

Corruption and fraud currently increasing at HEIs in South Africa(?)

The importance of HE to society

Placing students at the centre

The impact of the Audit Society

SASFF Conference

Kempton Park

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Universities are social institutions

1. They are conceived, established and sustained by society.
2. They are regarded as being central to the effective functioning of political economies and the deepening of democracy
3. They are special social institutions in that they are knowledge intensive.
4. They are special knowledge intensive institutions in that they have students.
5. This makes them pivotal in the sustainable functioning of society
6. But this also makes them potentially complicit in the reproduction (and even deepening) of inequality.
7. In this light universities are mirrors of the societies they are in. The question is how do universities (and society) relate to to these *reflections*.

THE PURPOSE OF UNIVERSITIES

Creating new generations of intellectuals

Recreating humanity

Addressing inequality through social mobility

Producing new knowledge about humanity and the universe

Applying knowledge

Solving problems

Placing Students at the Centre

What we see around us.....

stagnant economy

>35% unemployment

violent poverty/growing inequality

erosion of democracy/a slide towards anti-intellectualism

the degradation of ethical society

escalation of political violence/constructing 'the other'

rapid changes in the world of work

public health challenges – including mental health issues

**EDUCATION IS AN ABSOLUTELY FUNDAMENTAL SOCIAL INGREDIENT TO
ADDRESS THESE**

HE and Society

Produces >200,000 graduates per annum.

Unemployment rate of graduates about 10%.

R100 billion industry

Contributes >R500 billion per annum to the fiscus.

By gross-value added 4-5th largest contributor to GDP.

Produces social mobility

Contributes to deepening democracy and social coherence (or does it?)

Three forces that shape higher education

A lens through which to understand the changes

Politicisation

Democratisation

Decolonisation

Universities are multibillion rand enterprises

Targets for fraud and corruption

Universities in Society

Universities are social institutions that are created and sustained by societies. Seen to be essential to the functioning of the multilayered democracies and economies

- Educate professionals, experts, scientists, artists, etc.
- Build the knowledge base of society: directly and by osmosis
- Essential to building a competitive, inclusive economy
- Contribute to nation-building, deepening democracy, etc.
- Contribute to social mobility
- Contribute to better quality of life of graduates and their families

Public Goods

Private/Public Goods

Private Goods

Higher education produces public goods....

but is higher education a public good?

One response is that it is the case that higher education is a public good because

- a population that has 'democratic' access to higher education benefits humanity at large
- more educated individuals create a better society for all
- graduates strengthen our democracy and bolster our economy

These are contestable, but the general view must be that HE is good for society.

The question is whether HE should be funded as a public good.

HE produces private goods as well.....

average graduate salary considerably higher
graduate unemployment rate considerably lower
health profiles of graduates better
etc.

It is still good value for money for students and families

So....

Should Public HE

- be fully subsidised? Sweden, Denmark, Norway, Brazil, etc.
- be part subsidised/part tuition fee driven? South Africa, USA, Australia, etc.
- be fully driven by tuition fees? England.

China, India, Germany, France set **nominal** fees – considerably lower than SA

Largest student debt burdens:

USA (\$1.8 trillion – 4 times SA's GDP)

England (UKP 250 billion - 0.62% of SA's GDP)

Trivial Solutions

1. Consider HE to be a public good. Scrap tuition fees.

Depend on fiscus to cover the cost of HE. Some modeling required but probably in the region of an extra R15 billion per annum required. (0.2% of GDP)

2. Consider HE to be pure private good. Scrap subsidy system.

Put in place some sort of loan system and shift the cost to individual students.

3. Consider HE to produce public and private goods.

Carry on as we were. Subsidy set by the state. Universities set fees.

We must think of universities as complex, living organisms

Low value corruption and fraud – internal and external.

High value corruption and fraud – internal and external.

Academic corruption – internal (and maybe external)

appointments
promotions
exam/graduation fraud

STRIKING AT THE CORE
OF THE UNIVERSITY

Institutionalised versus Non-Institutionalised Corruption

Besides the financial cost
all can have a lasting debilitating impact on the psyche of an
institution

Universities are complex systems

are highly composite

made up of large numbers of mutually interacting subunits

whose repeated interactions result in rich, collective

behaviour that feeds back into the behaviour of the

individual parts

Addressing corruption requires us to think
of universities as complex institutions

INSTITUTIONAL AUTONOMY

institutional autonomy & accountability

institutional autonomy & state steering

institutional autonomy & relevance

Academic freedom

social institutions – multiple stakeholders each with own vision

governing councils – fiduciary responsibility with internal contradictions

managerialism – applying reductionist approaches where they can't succeed

complex academic communities – interesting but unnatural hierarchies

multiple products – private goods and public goods

‘customers’ – who are also ‘owners’

multiple knowledge(s) and systems – epistemic access

Design for Complexity

Strong foundations

Intelligent pliability

Integration

Organisational learning – based on individual learning

The ‘soft touch’ – the nudge



CONSERVATION OF COMPLEXITY!!

design
for
complexity

design
for
integration

design
for
learning

for
simplicity
of experience

for
simplicity
of governance

for
simplicity
of agency

How to deal with corruption and fraud

THE NEW TECHNOLOGY MOMENT

Understanding the shift in technological (and production) systems – in particular the increased integration of human-technology systems.

- artificial intelligence

- machine learning/deep learning

- robotics

- blockchain

- data and data analytics

Cybersecurity

Impact of human-machine interfaces

How to deal with corruption?

CULTURE CHANGE

- Building institutional resilience by creating a learning organisation
 - Making audits institution-wide instead of residing in particular portfolios
 - Addressing the negative tick-box approach of audits
 - Shifting audits away from being mechanical exercises to being a cultural ones
 - Expanding beyond financial audits
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- Address the issue of the impact of whistleblowing on the culture of institutions

SOME THOUGHTS ON ROLE OF A&R SPECIALISTS

1. Move beyond A&R related to non-core business
2. For example, address the issue of enrolments – IEP, PQM, capacity.
3. What about teaching quality?
4. What about research quality and quantity?
5. Get involved in the business of Senate and its subcommittees.
6. Move beyond a compliance culture - a tick-box culture.
7. Quality of student experience?
8. Understand and work with an academic culture – it is after all the core business of universities.

Thank you for listening

I trust that this is helpful