called Vice-Chancellor. The term ‘vice’ however tends to create confusion. In the US the Rector is commonly called President. The Chairman of the Council is called Chancellor in the commonwealth, or if the Chancellor is a symbolic figure (e.g. royalty), the Pro-Chancellor acts as Chairman.
REFERENCES


