

Dr. Yeung Sum
Chairman of Panel on Education
LEGCO
(Fax: 2509 9055)

15th February 2001

Dear Hon. Dr. Yeung,

Thank you for inviting us to appear before the Education Panel to express our views on “recurrent funding for the University Grants Committee – funded institutions for the 2001-02 to 2003-04 triennium”.

It was pointed out in our letter to the Finance Committee of LEGCO, a copy of which is enclosed, that the cut in the budget of the universities in Hong Kong was significantly greater than the 3.9% proposed by the Government. In fact, in the worst scenario, the cut can become as high as 25%. We also pointed out that if this large cut is accepted, it would be very difficult to maintain the present quality of higher education in Hong Kong, and that the survival of higher education may become a serious issue. The cut will inevitably lead to measures that would de-stabilize the higher education sector and detrimentally affect staff morale.

The recent suggestion from the Secretary for Education and Manpower for a flexible salary structure for staff in the universities implies that salary adjustments for the Civil Service would not automatically flow onto the universities. Such a proposal will become one that protects the privileged few at the expense of the majority, as more power will be put in the hands of the few, and we know that power corrupts and academics are no exception. There are already a number of staff complaints of unfair treatment reported in the press, and no doubt this number will increase very rapidly. In order to protect their jobs, it is understandable that academics in Hong Kong will become a silent mass, and will obey their “masters” and do what they are told. Is this the direction in which we wish higher education in Hong Kong to develop? Would graduates from our universities trained under such a system excel and make Hong Kong prosper? More importantly, to what extent will academic freedom suffer?

While universities do have a small amount of private income, the income is mainly used to fund special research projects. The primary roles of teaching and research still need to be substantially funded by the Government, especially as universities in Hong Kong are not free to adjust student fees, and there is a lack of large industrial firms and foundations to support higher education.

To summarize, the ASA is against the proposed budget cuts and against a flexible salary system for the universities.

Yours sincerely,

CW Chan
ASA Chairman

Dr. Philip Wong
Chairman of the Finance Committee
LEGCO
Hong Kong

8th February 2001

Dear Honourable Dr. Wong,

Proposed Higher Education Budget Cuts

The Academic Staff Association (ASA) of the University of Hong Kong was alarmed to discover that none of the Vice-Chancellors of the universities accepted the invitation to appear before the Education Panel of LEGCO to present their views on the proposed higher education budget cuts for the next triennium.

The ASA is very concerned about the proposed cut in the Higher Education budget, particularly as this follows the 10% cut in funding for the present triennium. Though the Government stated that the budget cut is only 3.9%, the actual cut is much more severe. First, there are 7,658 (3.7% of total degree places) sub-degree places being upgraded to degree places with no additional funds. The funding that is required for the upgrade surely out-weighs the additional fees collected from the students, as the unit cost for degree places is generally much higher than that of sub-degree places. Second, it is recommended that institutions should build up a reserve of up to 20% of the triennium budget to support the pending Education Reform to change the 3-year degrees to 4-year. As this reserve must come from allocated funds, this requirement effectively introduces a further cut of up to 20%. When all these cuts are taken together, we arrive at the astonishing figure of 25%. This is an extremely severe cut, and is one that will make maintaining high quality and the survival of higher education in Hong Kong very difficult.

One argument put forward by the Government for the cuts is that the cost per student has decreased, therefore the education budget can be cut further. Reducing the budget without reducing numbers will lead to staff redundancies and large classes with fewer laboratories, fewer tutorials and little practical work. This would give a low cost per student but who would want to be treated by a doctor educated in such a system or to trust their lives to engineers with this sort of education?

All members of the community realize that government funds are limited and that sometimes savings are necessary. In the case of Hong Kong, however, the Government has large reserves and to cut funding of higher education now runs directly counter to the stated objectives of the Government to turn Hong Kong into a knowledge-based world-class city and to attract hi-tech sector investment. Hi-tech industries and high added value services will choose to locate their offices and factories where people with the right level of education are available to play a part in developing and running sophisticated global operations. Moreover, for the type of economic activity that the Government hopes to attract and to nurture in Hong Kong, it seems necessary to have a world-class city that provides an intellectually stimulating environment with a wide variety of cultural and recreational pursuits. Very few people with the skills necessary to sustain a knowledge-based society would choose to work in a city that does not provide intellectual stimulation. The ASA believes that universities are one of the most important breeding grounds

for new hi-tech ideas and business initiatives.

Governments world-wide now recognize that there is a link between education level and economic development, and that this link becomes more and more important as level of technical complexity in society increases. There is no exception for Hong Kong. Reducing the budget for higher education does not send the right message to potential investors. Hong Kong has large reserves and investing some of this money in our younger generation is essential for the future well being of Hong Kong.

In summary, the ASA believes that the proposed budget cuts will severely affect the quality of Higher Education, and even the survival of higher education institutions in Hong Kong. It will also reduce the competitiveness of Hong Kong in the international arena and at the same time severely limit the aspirations of Hong Kong's younger generation.

We urge the Finance Committee to consider carefully issues resulting from the proposed budget cuts, and not to support the proposal.

Yours sincerely,

C. W. Chan
Chairman of the Academic Staff Association
The University of Hong Kong