CHAPTER FIVE

5 CAMBODIAN HIGHER EDUCATION IN TRANSITION: AN INSTITUTIONAL GOVERNANCE PERSPECTIVE

Abstract

Purpose – The paper aims to ascertain the governance arrangements of higher education providers in Cambodia and to seek insights into institutional governance while its higher education sector is in a significant transition towards the market model.

Design/methodology/approach – The empirical research underpinning this paper applies a qualitative method, based on an interpretivist approach to inquiry. The study employs semi-structured interviews with 38 key research participants from relevant institutions. The data analysis follows a thematic coding approach.

Findings – The study has found that despite their divergent governance arrangements, three forms of higher education providers – public institution, public administrative institution, and private institution – have become increasingly similar due to their convergent trend toward commercialization and politicization. These two critical issues are considered threats to institutional development in Cambodia.

Research limitations/implications – The interviews were conducted with the key actors at leadership and management levels. This leaves room for future research to investigate the institutional governance issue at faculty and student levels to develop a deeper understanding about the on-the-ground implementation. This paper is a useful information source for policymakers, institutional leaders and educational practitioners.

Originality/value – This paper addresses the under-researched issue of institutional governance in Cambodia and critically examines the assumption that devolution and privatization of higher education in Cambodia will help advance the sector for economic development. The paper contributes to the ongoing academic debate in the higher education domain while higher education institutions are struggling to sustain their place in the competitive marketplace.

Keywords Institutional governance, reform, privatization, autonomy, board

Paper type Research paper

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5.1 Introduction

Over the last few decades, the transformation of higher education (HE) has followed a global trend of a rapid expansion, particularly in developing countries (Kapur & Crowley, 2008). Mok (2007) asserts that this growth has imposed financial constraints on the associated governments, as they cannot fully fund HE. Clark (1998a) has encouraged universities to adopt a corporate model and perform entrepreneurially. Hawkins (2008) asserts that the bureaucracies under government control may hamper necessary development and change in the sector. M. N. N. Lee and Healy (2006) have pointed out several reforms in the sector in many countries in Southeast Asia: the privatization of HE; the corporatization of public higher education institutions (HEIs); the introduction of a fee-paying system; and the development of public–private partnerships in HE. Such reforms indicate a clear shift from a state-control to a state-supervision model (Van Vught, 1994). In other words, the provision and management of HE have moved from government control towards the market model (Varghese & Martin, 2014).

Considering this transformation of the HE sector, numerous studies have been conducted in developed countries, emerging economies and further in developing countries. Despite this, research has remained scarce in Southeast Asian countries, particularly Cambodia, a country in which the development of its modern HE is relatively recent (Pit & Ford, 2004). Since 1997, the HE landscape in Cambodia has followed a similar transition to that described above due to the introduction of a government privatization policy that involves the private sector in economic development. R. Sam et al. (2012b) assert that this policy brought about two major changes in the Cambodian HE sector: (1) the participation of the private sector in HE provision; and (2) fee-paying programs in public HEIs. Moreover, one significant reform in the sector is clearly seen in the transformation of some public HEIs into autonomous institutions under Public Administrative Institution (PAI) status, which aims to lessen the government’s financial burden and improve the quality and relevance of education (Touch et al., 2014). This situation has marked a clear shift towards the market model, reducing HEIs’ reliance on state control and funding. The shift has direct implications for institutional governance and has involved state-imposed reforms for the governance arrangements of HE providers. Each HEI is required to have a governing board or board of directors, which is the supreme body at the institutional level. The board composition varies according to the form of HE provider: public, PAI, or private. It should be noted that as a former French protectorate (from 1863 to 1953), Cambodia has an education system whose
legacy lies in the traditional French model (Dy, 2004). Moreover, the influx of the international donors to Cambodia, particularly after the United Nations–led general election in 1993, has marked their great influence on many sectors including HE. All of the above raises the following question: How do HE providers in Cambodia both converge and diverge in their governance, compared to Western models?

Despite the fact that governing bodies have been formed to ensure quality education and the expectation that market forces will improve it through competition, challenges are evident in the HE sector in Cambodia. They include poor quality programs; inadequate quality assurance of education; weak governance and management; lack of strategic leadership and planning; and a lack of transparency in the selection of management and academic staff in public HEIs (Chet, 2009). Private HEIs depend almost entirely on tuition fees (Un et al., 2013), a situation shared by public HEIs, which are now up to 80 per cent privately funded (Ahrens & McNamara, 2013). In addition, the rapid increase in the number of HEIs, along with their limited resources, has implications for the efficiency and teaching quality within the sector (Ford, 2003, 2006). Furthermore, Chet (2009) asserts that research is almost non-existent in the HE sector in Cambodia. These challenges have caused a growing concern over how Cambodian HEIs are governed to provide quality education services that aim to produce qualified human resources for the country’s economy.

Although a number of studies have been conducted on HE issues in Cambodia, there have been few studies on institutional governance. Importantly, the three forms of HE providers have yet to be brought together for a comparative discussion as to how they are actually governed and what challenges are involved in their governing process toward quality education while the sector is in a significant transition from state to market. Based on an empirical study, this paper aims to shed light on the institutional governance and the related challenges experienced in the HE sector in Cambodia in order to address the scant existing literature on these issues. It also provides implications for policy makers, institutional leaders and educational practitioners.

5.2 Overview of the Cambodian context

Cambodia became the French protectorate in 1860 and declared its independence in 1953, which was recognized in May 1954 by the Geneva Conference (Dana, 2007). In 1969, the United States carried out a bomb attack on the suspected communist camps in Cambodia
In 1970, Cambodia was attacked by American and Vietnamese troops, resulting in death of hundreds of thousands of people and migration from rural areas to Phnom Penh – the Cambodia’s capital city – in the following years (Dana, 2007). In 1975, the Khmer Rouge invaded Phnom Penh and overthrew the Khmer Republic regime under General Lon Nol to seize control of the state power in Cambodia (Ayres, 2000).

During the Khmer Rouge regime from 1975 to 1979, Cambodia suffered a massive loss and damage in both human resources and infrastructure. Schools and universities were closed and left to decay or used for other purposes such as for prisons and stables or an ammunition factory, as was the case of the Royal University of Agriculture (Ayres, 2000). Prasertsri (1996) asserts that many well-educated people such as teachers, intellectuals, students and professionals were killed or fled the country during the regime. After the fall of the regime, civil war prevailed for a decade, causing more destruction to buildings and equipment. The regime and the subsequent political instability, along with the limited budget of the government for the higher education sector, imposed a tight constraint to the sector development (Duggan, 1997). Chet (2006) concludes that the prolonged civil war, conflicting political ideologies, social upheaval, and uncoordinated economic reforms after the regime has impeded the development of higher education in Cambodia. Such a serious situation brought difficulties and challenges for the Cambodian government to restore its national education system virtually from scratch after the regime due to the severe shortage of human and financial resources.

After the United Nations-led general election in 1993, attention turned to the reconstruction and restoration of all kinds of infrastructure including human resources development (Dy, 2013a). Dy (2015) asserts that although the external assistance to the education sector was quite substantive, the higher education sector remained underfunded, underdeveloped and in urgent need of reforms because of the government’s and donors’ great emphasis on basic education as a priority for the country’s development. Prior to the late 1990s, the government was the sole provider of higher education in the country under a tuition-free system (Chet, 2006; Heng, 2014). In this sense, the higher education sector was rather small in scope and scale as the student enrolment was restricted to the number of government scholarships and the number of HEIs was limited.

The late 1990s witnessed a rise of private HEIs and fee-paying programs in public HEIs due to the government’s privatization policy for economic development (Chet, 2006).
This policy corresponds with the Cambodia’s constitution adopted in 1993, in which article 56 stipulates the adoption of the market economy system (Dana, 2007). Since then, the private HEIs have increased their roles in providing education services and become the predominant providers of higher education in Cambodia (Chet, 2009). The policy creates an environment conductive for individuals to involve themselves in business opportunities in the higher education sector in Cambodia as part of their entrepreneurship. Ratten (2014) asserts that being entrepreneurial and innovative are crucial to help developing countries stay globally competitive.

5.3 Literature review

G. Scott (2003) identifies the following driving forces behind the major changes in the HE sector worldwide: a rapid rise in competition among universities; limited government funding; greater scrutiny of governments; an increase of student rights over education quality; and the speedy spread of communication and information in our lives. The combination of these forces has brought about fundamental changes in the relationships between governments and HEIs as well as in how HEIs decide what they do and how they do it. These changes have direct implications for the institutional governance of HEIs, which has become a critical issue in the HE sector in the twenty-first century. Edwards (2001, p. 3) defines the concept of “governance” as “how an organization steers itself and the processes and structures used to achieve its goals”, while Gallagher (2001, p. 1) defines it as “the structure of relationships that brings about organizational coherence, authorized policies, plans, and decisions, and accounts for their probity, responsiveness and cost effectiveness”. Marginson and Considine (2000, p. 7) have related this concept to university governance as “the determination of values inside universities, their systems of decision making and resources allocation, their missions and purposes, the patterns of authority and hierarchy…”. Shattock (2002, p. 235) has noted that university governance simply refers to “university governing bodies, how they function, the relationship between governance and management… and their responsibility for determining university strategies”. Thus, when it comes to the study of university governance, a large body of literature on university governance (e.g. Bargh et al., 1996; G. K. Davies, 2011; De Boer, 2002; Dixon & Coy, 2007; El-Khawas, 2002; Maassen, 2000; Shattock, 2002, 2012; Taylor, 2013; Trakman, 2008, etc.) has placed a great emphasis on examining university governing bodies, the supreme institutional authorities, since they
are particularly involved in the governing process of making overall decisions about policies and setting long-term directions and strategies to be taken by universities.

Shattock (2002) examines “the corporate-dominated and the academic-dominated forms of university governance”. The former, a “corporate model”, is usually one where the governing body represents the dominant decision-making power on “both a de facto and a de jure basis” over the university, and its membership is usually predominantly non-academic lay governors. By contrast, the latter, a “consensual model”, represents the dominance of academics in the governing process. Moodie and Eustace (2012, p. 233) assert that the governing bodies must rely on academics to govern universities as “no one else seems sufficiently qualified to regulate the public affairs of scholars”. Despite this, in the nineteenth century, the corporate model was considered desirable as lay governors were needed to generate funding for teaching and research due to the limited regular funding received from the government (Moodie & Eustace, 2012). Notably, as professional service organizations within the changing market-steering environment, universities have moved towards the concept of “shared governance” to secure their future (Shattock, 2002; Taylor, 2013). Taylor (2013) describes shared governance as a model in which university governance is shared between the academic community and the governing body associated with lay dominance, and is coordinated by the university executive. However, the shared governance model is rejected by the corporate model because the institutional decision-making process is considered rather slow under the shared model (Rhoades, 2005).

Examining university governance through governing boards across the British Commonwealth and the United States (US), Trakman (2008, pp. 66-74) has identified five models of university governance: (1) faculty, (2) corporate, (3) trustee, (4) stakeholder, and (5) amalgam. First, faculty governance is the most traditional model whereby universities are governed by academic staff, as they are assumed to be highly equipped to achieve academic goals. Nonetheless, it is argued if academics have sufficient skills in financial management and accountability. Second, corporate governance, common in today’s universities, is based on a business model whereby a governing board directs institutional governance, and a chief executive officer, chief operating officer, and chief financial officer serve on the board as senior management. Third, trustee governance operates through a trust relationship between university governors who act for and on behalf of the university. Fourth, stakeholder governance is a model that encompasses a wide range of both internal and external
stakeholders who make decisions as part of the governing board. Finally, an amalgam model of governance is an inclusive model that consists of features of all the above models.

Besides diverse models of university governance, there are variations in university governance arrangements in different countries. For instance, in the US, most HEIs are under the supervision of governing boards or boards of trustees as supreme institutional governing bodies, composed of elected or appointed external members such as respected business people or other professionals in the community, with some selected at a national level (El-Khawas, 2002). Although the institutional presidents are not board members, they work closely with the boards and support them in setting final directions of actions for universities (El-Khawas, 2002). Amaral et al. (2002a) conclude that such a governance structure involves “a strong, centralized approach to decision-making” exercised by the institutional president, along with his or her cabinet, under the direction of a governing board. Conversely, in France, universities are composed of three deliberative bodies: an academic council (elected representatives of university staff, graduate students, and external members); a board of studies (academics, students, administrative staff representatives, and external personalities); and a governing board (academics, external or lay members, students and administrative staff) (Musselin & Mignot-Gérard, 2002, pp. 65-66). The first two bodies present proposals for policy decisions to the governing board. This structure is dominated by state control and academic bodies. Amaral et al. (2002a) argue that such university governance arrangements are considered “weak”, with “indecisive and ineffectual” institutional participatory councils.

Notably, the advent of the concepts of the entrepreneurial university (Bercovitz & Feldman, 2006; Clark, 1998a, 2001; Etzkowitz, 2002, 2003a, 2008; Etzkowitz et al., 2000; Guerrero & Urbano, 2012; Redford & Fayolle, 2014; C. Sam & van der Sijde, 2014), academic capitalism (Rhoades & Slaughter, 1997, 2004; Slaughter & Leslie, 1997, 2001; Slaughter & Rhoades, 2004), and commercialization (Bok, 2003) has carried important implications for university governance. Universities are encouraged to respond swiftly and appropriately to the ever-changing demands of the knowledge-based economy and to diversify their income sources in the face of limited public funding. Etzkowitz et al. (2000) have found that university governance structures have changed as universities have expanded their roles in innovation, from the generation and dissemination of knowledge to the commercialization of it. With the concept of the entrepreneurial university, faculty staff and technical personnel in academic departments are expected to commercialize research findings
and seek collaborations with external partners. Moreover, this new university concept attaches greater importance to interactions between university, government, and industry (Redford & Fayolle, 2014). Etzkowitz (2008) regards the entrepreneurial university as “a driver of the triple helix model”, which postulates that collaboration between university, industry and government is the key source of innovation and development in a knowledge-based society. Such collaboration paves the way to help improve each other’s performances with the university as the leading institution (Etzkowitz, 2002, 2008). In this sense, the collaboration between the three institutional spheres respects the entrepreneurial university as having a strong degree of autonomy.

Similarly, Torres and Schugurensky (2002) have noted an increasing presence of market values and forces in academia by which professors, departments, and faculties of both public and private universities are progressively involved in competitive behaviours for funding, grants, contracts, and student selection. Academics are encouraged to develop an entrepreneurial approach to research and teaching. Rhoades and Slaughter (1997) describe this situation as “academic capitalism”, whereby universities are not only service suppliers to the marketplace but also active players in the marketplace as profit-making organizations that are moving “beyond the ivory tower”. Meanwhile, in terms of commercialization, university officials and faculty members at private universities in the US are forced to seek external funding sources and professors are urged to market their specialized knowledge and scientific discoveries (Bok, 2003). Moreover, Gumport (2000) has asserted that public HEIs in the US have shifted from being a social institution to an industry. Similarly, universities in Hong Kong have adopted a business-like model of governance to promote university–industry linkages, commercialize their research outputs and expand their business activities (D. Chan & Lo, 2007). Mok (2007) illustrates the governance structure of a corporatized university with the example of Universiti Sains Malaysia, which is operated like a big business company whereby the board of directors and the vice-chancellor possess strong decision-making powers.

As seen by this discussion, university governance models and arrangements have manifested themselves in different ways. Fish (2007) asserts that each institution has its own history and missions, relationship with its associated government, funding mechanisms, legal obligations, etc., which suggests that there is “no general model of governance” that can be replicated. In this regard, while the development of HE in Cambodia is relatively recent,
compared to other countries in the region (Pit & Ford, 2004), it has remained unclear as to how Cambodian HEIs differ in their governance arrangements. Moreover, as can be seen in developed and emerging economies, the move towards the devolution and privatization of HE has clearly shown a global trend towards the concept of the entrepreneurial university, academic capitalism and commercialization, as described above. Thus, it is questioned as to whether such phenomena apply to the HE sector in Cambodia. In other words, it remains doubtful if the increased autonomy of public HEIs and the involvement of the private sector in HE provision in Cambodia have brought about any significant improvements in Cambodian HEIs.

5.4 Research methodology

5.3.1 Methods

The current study employed a qualitative method based on an interpretivist approach to inquiry in order to develop a deeper understanding about institutional governance in Cambodia. Epistemologically, the researcher in the study, together with his long experience as a faculty member in a Cambodian HEI, constitutes a research tool negotiating with the research participants as to how the data are constructed and interpreted. Social constructivism thus serves to seek insights into the issues under study in Cambodia. The qualitative research applied a series of key participant interviews as the key method of data collection to ascertain different stakeholder perspectives on how HEIs in Cambodia are governed. Schostak (2006) asserts that interviews provide an interactive environment for individuals to deeply explore the experiences and perspectives of their partners. Most of the interviews were conducted in Cambodia from December 2012 to December 2013, with subsequent ones held in 2014. It should be noted that most interviews were conducted in Khmer, the author’s native language, so that in-depth information about the key issues could be obtained from the interviewees through both verbal and non-verbal language, as most of them are Cambodians. Moreover, secondary data were generated from government publications, policy papers, and research publications. Archives containing data on educational matters such as HE governance, university governance, institutional reforms, quality assurance, and research issues, were also assessed.

Forty-six participants were identified by purposive sampling and snowballing sampling, the methods typically used in qualitative research to obtain rich data about the
issues of inquiry (Patton, 2002). From these 46 participants, 38 key participants were purposively selected as the key resource people for this paper based on their extensive and long-standing experience in governance and management of HEIs and/or their academic and professional background in the field (see Appendix 5.1). It should be noted that eight HEIs (3 public, 1 PAI and 4 private) were selected, five of which are located in Phnom Penh and the other three dispersed among three provinces. Despite the fact that HEIs are supervised by 14 government institutions in Cambodia (You, 2012), the study selected only the HEIs under the Cambodian Ministry of Education, Youth and Sport (MoEYS), which supervises the majority of HEIs (public and private) in the country and takes the lead in making educational policies for the sector. The interviews were conducted with senior officials from the government institutions, representatives from donor agencies or so-called development partners, professionals in this area, national and international education consultants, and those in HEI leadership and management. Because Cambodia depends heavily on foreign aid for development (Khieng, 2014), which extends to its education sector (Ayres, 2000), the perspectives from donor agencies on HE were deemed crucial as they have turned their attention to HE in Cambodia. Thus, coupled with the secondary data, the data from different stakeholder perspectives constitute a principal type of “triangulation of perspectives” (Flick, 2004, 2009), which is considered a viable strategy to improve the quality of qualitative inquiry and data analysis.

5.4.2 Data analysis

To ascertain the governance of HE providers within the three groups (public, PAI and private), secondary data were sorted and categorized into several groups: historical development of HE; reforms after privatization; and relevant policies and regulations regarding governance issues. The data were complemented by document analysis, serving as a means of tracking changes and development in the HE sector. The analysis allowed the researcher to compare these results with the qualitative data from the interviews, thereby enabling him to identify actual changes and to support and argue about how HEIs are governed.

The interviews were transcribed and the ones conducted in Khmer have been translated into English to facilitate the coding and analysing process across transcripts. They were then imported into NVivo 10, a qualitative data software tool, which is employed to support data analysis by means of facilitating data storage, coding, retrieval, comparing and
linking in order to ensure that all the relevant data have been exhaustively used across all the transcripts. Beekhuyzen et al. (2010) assert that the use of NVivo assists the data analysis process by making it “transparent”. Moreover, the data analysis followed a thematic coding approach. Further coding under each theme allows the researcher to identify the issues in greater detail. In order to provide evidence to the findings, key relevant quotes from the interviews have been extracted and used where applicable throughout the finding section of this paper. Creswell (2013) indicates that the interpretation of research findings could either concur or contrast with the existing body of knowledge in academic literature. The findings are thus discussed, linking the researcher’s interpretation with research by other scholars in the field. In addition, since institutional governance constitutes a multi-dimensional concept, the study examines this issue by using an institutional governing body as a guide for analysis. Importantly, this body is widely regarded as the supreme institutional authority, much involved in the governing process of HEIs.

Measures were applied to ensure the ethical standards of the current study. All the data were collected with great attentiveness to confidentiality, privacy, and voluntariness. As such, an informed consent form was developed and presented to request permission from all the interviewees from relevant institutions. The form provided the interviewees with information on the background of this research and its aim, confidentiality, and voluntary participation. The interviewees were assured that the information they provided would be carefully protected from third parties and used for this research purpose only.

5.5 Research findings

Since 1997, the Cambodian HE sector has undergone significant reforms, some of which are connected with institutional governance and management, such as the establishment of a governing board or board of directors for each HEI and the transformation of some public HEIs into autonomous institutions under PAI status. This section is devoted to a comparative analysis of the divergent governance arrangements of the three forms of HEIs – public, PAI and private – and the key challenges involved in the governing process toward quality education in Cambodia.
Table 5.1: HEI board composition in Cambodia

<table>
<thead>
<tr>
<th>Higher education provider</th>
<th>Public HEI (12 members)</th>
<th>PAI (5 – 11 members)</th>
<th>Private HEI (&gt;=5 members)</th>
</tr>
</thead>
</table>
| Board composition         | - Rector of the university as a chairperson  
- One representative from the MoEYS  
- One representative from the Cambodian Ministry of Economy and Finance (MoEF)  
- One representative from the Office of Council of Ministers (CoM)  
- Four deans of dependent faculties/colleges or directors of subordinate technical HEIs  
- One person from outside the university  
- One academic staff representative  
- One administrative staff representative  
- One student representative | - One representative from a parent ministry  
- One representative from the MoEF  
- One representative from the CoM  
- The rector of the PAI, as the chief executive officer reporting directly to the governing board  
- One staff representative (either administrative or academic)  
- Six others (optional) (as appointed via a government sub-decree with a renewable three-year mandate) | - Shareholder(s) or representative(s)  
- Representative(s) of academic or administrative staff  
- Dignitary(ies) with experience in HE and management |
| Administrative system     | - Centralized (Directly under the parent ministry) | - Decentralized (Directly under the governing board) | - Top-down approach (directly under the owners/shareholders) |

5.5.1 Public higher education institutions

As stipulated in the royal decree in 2002 on the creation of public universities in Cambodia, public HEIs shall have a board of directors and they are under the direct supervision of the parent ministry (see Table 5.1). However, the interviews reveal that some boards – so-called executive boards – exist only in structure. In other words, the board exerts little or even no influence but merely follows what is decided by the parent ministry, particularly in terms of finance and administration. At the institutional level, instead of the board as a whole, a rector
appears to wield dominant decision-making and executive power, following a top-down administrative approach. It is thus clear that the voices and needs of staff and students, who are important stakeholders, may not be seriously considered on matters of the institutional development. Furthermore, collective decision-making is deemed non-existent for the institutional development. A vice rector at a public HEI asserts:

> There is no collective decision making. Once in a while, some competent people pretend to know nothing while the incompetent people pretend to be knowledgeable to survive and to earn their living in different ways. The common interest lies in our staff’s mind-set. We just let it be. People tend to care only about their personal interest. (ID=P18)

Despite this, some interviewees point to one of the public HEIs that could be a role model for other public HEIs. Although directly under the supervision of the parent ministry, the governing body, known as Administrative Council (AC), is considered more efficient, independent, and accountable than most public HEIs. As a supreme institutional body, the AC comprises a president from a parent ministry, representatives from relevant ministries, an HEI director, and representatives of the HEI’s lecturers and alumni, network universities, foreign donors, national and international enterprises, and the HEI’s direction board.

The interviews also reveal that public HEIs are known as being politicized in the form of appointing university leaders aligned with the government of the ruling party. That is, top leaders are mostly appointed based on their connection, loyalty and service to the political ruling party. Thus, party membership is prioritized over qualifications and performances when appointing university leaders. One interviewee establishes that although the legislation is put in writing, it is not practiced (ID=P13). Such politicization is perceived as an impediment to quality improvement as the income of the HEI is not properly allocated, which is partially due to the limited capacity of the top leadership. Importantly, a certain portion of income is also used for political purposes to sustain leaders’ positions. A dean at a public HEI asserts:

> …generally some [public HEIs] are politically involved… leaders are required to be members of the political ruling party… public HEIs have to generate more income for political purpose. So it can be hard for some HEIs if they want to strengthen the quality as the income may decrease within a short time. (ID=P21)
The fact that fee-paying programs are authorized in Cambodian public HEIs has enabled them to generate their own income, reducing their reliance on the state budget. However, the interviews show that their income-generating activities have become more focused on profitability rather than quality. With the income derived from their fee-paying programs, public HEIs have expanded, with more buildings and students. However, there remain insufficient resources for research, teacher training, course update and library expansion (albeit to a limited extent), as these require a lot of expenses. With the focus on the profitability and viewing students as their customers, these public HEIs are inclined to provide mainly market-friendly programs such as English, business, economics, and law due to the guaranteed enrolments and their less costly operation. In addition, the introduction of fee-paying classes has made faculty members extremely busy with their teaching to supplement their basic salary, leaving no time for research and professional development. Reported, most lecturers can only meet their students during their contact hours in class. The teaching service has become almost the only means to generate income, although a few public HEIs have started to integrate some services, such as consultancy and research, which are usually restricted to particular departments rather than the institution as a whole. Such commercial practices are likely to place public HEIs in a vulnerable position, impeding the quality of education on offer, if not properly managed.

5.5.2 Public administrative institutions

The transformation of public HEIs into autonomous institutions under the status of PAI marks a significant reform in the Cambodian HE sector. Under this status, PAIs become no longer under the direct supervision of the parent ministry. Rather, they are directed by their new governing board, composed of different members (see Table 5.1). Pursuant to the PAI model, diverse stakeholder representatives can be seated on the board. Despite this, most, if not all, PAIs comprise only the five core members to meet the minimum requirements, indicating an absence of other important stakeholders in the board composition. The interviews reveal that with the increased autonomy in their operation, particularly in terms of financial management, PAIs have become more independent of the government funding. Their budget system is considered more efficient and less bureaucratic than that of public HEIs in which the proposed budget has to await approval from the parent ministry, which usually results in long delays. Some interviewees regard the granting of the PAI status to certain public HEIs as a key step towards improving institutional governance, as their governing boards have become more influential in the decision-making process than those of
the public ones. Conversely, an interviewee at a PAI argues that such a system is inflexible as any necessary expenses outside of the approved budget cannot be made until the approval of the following year’s annual budget. Similarly, a senior education official asserts:

The royal decree [on PAI status] is used by all kinds of general PAIs, not specifically for educational institutions. Therefore, when we use such general regulations to apply to educational institutions, there can be some pitfalls. (ID=04)

Like public HEIs, PAIs are also viewed as being politicized in terms of appointing institutional leaders who favour the political ruling party. Such a form of politicization also applies to the appointments of governing board members. Moreover, the PAI board composition is perceived as having no independent function although the transformation from public HEIs to PAIs is aimed at achieving good governance for institutional development. A foreign HE professional argues:

The governing boards [of PAIs] are not designed to represent all the stakeholders at all. They are designed to protect their institutions having power and political allies who stop any actions that might be demise to the institutions and the interest. How the concept that has been distorted is applied. (ID=P13)

The fact that PAIs are granted financial autonomy has made them become more aggressive in generating income, particularly from their teaching services, to secure their place in the competitive HE market. Their financial situation has forced PAIs to run mostly profit-generating programs to sustain their business, ignoring the skills and knowledge required by the economy. Noticeably, the income generated from the tuition fees at PAIs is seen to be allocated for constructing more buildings to increase student enrolments rather than improving education quality through research, professional development, and the like. A senior education official states:

…they [PAIs] increase the class size up to 70-80 students per class. Some HEIs offer five study shifts: morning, noon, afternoon, evening and weekend… even shorten the four-year bachelor’s program to two years and eight months…while their [students’] foundation is still weak. (ID=P05)
The interviews reveal that the conversion from public HEIs into PAIs may put some faculties and programs at high risk of closure due to limited student enrolments or costly operation. A rector at a public HEI emphasizes:

[M]ost universities will run only the faculties which enable them to generate income. They avoid the faculties of science and … [humanities] because the faculty of science costs a lot of money. Therefore, if we [a public HEI] transform ourselves into PAI like others, we can do it, but we may have to close faculty of science or departments of psychology, philosophy, history and so on because there will be no fund to support these departments. (ID=P16)

In other words, with the financial support from the government, public HEIs can continue to offer some study areas such as sociology, history, philosophy, etc., which do not attract many student, as well as the fields of sciences and technology, which are deemed costly to operate. These are the fields that PAIs or private HEIs may not be able to afford.

5.5.3 Private higher education institutions

Pursuant to Prakas 1435\(^1\), private HEIs are required to create a governing board of at least five members (see Table 5.1). A high-ranking official is to be seated on the board to give directions and advice to HEIs and settle any possible conflicts among shareholders, as it is viewed as being hard to control them without his or her influence. The interviews reveal that these governing boards mainly comprise shareholders and follow a top-down approach. In some cases, lecturer and student representatives on the board have a share in the university. Such a board composition is considered a potential conflict of interest, as these people will seldom speak as a teacher or student but will represent their financial interests as shareholders instead. The interviews also show that the board will turn out to play an advisory role while the rector is the final decision-maker if he or she is the owner. However, if the rector is hired by the board of shareholders, he or she cannot make any decisions, but report to the board for final decisions. Moreover, having a board representing both internal and external stakeholders, such as industry, is considered impossible for private HEIs. A senior education official argues:

\(^{19}\) Prakas 1435 refers to the proclamation issued by the MoEYS in 2007 as a regulation for HEI creation, in which detailed conditions and criteria for HEI establishment are included as the main chapter pertinent to general conditions, names and types of HEIs, mission, governance and management, academic programs and teaching, administrative staff and lecturers, location, building and facility, and strategic plan and finance.
We don’t require them [private HEIs] to have them [industry] as the board members, but if they think that it is important to include those members, they can as we do not forbid them. But if the MoEYS requires HEIs to have a representative of the industry, some small HEIs cannot survive and be established as industry may not be willing to participate as they don’t see any benefits from them. (ID=P02)

Despite this, the governing boards of private HEIs are viewed as functioning better and more efficiently than those of public HEIs. Their decision-making process is quicker and less bureaucratic since they are financially independent of government funding. Since the board members of private HEIs are mostly shareholders, collective decisions are sought to reach a consensus for their business.

Like public HEIs and PAIs, politicization is quite obvious in private HEIs in that most, if not all, private HEIs are known to be aligned with the government of the ruling party. In other words, the presidents or owners of HEIs are connected with the government to sustain their business. Clearly, owners of some private HEIs hold senior positions in the government, are awarded the title of Excellency as they are appointed as high-ranking officials in the government, or are honoured with “Okhna”20. In this way, their businesses could be well protected by politicians within the ruling party.

Private HEIs are generally known to be run like businesses to secure their position in the competitive marketplace as, unlike public HEIs, they receive no government funding. Most HEIs have to rent buildings although some have started to own campuses and buildings for their operation. This situation poses a big financial burden for them. An advisor at a public HEI claims, “They [private HEIs] try to make profits or at least to survive their business rather than prioritizing societal needs and country development” (ID=P15). In most cases, they are tempted to offer mainly market-friendly programs and enlarge their class size to reduce their expenses albeit aware of the affected quality due to their limited resources. An interview at a private HEI reveals that the tuition fee is lowered to around 300 USD per annum. Moreover, the entry requirements are set moderately and applied flexibly to absorb as many students as possible. In some cases, tuition fees are waived for some students as a marketing strategy to attract enrolments, which also becomes a burden for some private HEIs, as most of them do not have any other income sources except for tuition fees.

20 “The preserve of businessmen interested in formalizing their relationship with the State (and by extension the CPP, [the ruling Cambodian People’s Party])” (Ear, 2009, p. 3).
The interviews also reveal that the expansion of HEIs is considered disproportionate to the available resources. Notably, although HEIs are required to have at least 25 per cent of their academic staff employed on a full-time basis, most of them do not meet this requirement. That is, they employ mainly part-time lecturers who either work in other sectors or teach at other HEIs. A dean at a private HEI explains that it is hard to meet these requirements due to the small number of students in each faculty. Despite this, a vice president from another HEI argues that it can be beneficial for students to learn from people working in other sectors as they have both knowledge and practical experience from outside (ID=P26). Moreover, the budget for research and capacity development for lecturers has been found to be almost non-existent. The course update and library upgrading in facilities and resources are perceived to be extremely limited. A program director at a public HEI claims:

… [some] private HEIs even copy the curricula of the public HEIs to use in their universities. They have the same subjects even with the same content. The thing is they do not try to create anything new but they just follow what other people do. Whatever they do is to make profits. This situation will make the competition of philosophy absent. (ID=P22)

However, the interviews at private HEIs show that over the last few years, some private HEIs appear to be working hard to improve their quality in several ways; namely, facility improvement; lecturer recruitment procedure; student and lecturer evaluation; student representation on the governing board; and increased interactions with potential employers in terms of student internships and job opportunities.

All in all, the three forms of HEIs in Cambodia encompass divergent governance arrangements, which are all aimed to embrace stakeholders in boards so as to ensure quality education. However, the current study has shown that the three forms have shared a convergent trend towards politicization and commercialization, which are deemed as key challenges – and even threats – to education quality, leaving less space for innovation and development for the country’s economy (Figure 5.1).
5.6 Discussion

The findings of the study have shown that the governance arrangements of public HEIs attach importance to stakeholder involvement for institutional development. However, the practice has not shown to work out in such a way, since the boards at public HEIs tend not to be influential enough in the decision-making process due to the fact that they are ultimately under the direction of the parent ministry, which acts as the main decision maker. In the absence of collective institutional decisions, rectors of public HEIs appear to be the most influential decision makers in policies and day-to-day operations. Lack of input from other stakeholder representatives is considered an impediment to institutional development. Moodie and Eustace (2012) assert that of the stakeholders, academics deserve the greatest involvement in governing universities as they are considered the most qualified. Despite important stakeholder inputs, Brown Jr (2001) argues that the efficient level of stakeholder participation in the board varies depending on the types of decisions (e.g. academic, management, financial issues, etc.) in which they are involved.
Notably, some public HEIs have been transformed into PAIs to receive greater autonomy in their operation, indicating a shift from the state control to the state supervision model (Neave & Van Vught, 1994; Van Vught, 1994). The PAI model aims to offer opportunities to diverse stakeholders on the governing board through their representatives alongside the core members. However, since the inception of PAI status, the full stakeholder participation in the board composition has never been realized due to the absence of varied stakeholders except the core members. Touch et al. (2014) have consistently found that PAI governance in Cambodia remains “weak and centralized”. Their governing board is shown to be rather ineffective in shaping the quality of educational products and services despite the increased autonomy in academic, financial, and administrative matters.

Clearly, private HEIs are given greater freedom for their board composition, leaving them some room to choose more members to make up a governing board. Consequently, many private HEIs are tempted to adopt a business-like model in which the board is dominated by shareholders. The decision-making power is concentrated among the shareholders or the owners of HEIs, and follows a top-down approach, leaving limited space for academics to take initiatives or make decisions in the interest of institutional development. Such a model bears some relations to the corporate-governance model (Rhoades, 2005; Shattock, 2002; Trakman, 2008), which is connected with lay dominance and is prevalent in HEIs these days. Nevertheless, the findings of the current study have shown that the lack of diverse participation in the stakeholder representatives on governing boards is considered a trigger for a weakness in the responsiveness and effectiveness of HEIs to address the actual needs and interests of stakeholders.

Implicitly, market and political forces tend to have influenced the sovereignty over HE in Cambodia. The transition from free education to a fee-based system has made public HEIs become increasingly similar to private ones in offering mainly teaching services rather than research and public services for quality education. HEIs are drawn into profit orientation by offering predominantly market-friendly programs, ignoring the knowledge and skills required by the economy. Ruch (2003) has consistently found that the participation of the private sector in the HE provision has opened up a commercialized environment in which many private HEIs are operating like for-profit organizations. The World Bank (2000) views this situation as prevalent and quality-threatening in developing countries in particular. Although HEIs in Cambodia have followed the global trend of HE expansion in scope and
scale, their commercial practice is moving away from the entrepreneurial university concept (Bercovitz & Feldman, 2006; Clark, 1998a; Etzkowitz, 2008; Etzkowitz et al., 2000; Redford & Fayolle, 2014; C. Sam & van der Sijde, 2014), academic capitalism (Rhoades & Slaughter, 2004; Slaughter & Leslie, 1997, 2001; Slaughter & Rhoades, 2004), and commercialization (Bok, 2003) practiced in both developed and emerging economies. The profit orientation of Cambodian HEIs mainly through one income source – tuition fees – poses a big challenge for the quality and efficiency of the HE sector. Schiller and Brimble (2009) have cautioned that the core missions and values of universities can be jeopardized if they are too heavily influenced by market demands. Despite this, Bok (2003) has noted that in the US context, universities’ commercial activities stimulate the diversification of income sources and entrepreneurial activities to market their specialized knowledge and scientific findings.

The paradigm shift in the Cambodian HE sector toward the market model has implications for cutbacks in the government funding, thereby providing greater autonomy for public HEIs and increased freedom for private HEIs in their operation. Although institutional autonomy has widely been claimed as an aim to improve educational provision at HEIs, this study has revealed that the autonomy in Cambodia has yet to bring about significant improvements to these institutions. Such a model shift at public HEIs is deemed to have an underlying issue of politicization in addition to commercialization. In other words, due to devolution, decision-making power has turned to be concentrated among rectors or directors of HEIs at the institutional level. The PAI governing boards are deemed more powerful than those of public HEIs to exercise their influence over PAIs, particularly on finance-related issues. Meanwhile, the boards are viewed as platforms through which the political ruling party can reinforce their power within the institutions. The governance arrangements at both public HEIs and PAIs include members closely connected with the ruling party as the appointments are more politically than academically motivated. The involvement of the ruling party in institutional governance has similarly been observed in some socialist countries such as China and Vietnam (Varghese & Martin, 2013, 2014). This implies that Cambodia has yet to enjoy its real democracy as officially claimed, thereby restricting HEIs’ independence and academic freedom. The empirical evidence of this study also shows that private HEIs are in a similar situation in that their leaders or owners hold senior positions in the government, or they would be tempted to have themselves connected to the ruling party in order to sustain their business. Conversely, Mok and Lee (2003) have pointed to Singapore in
which autonomy has been granted to universities to promote innovation and creativity through a decentralization policy.

5.7 Conclusion

The overall governance arrangement of public HEIs in Cambodia is intended to attach importance to stakeholder involvement for institutional development through stakeholder representatives in the board composition. However, the boards are not performing well and may even be non-existent at some public HEIs. They appear to have no power to exert leverage over their HEIs, but have to follow what is decided by their parent ministry. Only when the PAI status is granted to some public HEIs do the new governing boards become empowered in the decision-making process. Meanwhile, the increased autonomy of PAIs has been proved rather ineffective in bringing about satisfactory outcomes for education quality and services. The board composition is deemed politicized due to the allegiance to the ruling party, thereby weakening the responsiveness and effectiveness of HEIs to address the actual needs and interests of students and staff. The governing boards of private HEIs are oriented toward shareholders rather than stakeholders. The decision-making power lies within the hands of shareholders or owners of HEIs. Profit orientation in the provision of teaching services has appeared to overshadow the other core missions of HEIs in research and public services. The market and political forces have increasingly blurred the distinction among the three forms of HE providers. Overall, the study argues that commercialization and politicization are underway in Cambodian institutional governance, thereby weakening the quality of education services and slowing down the development process of the HE sector in the country.

The contributions and implications of this study go even beyond Cambodia, as many HEIs in developing countries in particular are either experiencing financial constraints or struggling to seek their own income for survival in the competitive HE marketplace. Scholars engaged in the domain can benefit from the findings of this study to consider for their future research, which can have wider impacts. Policymakers and institutional leaders in the field could learn the critical governance issues that have slowed down the development process of the HE sector in Cambodia as a case to reflect upon their HE sector for advancement. This study contributes to a broad research debate on the institutional governance in Cambodia and the region where scholars can further investigate the issues of politicization,
commercialization and the potential impacts while HEIs are granted an increased autonomy and are moving towards profit-seeking activities.

To examine the governance issue of HEIs, the current research has focused mainly on the perspectives from internal and external stakeholders at the leadership and management levels. However, it has not looked into the issue from the perspectives of other internal stakeholders such as faculty members and students. This thus leaves the room for future research to further investigate to provide deeper insights into the on-the-ground implementation of the institutional governance from other perspectives. Moreover, the MoEYS issued the new Prakas 410 dated 27 February 2015, on the conditions and criteria for public HEI board composition, which requires that boards comprise from 5 to 11 members. Board members shall be proposed by the concerned HEI and approved by the education minister. As this new regulation has not been examined in the current study, this gap suggests that future study could examine its implementation, which would provide further insights into the current practice of governance of public HEIs in Cambodia.
APPENDIX

Appendix 5.1: List of research participants in the interviews

<table>
<thead>
<tr>
<th>ID</th>
<th>Position of the research participants</th>
<th>Interview date</th>
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<tbody>
<tr>
<td>P01</td>
<td>Education policymaker</td>
<td>12 February 2013</td>
</tr>
<tr>
<td>P02</td>
<td>Director</td>
<td>28 December 2012</td>
</tr>
<tr>
<td>P03</td>
<td>Deputy director</td>
<td>13 March 2013</td>
</tr>
<tr>
<td>P04</td>
<td>Deputy director</td>
<td>29 April 2013</td>
</tr>
<tr>
<td>P05</td>
<td>Director</td>
<td>31 December 2012</td>
</tr>
<tr>
<td>P06</td>
<td>Director</td>
<td>26 April 2013</td>
</tr>
<tr>
<td>P07</td>
<td>Senior education official</td>
<td>05 August 2014</td>
</tr>
<tr>
<td>P08</td>
<td>International education consultant</td>
<td>10 February 2013</td>
</tr>
<tr>
<td>P09</td>
<td>National technical advisor</td>
<td>09 January 2013</td>
</tr>
<tr>
<td>P10</td>
<td>National technical advisor</td>
<td>22 April 2014</td>
</tr>
<tr>
<td>P11</td>
<td>Senior program officer</td>
<td>21 March 2013</td>
</tr>
<tr>
<td>P12</td>
<td>Senior program officer</td>
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</tr>
<tr>
<td>P13</td>
<td>Educational management professional</td>
<td>04 March 2013</td>
</tr>
<tr>
<td>P14</td>
<td>University technical advisor</td>
<td>02 January 2013</td>
</tr>
<tr>
<td>P15</td>
<td>University technical advisor</td>
<td>26 March 2013</td>
</tr>
<tr>
<td>P16</td>
<td>Rector of public university</td>
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<td>P17</td>
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<td>15 March 2013</td>
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<td>P23</td>
<td>Head of department of public university</td>
<td>24 April 2013</td>
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<tr>
<td>P24</td>
<td>Head of internal quality assurance unit</td>
<td>20 April 2013</td>
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<tr>
<td>P25</td>
<td>Head of academic office of public university</td>
<td>15 June 2013</td>
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<tr>
<td>P26</td>
<td>Vice president of private university</td>
<td>30 April 2013</td>
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<td>P27</td>
<td>Director of academic program</td>
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<td>P28</td>
<td>Faculty dean of private university</td>
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<td>P29</td>
<td>Director of public HEI</td>
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<td>P30</td>
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<td>P36</td>
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<tr>
<td>P37</td>
<td>Faculty dean of private university</td>
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</tr>
<tr>
<td>P38</td>
<td>Researcher</td>
<td>11 January 2013</td>
</tr>
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