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# From Expansion to Repositioning: Recent Changes in Higher Education in Hong Kong<sup>1</sup>

Timothy Man-kong WONG

## Introduction

The British colonial government took the development of higher education in Hong Kong very seriously. Today, the government of the Special Administrative Region of the People's Republic of China (HKSAR) does likewise. However, there are many differences in the sector before and after 1997. A great deal has been written about the spectacular growth of this sector during the final years of colonial rule, but little has been written on the efforts to reposition it in the face of changing social and economic conditions after 1997.<sup>2</sup> Thus, this article aims to discuss and account for the current state of higher education in Hong Kong, and to examine the implications of major issues raised in *Higher Education in Hong Kong: Report of the University Grants Committee*.<sup>3</sup>

## The Current State of Higher Education in Hong Kong

According to a newspaper report in July 2002, "a total of 177,243 young people, or 19.3 per cent of the Territory's youth, had gone to university or college". Compared to 1991, this represented an increase of 53 per cent.<sup>4</sup> To a large extent, the increase in enrolment was a function of the major investment in higher education over the last decade. There are now eight University Grants Committee (UGC)-funded institutions (see Table 1).

In the 2002–3 academic year, total enrolment in the UGC-funded institutions was 68,825, of which 84 per cent followed undergraduate and postgraduate programmes, and 16 per cent sub-degree programmes. In terms of enrolment

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**Table 1:** *Basic Information about UGC-funded Institutions*

UGC-funded Institutions	Founding Year	Inception of Degree Programmes	Enrolment in Sub-Degree Programmes (2002–3)	Enrolment in Undergraduate Programmes (2002–3)	Enrolment in Postgraduate Programmes (2002–3)
The University of Hong Kong (HKU)	1911	1911	NIL	8,912	3,148
The Chinese University of Hong Kong (CUHK)	1963	1963	NIL	9,357	2,436
Hong Kong Polytechnic University (PolyU)	1947	1983	4,407	7,334	1,177
Hong Kong Baptist University (HKBU)	1956	1987	NIL	4,095	573
City University of Hong Kong (CityU)	1984	1986	4,308	7,386	1,311
Lingnan University (LU)	1967	1991	NIL	2,127	32
Hong Kong University of Science and Technology (HKUST)	1991	1991	NIL	5,579	1,181
Hong Kong Institute of Education (HKIEd)	1994	1998	2,332	2,412	727

*Note:* Postgraduate denotes both taught and research programmes. The enrolment numbers are calculated on the basis of “full-time equivalent”. (This is what is also used in Tables 2 and 3.) See, “FTE Enrolment of UGC-funded Programmes”, <[http://www.ugc.edu.hk/english/documents/figures/pdf/F1\\_B5\\_Eng.pdf](http://www.ugc.edu.hk/english/documents/figures/pdf/F1_B5_Eng.pdf)> [Nov. 2003].

figures at the undergraduate and postgraduate levels, HKU and CUHK were the largest. PolyU, CityU and HKIEd continue to offer sub-degree courses. The former two were initially established as polytechnics to serve the different needs of the industrial and commercial sectors. They thus offer programmes ranging

from diploma to associate degree levels. The five education colleges, which merged to form the HKIED, all played major roles as providers of normal education at the certificate and diploma levels for decades. HKIED carries on with sub-degree courses, but began offering undergraduate and postgraduate programmes in 1998.

The UGC, a non-statutory advisory institution, manages the distribution of public funding for these eight institutions. Several years after its inception, its main role was described as to serve as “a buffer between the two — relieving the Government from assuming direct responsibility for the universities, while providing money without expecting political conformity, and so safeguarding them from political interference”.<sup>5</sup> This statement still bears truth, but it should also be noted that the UGC very much defines the direction of development by way of its control over the distribution of resources. The members of the UGC — eminent local leaders and internationally recognised scholars — enable the UGC to respond to local needs and international standards of academic requirements. Moreover, the UGC takes into account the policy initiatives envisioned by the government. Since its inception in 1984, the Education Commission (EC) has assumed a substantial role in advising the Governor (pre-1997) and thereafter the Chief Executive in

<sup>1</sup> This is a revised and expanded version of the country report for Hong Kong prepared for The Association of Southeast Asian Institutions of Higher Learning (ASAIHL) international conference 2003, hosted by Universiti Malaysia Sabah.

<sup>2</sup> These studies include P. Morris *et al.*, “Higher Education in Hong Kong: The Context of and Rationale for Rapid Expansion”, *Higher Education* 27 (1994): 125–40; Joseph Y. S. Cheng, “Higher Education in Hong Kong: the Approach to 1997 and the China Factor”, *Higher Education* 30 (1995): 257–71; I. S. Cannon, “Higher Education in Hong Kong”, *Higher Education Quarterly* 51: 4 (Oct. 1997): 308–24; and Nigel French, “Higher Education in Hong Kong: Recent Developments and Future Challenges”, *Philippine Education Quarterly* 26, no. 3 (Dec. 1997): 45–55.

<sup>3</sup> S. R. Sutherland, *Higher Education in Hong Kong: Report of the University Grants Committee* (Hong Kong: HKSAR Government, 2002). Stewart R. Sutherland, Principal and Vice-Chancellor of the University of Edinburgh, was commissioned by the HKSAR Secretary for Education and Manpower to review the higher education sector and provide suggestions for its future development.

<sup>4</sup> “Sharp Rise in Numbers Receiving Higher Education”, *South China Morning Post* (23 Jul. 2002).

<sup>5</sup> “The Grants Committee and Recurrent Financing in the University of Hong Kong”, in *Meeting the Challenges of the Seventies: Managing the University; Seminar Papers and Proceedings*, ed. Prachoom Chomchai (Bangkok: ASAIHL Secretariat, 1973), p. 13.

educational matters and has produced seven reports and a reform proposal.<sup>6</sup> On the receiving end, however, UGC-funded institutions are autonomous in governance and enjoy a high level of academic freedom.<sup>7</sup>

The enrolment figures since 1991 reveal the changes in the provision of higher education. From 1991 to 1997, enrolments increased and in the 1996–7 academic year there was an unprecedented leap of 11 per cent, quite remarkable considering the cumulative effects of four consecutive years of six or seven per cent annual growth. However, growth was only one and 0.5 per cent, respectively, in the subsequent two years, and from 1999–2000 there has been negative growth. In other words, the period of expansion clearly came to an end in 1997, and ever since it could be said that higher education requires repositioning rather than expansion (see Table 2).

**Table 2:** *Growth in Total Enrolments at UGC-funded Institutions in the 1990s*

Academic Year	Total Enrolments	Absolute Increase/Decrease	Percentage Increase/Decrease
1991–2	47,480	—	—
1992–3	51,190	+3,710	+7.8
1993–4	54,544	+3,354	+6.9
1994–5	57,935	+3,391	+6.2
1995–6	62,014	+4,079	+7.0
1996–7	69,022	+7,008	+11.3
1997–8	69,723	+701	+1.0
1998–9	70,040	+317	+0.5
1999–2000	69,948	–92	–1.3
2000–1	68,796	–1,152	–1.6
2001–2	68,546	–250	–0.4
2002–3	68,825	+ 279	+ 0.4

Sources: Nigel J. French, “The Reform of Higher Education in Hong Kong”, in *Higher Education in a Post-Binary Era: National Reforms and Institutional Responses*, ed. David C. B. Teather (London: Jessica Kingsley Publishers Ltd., 1999), pp. 9–22; and “FTE Student Enrolment of UGC-funded programmes”.

- <sup>6</sup> The EC operates under a four-point terms of reference, out of which the second term requires it to “co-ordinate but not seek to direct the work of the University Grants Committee (UGC), Vocational Training Council (VTC) and other education advisory bodies”. See <[http://www.e-c.edu.hk/eng/reference/index\\_e.html](http://www.e-c.edu.hk/eng/reference/index_e.html)> [Nov. 2003].
- <sup>7</sup> G. A. Postiglione, “The Transformation of Academic Autonomy in Hong Kong”, in *Crisis and Transformation in China's Hong Kong*, ed. Ming K. Chan and Alvin Y. So (Armonk, NY: M. E. Sharpe, 2002), pp. 307–21.

The breakdown of the enrolment figures over the last seven years reveals the changing emphases in the development of higher education. The 1996–7 academic year saw a major increase at the sub-degree level, due mainly to the HKIED’s coming under the aegis of the UGC. It had had an enrolment at the sub-degree level of more than 4,000. By 2000–1, enrolment at this level began to drop mainly because the HKIED began to drop its sub-degree programmes and develop undergraduate programmes instead. At the undergraduate level, enrolment figures have remained more or less at the same level. There were some reductions in the undergraduate levels at the UGC-funded institutions in order to make room for growth at the HKIED. Another noticeable development has been the significant growth at postgraduate level. Comparing the 1995–6 and 2002–3 academic years, the percentage enrolled in taught postgraduate and research postgraduate programmes increased from 29 to 42 per cent (see Table 3).

**Table 3:** *Enrolment Figures at Different Levels of Education at UGC-funded Institutions, 1995–2003*

	1995–6	1996–7	1997–8	1998–9	1999–2000	2000–1	2001–2	2002–3
Sub-degree	9,436	14,540	14,890	14,848	14,376	13,212	12,201	11,046
Undergraduate	44,701	45,965	45,823	45,523	45,489	45,645	46,148	47,201
Taught Postgraduate	4,924	5,164	5,464	6,062	6,320	6,244	6,614	6,371
Research Postgraduate	2,953	3,353	3,545	3,607	3,763	3,695	4,033	4,207
Total	62,014	69,022	69,723	70,040	69,948	68,796	68,546	68,825

Sources: Same as for Table 2.

Private initiatives in Hong Kong constitute only a minor share in the provision of higher education, with Hong Kong Shuen Yan College the key example. This college has provided education at the sub-degree level since its founding in 1971 and has been actively expanding its co-operation with universities abroad, namely American universities in the 1970s and British and Chinese universities in the 1980s. It has offered postgraduate courses in conjunction with Chinese and overseas universities since the 1990s. In the 2001–2 academic year, it began three accredited degree programmes, and it is preparing to start a few more pending approval from the Hong Kong Council for Academic Accreditation.

## From Decolonisation to China's Resumption of Sovereignty over Hong Kong: Causes for Expansion and Repositioning of Higher Education

The drastic expansion in higher education began in 1991, after its seed was planted in 1989. An earlier move for growth in higher education had begun to gather momentum, as decolonisation became inevitable by the early 1980s. It was imperative for the colonial government to try to raise the confidence of the people of Hong Kong with respect to the future. The then Governor, Edward Youde, made initiatives to strengthen higher education in response to public demands made since the late 1970s for more government involvement. One of his contributions was to envision the founding of a world class university, an Asian equivalent of the Massachusetts Institute of Technology. However, he passed away in December 1986 and did not see his brainchild come of age in the establishment in 1991 of the Hong Kong University of Science and Technology (HKUST).<sup>8</sup>

Then the tragic June Fourth Incident in 1989 caused the confidence of Hong Kong people to plunge. It demanded an immediate and vigorous response from the colonial government. Governor David C. Wilson unilaterally pronounced a rosy vision for the future of Hong Kong, but did so without reaching a consensus with the Chinese Government. Of his various promises, expansion in higher education was the only one that did not elicit a negative response from the Chinese Government. There were three motivations behind the promotion of higher education. The first was the British desire to express commitment to Hong Kong by investing more money in this sector. The second was to upgrade the quality of manpower and thus raise the competitiveness of the Hong Kong economy. Finally, it was hoped that creating more opportunities for higher education would help replenish the supply of people required in the

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<sup>8</sup> S. Y. Chung, *Hong Kong's Journey to Reunification* (Hong Kong: Chinese University Press, 2001), pp. 148–58. It was also pointed out that the establishment of a new university was “to preserve their [the British] status as the cultural bridgehead, especially in the area of western science and technology in China, and to perpetuate their influence into the 21st century”; Hui Philip Kwok-fai, “A Comparative Historical Analysis of Higher Education Development in Macau and Hong Kong: State Intervention, Portuguese and British Imperialism and Colonialism” (PhD thesis, State University of New York at Buffalo, 1999), pp. 241–59. It should also be noted, however, that the current operation and development of HKUST is more of a Taiwan-cum-USA model.

managerial and professional sectors which had been hit most severely by large-scale emigration.

The British colonial government hoped very much to retreat nobly, and if unable to lead Hong Kong through independence, it would at least provide more people with university-level education and prepare them to maintain a Hong Kong that could work as effectively as possible under the “one country, two systems” model.

The economy of Hong Kong in the 1990s also demanded more university graduates because the industrial sector was becoming increasingly integrated with southern China. The Territory was turning into a financial and service centre for Chinese trade. While the manufacturing sector was rapidly shifting to the Mainland, the tertiary sector was simultaneously gaining ground and Hong Kong was developing a “high-cost structure”. There was in fact “no alternative but to become a knowledge-based economy”.<sup>9</sup>

When Tung Chee Hwa took office as the first Chief Executive of the HKSAR Government on 1 July 1997, he announced his sincere intention to lead Hong Kong towards a better future. He specifically acknowledged that education was “the key to the future of Hong Kong”. In his first policy address, he stated that the higher education sector had “entered a period of consolidation following its rapid expansion over the last decade”. In other words, he realised that in continuing to develop higher education after 1997 it would be necessary to devote more attention to its repositioning as opposed to expansion. Working within the framework that had been in place since the 1990s, he highlighted several themes previously mentioned in the 1996 UGC report. For example, he suggested that the UGC-funded institutions should “build upon existing strengths and invest in state-of-the-art facilities so as to provide programmes that will be recognised internationally for their excellence”.<sup>10</sup> (In the ensuing years, six “centres of

<sup>9</sup> Sung Yun-wing, “Hong Kong Economy in Crisis”, in *The First Tung Chee-hwa Administration: The First Five Years of the Hong Kong Special Administrative Region*, ed. Lau Siu-kai (Hong Kong: Chinese University Press, 2002), p. 130.

<sup>10</sup> C. H. Tung, *Building Hong Kong for a New Era: Policy Address for 1997* (Hong Kong: HKSAR Government, 1997), pp. 29–31. He mentioned five more issues: (1) to improve university students’ language standards; (2) to build more hostels in order to enable university students to spend at least one year in a university hostel; (3) to increase the numbers of non-local students; (4) to facilitate adult education through a grant to the Open University; and (5) to help financially more university students through the Local Student Finance Scheme.



excellence” have been identified so far which carry out research in information technology, economics and business strategy, plant and fungal biotechnology, molecular neuroscience, Chinese medicine and molecular technology.)

Moreover, Tung saw a need to consider reforms at all levels of education, right from kindergarten to university. The EC took up the assignment and generated extensive public discussion. In the review of education reform presented in May 2000, there were two major proposals for higher education, namely, “to develop a transferable credit unit system among institutions and faculties”, and “to encourage the development of different types of higher education institutions”.<sup>11</sup> The former intended to stimulate a flexible and innovative framework for study, while the latter was to enable more people to pursue higher education. These suggestions, though visionary, caused concern and worry that they would in reality hurt the education system and weaken the basis of some, if not all, the UGC-funded institutions.

Though his focus was the repositioning of higher education, Tung also managed to find room for expansion. In his 2000 policy address, he optimistically said that by 2010, 60 per cent of all senior secondary school graduates should be able to pursue tertiary education and hoped that provision of associate degree programmes could be expanded sufficiently to reach that level. He did not outline how this target could be reached, but did say that the government could not afford to execute this expansion by itself and it would therefore be necessary to involve more private initiatives.<sup>12</sup>

### ***Higher Education in Hong Kong and its Final Recommendations***

In May 2001, the government asked the UGC to prepare a review report that “takes into account the Government’s policy intentions to increase significantly post-secondary education opportunities, and the reform proposals by the EC that are relevant to higher education”.<sup>13</sup> Actually, a public reading of the primary objectives of the report was to justify what the EC had already had in mind. The promised report, *Higher Education in Hong Kong*, consisting of six chapters and six appendices, was published in March 2002. Its 12 main recommendations

<sup>11</sup> Antony Leung, *Review of Education System Reform Proposals Consultation Document* (Hong Kong: HKSAR Government, 2000), p. 18.

<sup>12</sup> C. H. Tung, *Serving the Community, Sharing Common Goals: The 2000 Policy Address* (Hong Kong: HKSAR Government, 2000), pp. 22–3.

<sup>13</sup> Sutherland, *Higher Education in Hong Kong*, p. i.

generated extensive discussion among students, professors, journalists and legislators in the following months.

After public consultation and readjustment of some views, the UGC revised its final recommendations to 17, and presented these to the government in September 2002. Some weeks later, on 27 November, the government announced its acceptance of these recommendations and used them as the main contents of a blueprint for the development of higher education (see Appendix). Four key areas for reform were identified, namely role differentiation, student places, programme funding and university governance.<sup>14</sup>

Role differentiation among UGC-funded institutions is the most contentious topic. When the UGC began working on the report in May 2001, it was generally believed that it was preparing to create a research-teaching divide among UGC-funded institutions. Thus, on 4 March 2002, 56 out of 61 professors at CityU wrote an open letter petitioning the government to withdraw the proposal for such a research-teaching dichotomy. There was, however, some support from the HKUST faculty for it.<sup>15</sup> In the end, the UGC report recommended that “a small number of institutions be strategically identified as the focus of public and private sector support with the explicit intention of creating institutions capable of competing at the highest international levels”.<sup>16</sup> Similar views calling for the streaming of resources to generate superior research of the highest international standard had been raised before.<sup>17</sup>

As the government had already implemented an initial funding cut of four per cent in 2000, and with further cuts expected, it is easy to see how such a recommendation would be unsettling. No one could guess what might be the standards by which the “strategically identified” would be chosen. Some commentators then believed a merger plan among the UGC-funded institutions could possibly strengthen their case, because it would make possible the emergence of a critical mass that would enjoy a larger scale of operation and greater faculty

<sup>14</sup> “Government Decides Way Forward on Higher Education”, Information Office, HKSAR Government (27 Nov. 2002).

<sup>15</sup> M. S. Yung, *Higher Education in Hong Kong: Policies and Ideas* (Hong Kong: Joint Publishing Co., 2002), pp. 139–47 (in Chinese).

<sup>16</sup> Sutherland, *Higher Education in Hong Kong*, pp. 6–7.

<sup>17</sup> UPGC, *Higher Education 1991–2001: An Interim Report* (Hong Kong: Hong Kong Government, 1993), and Antony Leung, *Higher Education in Hong Kong: A Report by the University Grants Committee* (Hong Kong: Hong Kong Government, 1996).

strength. For example, H. K. Chang, President of CityU, proposed a merger plan of all the UGC-funded institutions modelled after City University of New York and the University of Paris. The government was not interested, however. Rather, Arthur Li, Vice-Chancellor of CUHK — turned-Secretary for Education and Manpower — was favourably disposed to a match between CUHK and HKUST, saying there had been preliminary talks between these institutions over the merger plan in 1998 when he was in charge of the former.

In November 2002, the government devised three principles for handling the issue of role differentiation. First, “changes to the funding methodology will be introduced so that institutions will focus on their mission and their areas of strength, and compete for resources by performance”. Second, “over time, there shall be greater diversity in the system and emergence of critical mass in areas of strength, so that local institutions will be more able to compete at the highest international level”. Third, “under the revised funding mechanism, the UGC will pay particular attention to rewarding excellence in research and innovative teaching” (Appendix, item 1).<sup>18</sup> In March 2003, CUHK completed a report on the merger proposal with HKUST. It gives the impression that both were prudent and expecting promises as well as problems. It included a statement made by Arthur Li which indicated favourable signals from the government to support the merger.<sup>19</sup>

All of this immediately led to the key question as to how the UGC would fund the institutions which were *not* “strategically identified”. The non-chosen ones were very keen to know how long their counterparts could possibly hold the status of being “strategically identified”, and by what mechanism that status would be reviewed. The UGC never provided any direct answers, but made it clear that the UGC was very much convinced of the necessity of promoting research, and thus to conduct a refined Research Assessment Exercise (Appendix, items 12 and 13). This exercise is intended to monitor and assess the research work of the UGC-funded institutions and determine the required resources of each for research work in the ensuing years. Apparently, all UGC-funded institutions are encouraged to compete for excellence in the pursuit of scholarship and research at the highest international level. It is very hard to see, however, how a university that is not identified as strategic to begin with, and hence not funded accordingly, can ever reach the same level of achievement as those who are strategically identified at the

<sup>18</sup> “Government Decides Way Forward on Higher Education”.

<sup>19</sup> *Task Force to Advise on Institution Integration: Report Submitted to the University Council* (Hong Kong: Chinese University of Hong Kong, 2003), p. D-2.

outset. It might even be said that the proposed policy betrays the principle of fair competition for excellence among UGC-funded institutions.

Despite the ensuing rancour over funding cuts, there are voices calling for more co-operation among the UGC-funded institutions so that they might maximise their competitive edge in research work and postgraduate education. C. F. Ng, President of HKBU, as well as the convenor of the Heads of Universities Committee for the 2001–2 academic year, was an outspoken advocate of such co-operation.<sup>20</sup> A new committee comprised of senior administrators from different UGC-funded institutions was struck to explore possibilities for co-operation in postgraduate education, and the new collaboration scheme began in September 2003. With the exception of HKIEd, research postgraduate students can now enrol in courses at other UGC-funded institutions.<sup>21</sup>

The second major issue concerned student places. Prior to the UGC report, the EC had initiated an extensive discussion on education reform. One of the key proposals was “to develop a transferable credit unit system among institutions and faculties”. For this reason, the UGC report took it seriously and proposed a re-designing of the funding model by credit units.<sup>22</sup> When it was announced, university students, including the president of CUHK student union, confronted the UGC with the reality that students would rather choose the easy courses.<sup>23</sup> In other words, “market forces” or “consumer empowerment”, a concept used by UGC secretary-general Peter Cheung, would ironically reduce the power of the “market” that supposedly guaranteed quality.<sup>24</sup> It might cause the lowering of standards to meet students’ demand for easier courses while professors and universities competed for enrolment figures. At another level, all the university heads raised doubts about the transfer system. Some believed it would damage the universities with the enrolment figures unnecessarily playing too great a role

<sup>20</sup> “Intellectual Repository, Humanities Visions and Co-operation among Universities: An Interview with Prof. C. F. Ng”, *Ming Pao Monthly* 38, no. 3 (Mar. 2003): 104–7 (in Chinese).

<sup>21</sup> The HKUST, for example, has clearly indicated its policies and guidelines for postgraduate students in this collaboration scheme. For details, see <[http://www.ab.ust.hk/arr/pgcourse\\_sharing.htm](http://www.ab.ust.hk/arr/pgcourse_sharing.htm)> [Nov. 2003].

<sup>22</sup> Sutherland, *Higher Education in Hong Kong*, pp. 75–7.

<sup>23</sup> “CUHK Students Oppose the Transfer System”, *Sing Tao Daily* (19 Apr. 2002).

<sup>24</sup> “Money Following the Students’ Should Not be Adopted, British Scholar Warns”, *Hong Kong Economic Times* (22 Apr. 2002).

in the design of curriculum. Edward Chen, President of LU, drew attention to the fact that it would deprive less prestigious universities of students and resources.<sup>25</sup> Both the UGC and government made some concessions, and the proposal of “money following the students” would be dropped “in view of the strong reservations expressed by some institutions”. It was still thought, however, to be necessary to facilitate the “mobility of students from within and outside the UGC system” (Appendix, item 10).

The less controversial issue regarding student places was the call for removal of quotas for non-local research students. The government agreed with the UGC that “the existing quota for non-local research postgraduate students should be totally removed and that for non-local students in publicly funded undergraduate and taught postgraduate programmes should be relaxed to four per cent” (Appendix, items 15 and 16).<sup>26</sup>

Programme funding was another worrying issue. The government was keen to see taught postgraduate and sub-degree programmes operating on a self-financing basis (Appendix, item 5). It realised, however, that the conditions for the development of the sub-degree programmes were more difficult than those of postgraduate programmes. For this reason, it assured that three types of courses at the sub-degree level would continue to be funded, i.e., those which “require high start up and maintenance costs or access to expensive laboratories/equipment”, “meet specific manpower needs” and “lack market appeal to the provider and the average student, such as pure arts or theoretical science”.<sup>27</sup> The government and UGC concurred with Tung’s vision to create places for 60 per cent of the senior secondary school graduates to pursue higher education. It should be noted that the figure is now estimated to be around 30 per cent, including those who study in non-UGC-funded institutions and abroad.<sup>28</sup> In other words, tremendous effort will be required to at least double the current operations now in place to accommodate the total of 60 per cent.

There have been some private initiatives since 1999 to cater for the growing demand for associate degrees.<sup>29</sup> More impetus is yet needed to reach the targeted

<sup>25</sup> “University Heads Criticised the Transfer System”, *Ming Pao Daily* (28 Mar. 2002).

<sup>26</sup> “Government Decides Way Forward on Higher Education”.

<sup>27</sup> *Ibid.*

<sup>28</sup> Sutherland, *Higher Education in Hong Kong*, p. 23.

<sup>29</sup> J. Cribbin, “Crossing Borders: Continuing Education in China and Community Colleges in Hong Kong”, in *Lifelong Learning in Action: Hong Kong Practitioners’ Perspectives*, ed. J. Cribbin and P. Kennedy (Hong Kong: HKU Press, 2002), pp. 435–55.

growth. The UGC recommended that a “Further Education Council” be established to take up this task (Appendix, item 4). Quality assurance cannot be neglected (Appendix, item 6). The government and UGC will help attract funds from private initiatives (Appendix, item 2). Apart from these directives, the government has announced little about how it will promote associate degree programmes.

The UGC report also raised concerns pertaining to the perfection of university governance.<sup>30</sup> The UGC-funded institutions are required to “review their governance and management structures and to enhance external participation and transparency in their grievances procedures” (Appendix, item 7).<sup>31</sup> HKU promptly responded to the call, and has already finished a review of its governance and management, and proposed reforms in line with the requirements mentioned in the UGC report as well as in tune with the specific needs of HKU.<sup>32</sup>

## Epilogue

In March 2003, the government suddenly proposed a 10 per cent cut in funding for the UGC-funded institutions for the 2004–5 academic year and further cuts in the future.<sup>33</sup> This reduction in funding was much more than what most of the university heads had been expecting. Subsequently, the Heads of Universities Committee (HUCOM) and Federation of Higher Education Staff Association vigorously protested these proposed cuts. It was also pointed out that such a cut would indeed “seriously affect the government’s goal of transforming Hong Kong into a knowledge-based society”.<sup>34</sup>

On 11 April 2003, the Legislative Council approved the abolishment in July 2003 of the mandatory requirement to link the civil service salary scale linkage with that of UGC-funded institutions, a practice in place since the

<sup>30</sup> Sutherland, *Higher Education in Hong Kong*, pp. 15–22.

<sup>31</sup> “Government Decides Way Forward on Higher Education”.

<sup>32</sup> *Fit for Purpose: A Review of Governance and Management Structures at the University of Hong Kong* (Hong Kong: HKU, 2003).

<sup>33</sup> The reduction in funding for the 2004–5 academic year is more than 10 per cent for some of the UGC-funded institutions and less for others, specifically, a reduction of 9.4 per cent at CUHK, 8.4 at HKU, 13.6 at PolyU, 11.6 at City U, 11.6 at HKUST, 20 at HKIEd, 11 at HKBU and 11.8 at LU. “A Reduction of 13% for Universities in the Next Academic Year”, *Ming Pao Daily* (26 Nov. 2003).

<sup>34</sup> “Talks Sought over Education Budget Cut”, *South China Morning Post* (8 Apr. 2003).

1970s.<sup>35</sup> This move is to facilitate the necessary reforms in higher education (Appendix, item 8).<sup>36</sup> It is also thought, however, to be a measure by which the government might reduce its commitment in higher education in face of its large financial deficit.

It is thought that the government has begun to lose its direction in planning for continued development in higher education. Some accuse the government of not being prepared to respond to “several requests for a meeting over funding cuts”. Cheng Kai-ming, Pro-Vice Chancellor of HKU and a member of EC, lamented: “We are facing the double challenge, of cuts, and the government’s lack of vision.”<sup>37</sup> In spite of this frustrating situation, Cheng assured a month later that HKU would go ahead with its means to pursue excellence. “A university will be like a domesticated animal in a zoo if it relies on the government to feed it. Instead we should roam free on a pasture,” he vividly remarked.<sup>38</sup>

Between May and November 2003, the government failed to produce a clear picture as to how it would handle the development of higher education in light of deficit budgets. Even worse, the Secretary of Education and Manpower caused widespread bewilderment by suggesting a probable funding reduction of 30 per cent in the sector, when he had earlier said he thought little could actually be cut. Not surprisingly, everyone involved in higher education expressed outrage and the students even proposed boycotting classes.

Tung reacted immediately, quite unprepared for another major social movement, having very recently experienced an intimidating demonstration on 1 July 2003 which drew over half a million protesters.<sup>39</sup> Though the Secretary of Education and Manpower managed to convince the students to withdraw their proposed boycott, anxieties and uncertainties over the future remain. The HUCOM issued a joint statement urging the government to reconsider its

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<sup>35</sup> “Deregulation of University Salaries”, a paper prepared by the Education and Manpower Bureau for the Panel on Education, Legislative Council. Source: LC Paper No. CB (2) 1125/02-03 (05).

<sup>36</sup> “HK Academics’ Pay Will No Longer be Linked to Civil Service”, *South China Morning Post* (12 Apr. 2003).

<sup>37</sup> “University Staff Accuse Li of Snubbing Them”, *South China Morning Post* (12 Apr. 2003).

<sup>38</sup> “Research Boost Defies Cuts”, *South China Morning Post* (10 May 2003).

<sup>39</sup> The demonstration was mainly a protest against the way the government had handled the legislation of Article 23 (re anti-subversion) in the Basic Law (Hong Kong’s mini Constitution), but also an expression of strong dissatisfaction with the government’s poor governance performance in general.

commitment to higher education: “It is becoming clear that the scale of the existing and planned cutbacks, through a wide variety of means, will result in an approximately 50 per cent reduction of spending on the sector over a period of less than a decade if indeed there is a further deep cut in the forthcoming triennium.” In particular, the HUCOM expressed dissatisfaction over the way in which the government was handling budget cuts in the education sector: “The current strategy of isolating higher education and using it as the major target to achieve savings is not only short-sighted and politically expedient, but will also result in Hong Kong losing its place as one of the leading providers of higher education in East Asia and its future as a knowledge economy.”<sup>40</sup>

It would be very disappointing to see the efforts of repositioning higher education turn simply into the diminishing of government involvement. Whether or not Tung’s earnest intention of giving full support to higher education and leading Hong Kong to a better future will be reduced to mere political rhetoric depends very much on how the government actually manages the proposed reforms in the UGC report as well as its commitment to higher education.

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<sup>40</sup> HUCOM: Joint Statement, issued on 12 Nov. 2003.



## Appendix: UGC's Final Recommendations (November 2002)<sup>41</sup>

1. A few institutions to be identified for focused public and private sector support according to the institutions' role and areas of strength.
2. A three-pronged approach to gain more private sector support.
3. The government to consider the increased use of matching grants and other incentives to generate additional momentum for private sector participation in supporting higher education.
4. A "Further Education Council" to look after associate degrees and lifelong learning. Upon the setting up of the body, the UGC to transfer out all its responsibilities for Sub-degree work in an orderly manner, and subsequently extend its remit to cover "all work at the degree level".
5. Taught postgraduate and sub-degree work to be put on a self-financing basis gradually, subject to specified exceptions.
6. The institutions to consider stipulating and regulating their relationships with their continuation education arms or community colleges by franchising agreements and to create a joint, self-financing quality assurance body in due time.
7. On institutional governance, the universities to start their own review in due course. The idea of subjecting institutions to the overview of the Ombudsman is withdrawn. Instead, the universities will be encouraged to increase external participation and transparency in their grievances procedures. A comprehensive audit on institutions by the UGC to be organised.
8. The government to take an early decision regarding the de-linking of salaries but leave the timing for implementation to institutions.
9. A two-tier approach to fund teaching, with the first level being "core" to recognise "teaching load", and the second level to reward "performance according to role".
10. Credit Accumulation and Transfer System (CATS), minus the idea of "money following the students", to be introduced.
11. Additional places per annum at the second year of undergraduate programmes to be added to create the "inverted trapezium" and help restore the age participation rate to 18 per cent.

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<sup>41</sup> Available from <<http://www.ugc.edu.hk/english/documents/press/pr271102e.html>> [Nov. 2003].

12. The government to create more sources for research funding and to ask existing sources to fund projects on a full cost basis.
13. The Research Assessment Exercise to be sharpened and a multi-point scale to be used. "Critical mass funding" to be considered.
14. To implement funding by level and by discipline.
15. To replace the "2 per cent in and 2 per cent out" quota for non-local undergraduate and taught postgraduate students with a straight 4 per cent limit.
16. To remove the current quota for non-local research students.
17. To "roll over" the current triennium for another year to cover the 2004/5 academic year, making the new triennium 2005/6 to 2007/8. Minimum changes to the funding pattern for 2004/5, except to accommodate anticipated changes in manpower requirements or reflect movement of price and salary levels.