

## **Legislative Council Panel on Education**

### **Supporting the Student Exchange Programmes and Scholarship Scheme for Mainland Students of University Grants Committee-Funded Institutions**

#### **Introduction**

This paper sets out Government's plan to support –

- (a) the expansion of student exchange programmes at the undergraduate level of the eight University Grants Committee (UGC)-funded institutions<sup>(1)</sup> by providing a grant to sponsor these programmes in the next three years starting from the academic year 2002/03; and
- (b) the continuation of a scholarship scheme for students in top-notch Mainland universities to attend undergraduate programmes in these institutions.

#### **Student Exchange Programmes**

2. Student exchanges are conducive to raising the quality and international network of our university education. Specifically, -

- (a) For outgoing local students
  - (i) student exchange programmes will help broaden students' horizon and foster their global outlook and ability for cross-culture management. These are important to sustain our competitiveness in a globalised and knowledge-based economy; and

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<sup>(1)</sup> They are City University of Hong Kong, Hong Kong Baptist University, Lingnan University, The Chinese University of Hong Kong, The Hong Kong Institute of Education, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology and The University of Hong Kong.

- (ii) living outside Hong Kong would help enhance their adaptability, communication skills, independence and appreciation of Hong Kong's uniqueness; and

(b) For incoming non-local students

as is the case for our outgoing students, non-local students can benefit from living outside their home countries. Their presence would also enrich the learning experience of local students. For instance, interaction between local and non-local students will -

- (i) create a multi-lingual and multi-cultural environment at our institutions inside and outside the classrooms;
- (ii) help open the cultural and mental horizon and cultivate new thinking, knowledge and personal connection among our local students;
- (iii) promote healthy competition among students to strive for academic excellence; and
- (iv) provide a source of intellectual stimulation and different perspectives for students, faculty members and the institutions.

3. At the institutional level, these exchange programmes will provide a good opportunity for our institutions to network with their counterparts in other countries and territories and to develop a basis for cooperation and partnership in other areas of teaching and research.

**Current student exchange activities**

4. Currently, about 840 full-year-equivalent university undergraduate students (representing about 1.8% of the current undergraduate population) in the UGC-funded institutions participate in some form of exchange programmes with the non-local higher education institutions annually. At present, all these programmes are privately-funded, i.e. operating on a self-paying basis by students and supported by some private sponsorship or donations secured by the institutions. Concurrently, there are also about 400 full-year-equivalent non-local students studying in the eight UGC-funded institutions through exchange

programmes<sup>(2)</sup>.

5. In view of the clear benefits of these programmes to students and the institutions, we have been encouraging the institutions to expand these privately-funded programmes. Expansion is highly desirable as the benefits described in paragraph 2 above will be easily dissipated and difficult to sustain without a critical mass. While the institutions support this cause, their capacity to expand the programmes is constrained by resource considerations, in that the present economic climate has adversely affected institutions' income from investment and private donations. In the circumstances, we consider it necessary to provide some financial support to enable an expansion of the student exchange programmes for the benefit of our students. We propose to give a one-off allocation to the institutions via the UGC covering part of the expenditure required for running expanded student exchange programmes over a three-year period starting from academic year 2002/03. We have reached a consensus with the UGC sector that it will sustain the student exchange programmes at the enhanced level beyond the 2004/05 academic year without seeking additional resources from the Government. Consistent with our objective of encouraging community contribution to education, the UGC sector will strive to find other sources of funding.

### **The Proposed Expansion in Student Exchange Programmes**

6. The UGC considers that places for these exchange programmes at the undergraduate level should be increased by 1,000 full-year-equivalent each year, thus bringing the number of participating students to about 4% of the undergraduate population. Having consulted the UGC sector on the funding arrangements and the broad administrative framework, we propose that, to meet the academic objectives of the exchange programmes, the proposed expansion should be administered as follows : -

- (a) funds will be disbursed, pro-rata to their first-year-first degree numbers, to the eight UGC-funded institutions. The UGC can, in the light of the actual demand for exchange places from the institutions and the speed of individual institutions to expand their existing programmes, adjust allocations as necessary;

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<sup>(2)</sup> Not all exchange programmes currently run by the institutions are on "reciprocal arrangement", hence the difference in the number of outgoing and incoming participating students.

- (b) the exchange programmes will have to be organised in collaboration with quality non-local higher education institutions on a reciprocal basis;
- (c) institutions should only recognise credit-bearing exchange activities;
- (d) duration of the programmes may vary but should be between one semester and one full academic year;
- (e) institutions are free to include elements of internship and job attachments; and
- (f) students' participation of the programme should be entirely voluntary. Each participating student should only benefit once from a publicly-sponsored exchange opportunity during his/her undergraduate study.

7. While the costs of exchange vary according to the duration of the programmes as well as the costs of living in different locations, we reckon that on average around \$80,000 would be required to meet the necessary passage and maintenance costs outside Hong Kong for a one year programme for each participating Hong Kong student. In order to maximise the number of students who could benefit from the scheme, it is proposed that the Government subsidy should be limited to around half of costs involved for the outgoing arrangements. As for the incoming students, the expenses should primarily be met by the students and the partnering non-local institutions, although for flexibility, we may allow local institutions to apply part of the Government subsidies towards the administration of exchange programmes.

### **Scholarship Scheme for Mainland Students**

8. In 1998, with the generous support of the Hong Kong Jockey Club (HKJC) Charities Trust, we launched a three-year pilot scheme to recruit a total of 450 outstanding Mainland students to attend undergraduate programmes in the UGC-funded institutions. The scholarship awardees all receive an annual allowance of about HK\$100,000 for each of the three years of undergraduate studies in Hong Kong, which cover their tuition fees and living expenses. The Mainland students recruited undergo a one-year preparatory programme in relevant subjects such as English, Cantonese and IT and communication skills

prior to commencement of their undergraduate studies in Hong Kong. The preparatory year's study is funded by the institutions themselves.

9. Past experience indicates that the Mainland students admitted are of high calibre by national standards, and are recruited from designated top Mainland universities. They are proficient in both English and Putonghua. Their outstanding performance in both academic and non-academic activities, as well as their hardworking and enthusiastic attitude, are widely recognized on campus and provide positive stimuli to the local students. In view of its success, the HKJC Charities Trust has exceptionally agreed to extend the scheme for one more year, although the original idea was that following the lead of the HKJC Charities Trust, the scheme would be taken over by other sponsors. The extended scheme admits an additional batch of 100 Mainland students in the 2002/03 academic year. In parallel, we have also secured a one-off donation from the K K Ho International Foundation for the UGC-funded institutions to admit another batch of 66 Mainland students in the same academic year on comparable terms.

10. However, as neither we nor the UGC-funded institutions have been able to secure private donations to continue the schemes offered by the HKJC Charities Trust and the K K Ho International Foundation thereafter, the scholarship schemes will have to end after the last batch of Mainland students are admitted in the 2002/03 academic year. To sustain this very worthwhile scheme, and to allow more time for the sector to find an alternative, longer-term funding arrangement, we have originally planned to provide funding for three batches of 150 Mainland students from the 2003/04 academic year, subject to private funds being secured to meet 50% of the funding required. This "matching" requirement takes into account the fact that the local tuition fees payable by these Mainland students are already heavily subsidised by the Government and that scholarship schemes for students from outside Hong Kong are by convention privately funded.

11. With the above in mind, we have been trying to solicit private donations on a matching basis in the past few months but in vain. On the other hand, the UGC-funded institutions have to give a firm indication to the Mainland institutions before long of the continuation of the scholarship scheme in the 2003/04 academic year (since selection of students will have to start in mid-2002). To prevent a break in this worthy scheme, we propose to

- (a) make a commitment to fully fund the cohort of 150 students

in the 2003/04 academic year in the first instance, at a cost of \$45 million; and

- (b) make a commitment that Government will allocate another \$45 million to cover half of the expenditure (on a dollar-for-dollar matching basis for an equivalent amount of private donation or sponsorship secured) for the next two cohorts to be admitted in the 2004/05 and 2005/06 academic years. In other words, the Government and the UGC-sector should make use of this interim period to secure, by around mid-2003, the matching private donations required for the 2004/05 academic year.

### **The Way Forward**

12. We intend to submit for the Finance Committee's consideration at its meeting on 8 March 2002 the proposal to approve allocations totalling \$210 million to the UGC, of which -

- (a) \$120 million ( $\$40,000 \text{ per place} \times 1,000 \text{ places} \times 3 \text{ years}$ ) will be used to enhance the student exchange programmes of UGC-funded institutions for three years starting from the 2002/03 academic year; and
- (b) \$90 million ( $\$100,000 \text{ per year} \times 150 \text{ students} \times 3 \text{ years} + \$100,000 \text{ per year} \times 300 \text{ students} \times 3 \text{ years} \div 2$ ) will be used to support the scholarship scheme for 3 cohorts of Mainland students to be admitted in the 2003/04 to 2005/06 academic years. Of this amount, \$45 million required for sponsoring the batch of students to be admitted in the 2003/04 academic year will be granted in 2003-04. The other \$45 million will be granted in subsequent financial years, subject to availability of matching private donations/sponsorship.

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