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**REPORT ON HIGHER EDUCATION IN HONG KONG**

**MR YEUNG YIU-CHUNG** (in Cantonese): I move that the motion, as printed on the Agenda, be passed.

Madam President, the University Grants Committee (UGC) published a report entitled Higher Education in Hong Kong on 26 March this year. In a commentary published on 4 April, I criticized that the two-month consultation period was far too short and demanded an extension of the consultation period. The Government finally extended the consultation period to the end of July. This ready acceptance of sound advice should indeed merit commendation.

The report, compiled under the leadership of Lord SUTHERLAND, maps out the direction for development of higher education in Hong Kong in the next 10 years. The report has put forward many radical proposals on the development strategy, and aroused extensive discussions and debates in the community. Given that higher education is crucial to the economic restructuring and social development of Hong Kong, I consider it is necessary to conduct a debate on this report in the Legislative Council. I call on the Government to fully listen to and seriously consider the views expressed by Members and then propose revisions to the report and make final decisions.

Since the motion moved Dr the Honourable Raymond HO a fortnight ago already focused on the discussion of associate degree programmes, I will, on behalf of the Democratic Alliance for Betterment of Hong Kong (DAB), express views on several key issues, including the delinking of the remuneration of university staff from that of civil servants, the credit accumulation and transfer system and allocation of resources.

Madam President, the delinking of the remuneration of university staff from that of civil servants is the most sensitive and controversial proposal in the entire report. Proponents of this proposal consider that the remuneration of university staff is rarely linked to the civil service pay and conditions in other parts of the world, and that delinking can facilitate the recruitment of top professors from around the world to teach in Hong Kong, thus putting an end to the system of everyone getting the same pay and perks and allowing more flexibility in the terms and conditions of employment. However, the opponents consider that delinking will jeopardize the stability of university staff, that it would result in the higher echelons growing fat at the expense of the lower echelons, and that it would intensify the shoe-shining culture, which is not conducive to academic freedom. They consider that as a review of civil service pay is under way, if a pay cut for civil servants comes out of the review, the university staff would be willing to follow suit, but they strongly oppose delinking. The DAB agrees that delinking of remuneration of university staff from that of the Civil Service should be an

objective in the long run, but it is not an appropriate time for delinking now, because the university staff need time to build up trust in the management. Coupled with the fact that no ceiling is now imposed on the remuneration of Professors and Chair Professors in universities, a mechanism is therefore in place for recruitment of the world's top and well-known professors. Therefore, there is no urgency for delinking.

We consider that the authorities can consider delinking the remuneration of university staff from the civil service pay only when the following three conditions are met: First, the Government must ensure that delinking is conducive to upgrading the quality of local universities; second, the replacement remuneration packages proposed by universities must be widely accepted by their staff; and third, a sound appeal mechanism should be put in place to provide a channel for staff to seek redress on arrangements concerning remuneration, promotion, and so on.

In the last couple of years, many universities have already cut the number of posts or reorganized their remuneration system and posts due to resource considerations. University staff worry that retrenchment and pay cut will surge after delinking. Given that delinking involves the interest of all university staff, any proposal must be agreeable and acceptable to the university staff before it can be implemented. Only when scholars have a stable working environment can they develop coherent thinking and come up with creative ideas. When their "rice bowls" are at stake, how can they think of any "delicious dishes" to cook?

THE PRESIDENT'S DEPUTY, MRS SELINA CHOW, took the Chair.

The personnel and work arrangements subsequent to delinking will certainly arouse discontent among some staff. In the past year, the layoffs at the City University of Hong Kong and the Hong Kong Institute of Education are good lessons for us. So, if universities do not seriously put in place complaint channels with a high degree of transparency to deal with the dissatisfactions caused by delinking, the higher education sector might be caught in endless troubles. If the authorities are unable to properly handle these problems, it is indeed inappropriate to immediately effect delinking.

Even if delinking will be implemented only at a later stage, the authorities must undertake not to reduce the funding for universities. The DAB considers that any changes in the funding mechanism should not result in reduction of government funding for higher education. As for the extra resources, they can be injected more into key universities and areas of excellence.

Madam Deputy, another controversial proposal is the credit accumulation and transfer system. The DAB supports the transferability and portability of credits among universities, but we do not support the "money-follow-student" system. The proposal in Appendix E is actually a university voucher system. At present, such university voucher system is not implemented in any place elsewhere in the world. So, why does Hong Kong have to so eagerly make itself the "guinea pig" for such an experiment?

Indeed, the justifications for implementing this system are grossly inadequate. In foreign countries, the purpose of implementing a credit accumulation and transfer system is to facilitate changing universities or faculties by students, but this will not have any bearing on the resources of universities. If the purpose of implementing this system is to facilitate associate degree programme graduates pursuing further studies, the number of subsidized places may just as well be increased; if the purpose is to facilitate the mobility of university students, student exchange programmes can be organized among tertiary institutions or co-operation can be stepped up among the institutions in respect of such programmes. It is unnecessary to perform such a big operation.

I do not believe after the introduction of market forces into universities, the quality of universities can be upgraded through students' choice of disciplines. Even if a particular discipline of a university is welcome by students, it does not mean that this discipline of that university has achieved excellence. In foreign countries, some faculties deliberately adopt a lax approach in assessing the score of students in order to retain their popularity among students. We must also bear in mind that the branding effect does indeed influence the choice of Hong Kong students.

We feel also concerned that under this system, the tertiary institutions might compete with one another in the provision of programmes that are popular among students, in order to boost student intake and prevent funding from going over to other institutions with the departure of their students. They might also cut the resources or places of some other faculties or even stop offering programmes in certain disciplines. Programmes that are most likely to be eliminated will be those that are not very popular among students but with academic value, or those taught by professors who are strict with their students. Should that be the case, would the proposal not run counter to the objective of encouraging division of responsibilities among universities and enabling universities to excel in what they do best?

The credit accumulation and transfer system is abbreviated as CATS. Such "CATS" with boundless magic are detested by all, since they have absolute control over the amount of resources to be allocated to universities. But if we can take away the magic of such "CATS", and if these "CATS" purely serve as obedient couriers of credits for students, they could perhaps turn into lovely "CATS".

Madam Deputy, while the report has avoided a distinction between universities focusing on research and those focusing on teaching, the intention to develop key universities is still clear. That is, resources for universities will be refocused, in order to spare more resources for the key ones. At present, there is not a very big gap among the eight universities in Hong Kong and we do not see serious discrepancy in their standards. There is competition in some of the programmes offered by the eight universities, but some of these programmes are endowed with individual characteristics and division of roles among them. Every university has prominent scholars on the staff and students with outstanding performances are not confined to one or two universities only. If we accept the recommendations of the report and pool resources together mainly for a number of key universities, polarization is set to arise. Is this what we wish to see?

The DAB considers that the development of world-class universities in Hong Kong is a correct direction. But this should not be done by cutting the resources for other universities. This is indeed too high a price to pay. Last year, the UGC decided to cut the triennial funding for some institutions, and this has already made individual institutions suffer badly. Steps taken to loose weight must stop at a certain point, and one absolutely cannot keep on loosing weight to leave only a skeleton, for this is unhealthy. If we accept all the recommendations, it would be tantamount to taking away food from someone who is already undernourished and giving it to the healthy ones. Certainly, we support the provision of more programmes. But all universities should play a part to ensure good co-ordination and due division of roles, with a view to putting resources to the best use.

The DAB supports the development of a funding mechanism based on mission and performance of institutions. The UGC should formulate performance indicators for institutions. However, while it is relatively easy to formulate indicators for assessment of research achievement, it is a difficult question as to how indicators for assessment of teaching performance can be formulated. Fairness, objectivity and precision must be ensured for both sets of indicators. In formulating indicators for research achievement, the authorities must support local studies which are conducive to social and economic development. Research studies published in Chinese should not be subject to any discrimination.

The DAB supports the report's recommendation to increase the functions of the UGC and enhance its strategic role, in order to steer the development of higher education. The authorities should draw up policies to attract students from the Mainland and the neighbouring regions to study in tertiary institutions in Hong Kong. This can not only broaden the horizons of local university students and promote cultural exchange, but also enhance the sense of competition, upgrade the teaching quality and facilitate the development of higher education in Hong Kong, thereby developing Hong Kong into an education centre in Southeast Asia.

At present, the governance and management of universities are fraught with problems, for example, there are too many members sitting on the Council; the Council is merely nominal and subject to manipulation by the management, and hence fails to perform the important task of governance; centralization of power in the management of universities and the absence of sound monitoring and check-and-balance mechanisms. The DAB supports that the governing committees of universities should review the governance and management structures of universities. They should, whilst ensuring the autonomy of universities, foster a greater degree of democracy in universities and enhance their transparency to the public. While improvements should consistently be made to ensure the existence of independent and effective complaint channels in all institutions, the DAB considers that it is an acceptable proposal to extend the remit of the Office of The Ombudsman to cover the UGC-funded institutions so as to provide an alternative channel for complaints.

Moreover, the scope of the report is obviously too narrow. There is no discussion on the reform to the admission criteria for students, articulation with senior secondary programmes, the proposal of "changing the present three-year university structure to four-year", the upgrading of the quality of university students, the objectives of the development of higher

education, and so on. It has not provided a thorough analysis on the strengths and weaknesses of the *status quo* and has not conducted in-depth studies on reforms to the governance and management of universities. All these inadequacies will warrant improvements by the authorities.

With these remarks, I beg to move. Thank you, Madam Deputy.

**Mr YEUNG Yiu-chung moved the following motion: (Translation)**

"That this Council notes the report of the University Grants Committee entitled "Higher Education in Hong Kong"."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr YEUNG Yiu-chung be passed.

**MR TOMMY CHEUNG** (in Cantonese): Madam Deputy, the Liberal Party always supports investment and reform in education; and we are very much concerned about higher education, for it directly involves the training of manpower in Hong Kong. Moreover, we consider that provisions from public coffers should be in direct proportion to the quality of university students.

In general, the report on Higher Education in Hong Kong published by the UGC has indeed suggested forward-looking proposals on the reform and direction of tertiary education in Hong Kong, but the report represents at the same time a radical proposal for change.

The report has covered mainly four areas, namely, "selectivity" in the provision of funding, the credit transfer system, delinking of the remuneration of university staff from the civil service pay, and the provision of programmes at associate degree and comparable levels on a self-financing basis. All of these have aroused many discussions in the education sector and in the community.

First of all, "selectivity" in the provision of funding. In order to maximize the cost-effectiveness of the limited resources, the UGC has proposed that a small number of institutions with outstanding achievements be identified as the focus of public and private sector support for research initiatives, making these institutions capable of competing at the highest international levels. This proposal does merit support. The relevant details will be explained by the Deputy President when she speaks later.

However, some members of the education sector worry that such a funding approach which targets only on a number of institutions would inevitably produce a labelling effect with a ranking of the universities. This would widen the gap among institutions and might even result in some universities having to give up their research results. This will only impede healthy competition. Besides, universities with a longer history and those that have their status upgraded to universities only recently do not start at the same point. It appears to be unfair that the new universities, which do not have enough time to catch up with the "old" ones,

are subject to the "selectivity" principle. The Liberal Party, therefore, considers that the authorities should conduct more consultations in the process.

In the debate relating to higher education on 27 June last year, I stated that under the premise of enhancing competitiveness and improving quality, it is a viable option to promote the development of private universities. Moreover, overseas universities are given a lot of personal donations and have established close contact with the business sector, so universities in Hong Kong should draw reference from them. The Liberal Party proposes that the institutions and the authorities should gain a better understanding of the operation and needs of the business sector, so as to ensure that the trained talents can better meet the needs of the sector and the community. This can attract more donations from the business sector, thereby alleviating the inadequacy in resources for tertiary education and funding for research studies. The Government can also consider encouraging donations from the business sector through tax arrangements.

Secondly, the report mentioned the credit transfer system. The Liberal Party does not oppose in principle giving more choices to students. But it appears that the model suggested in the report is found nowhere in the world, and we have reservations about it. Under the proposed system, students can transfer to other institutions to earn credits without having to secure the consent of their original institutions. This will have a great impact on the stability of financial resources of institutions, programme planning and the curriculum, and also efforts to cultivate a sense of belonging among students.

From my experience when I studied in the United States, under the credit transfer system commonly adopted in foreign countries, a student who wishes to transfer his credits to other institutions is required to first settle with his original institution on the number of credits that he has acquired. Then the new institution will determine how many credits of that student are accepted and the accepted credits will be transferred to the new institution. That will mean the end of the student's relationship with his original institution, and the student will only register his graduation in the new institution. But under the proposal of the report, other than first-year students, all students will ultimately register their graduation with their original institutions irrespective of the number of credits acquired by the students in other institutions. This might result in an absurd scenario where the time that a student has studied in his graduating institution is even less than the time that he has studied in other institutions.

Furthermore, in respect of the articulation of programmes and the recognition of credits, there are still many ambiguities under the new proposal, and this may easily cause confusions. What is more, this may also induce the institutions to neglect the qualifications of students and the quality of programmes in order to recruit more students and hence obtain additional resources. For example, if a student withdraws after studying in a university for a few days only, how should the tuition fees be apportioned? Will universities have to scramble for students from other institutions in order to make up for the loss? Who will shoulder the administrative costs incurred? What good will it do with such confusions? Furthermore, the eight universities have raised objections to this proposal in unison. The Liberal Party considers that the authorities should look into this more thoroughly.

Thirdly, regarding the delinking of the remuneration of university staff from that of civil servants, the Liberal Party has all along stressed the importance of flexibility in the remuneration of the staff of tertiary institutions. Indeed, if we look at the staff of universities all over the world, a linkage with the civil service pay and conditions is rare. Such linkage does not only lack flexibility, but also restricts the development of universities. The Liberal Party always considers it necessary to review the structure of the civil service pay. The remuneration of staff in non-governmental organizations or tertiary institutions should not be linked to that of civil servants. So, the Liberal Party is supportive of delinking.

Another controversial issue, namely, the provision of programmes at associate degree and comparable levels on a self-financing basis, was discussed in the Legislative Council last week. The Liberal Party reiterates that to achieve the target of providing tertiary education for 60% of young people, it means that an additional 30% of youngsters will have to reach the tertiary education level in the next 10 years. However, the Government does not have extra resources for the expansion of tertiary education, and it is not the wish of the Liberal Party to see any reduction in the resources currently provided for universities. Therefore, we agree that the new associate degree programmes should be self-financed. As for diploma and higher diploma courses which are comparable to the level of associate degree, given that they have long contributed to the training of industrial and business professionals with remarkable results, the Government should continue to provide funding for these courses. Furthermore, the authorities should not lump associate degree programmes which stress general education and diploma/higher diploma courses which focus on professional training together for discussion.

Madam Deputy, I so submit.

**DR YEUNG SUM** (in Cantonese): Madam Deputy, the report entitled Higher Education in Hong Kong published by the UGC in late March has put across a message to the public and that is, the Government will emphasize the economic efficiency of education investment in future; it is also stressed that due to resource constraints, competition among the institutions for resources is encouraged and "selectively" is advocated in the Government's injection of resources into higher education. These views appear to be going against the Government's objective of making every effort to increase the post-secondary participation rate to 60%.

Madam Deputy, I would put forward four views on this report for the Democratic Party.

Firstly, the Democratic Party opposes the privatization of associate degree programmes. The report on Higher Education in Hong Kong proposed the theory of privatizing the provision of publicly-funded associate degree programmes, suggesting that a majority of associate degree programmes be provided on a self-financing basis in future. At present, government funding for students in general associate degree programmes of the eight universities amounts to about 82% of the costs required for such programmes. But after the reform, associate degree students would face tuition fees of some \$160,000 each year. The new proposal will certainly eliminate many associate degree students who do not have the means, while students who can afford the exorbitant tuition fees might eventually choose to pursue studies abroad.

After the industrial revolution, education in all countries has developed on the principle of popularization, with a view to upgrading the overall education standard and productivity of their nations. But while we are celebrating the successful popularization of education, we have forgotten that the personal value of each student is ignored in the process of "teaching" and "learning". Therefore, given the current constraints in manpower, financial capacity and land resources, it is the responsibility of each and every educator to explore ways to strike a balance between popularization of education and individualization of the teaching and learning process.

At present, the 18% of students at appropriate age who can receive tertiary education come from different sectors of the community. Many of those in the lower class can, through studying in universities, acquire the relevant qualifications and then improve their social background and social strata. In fact, after promoting popularization of education, the education policy of a democratic country should begin to pay attention to the equalization of education. Information of a survey conducted by the Hong Kong Polytechnic University recently shows that the average household income of its students is about \$20,000. In other words, despite government support in the forms of grants and loans, university tuition fees still constitute a heavy financial burden to most parents. The tuition fees for the self-financed associate degree programmes in future will be some \$100,000 to \$200,000. This would indirectly strangle the opportunity of students from less well-off families to receive university education and substantially reduce the chances of these students to improve their lot through social mobility, thus slowing down the development of society as a whole.

Secondly, the Democratic Party opposes the proposal to delink the remuneration of university staff from the civil service pay system. While the general public and the Liberal Party hold that allowing institutions to determine the remuneration of their staff can achieve the positive effect of upgrading the teaching quality, the Democratic Party is concerned that the Government has proposed the delinking just because it is faced with financial pressure, and in order to achieve savings in expenditure, it cannot but target at the remuneration of university staff. Furthermore, the Financial Secretary has also expressly stated that he will stringently impose caps on the growth in annual expenditure of each department.

In fact, the remuneration of university professors is already very attractive now. The existing lump sum grant arrangement already provides institutions with ample flexibility in making adjustments to remuneration. The report claimed that the purpose of delinking is to enable institutions to have greater flexibility and appeal in recruiting internationally well-known professors. But as a matter of fact, few of these world renowned professors are willing to come to teach in Hong Kong, because their consideration is not only remuneration, but also the environment for conducting research. In this regard, Hong Kong does not fare particularly well traditionally. That the Government has vetoed the proven link to the civil service pay system for all university staff in Hong Kong on such flimsy arguments is indeed unconvincing.

Thirdly, regarding the implementation of the credit accumulation and transfer system (CATS) in universities, the Democratic Party supports students' freedom of choice, but we have



reservations about the details of its implementation in future. Our reason is that the presently proposed CATS, which is linked with government funding, is not an ideal system after all. If the existing eight UGC-funded institutions are comparable in terms of reputation, scale and the direction of teaching and research, then the introduction of the CATS will certainly stimulate healthy competition among the institutions, which would be greatly beneficial to students, institutions and society. But the reality is that the eight institutions are not on a par with one another, and the mentality of hoping to study in prestigious universities is still prevalent among members of the public. The implementation of the CATS will have enormous impact on the new universities. For this reason, the Democratic Party hopes that the Government, in formulating the CATS, will not only consider the possibility of delinking this system from government funding, but also pay extra attention to the uniqueness of each institution and have regard for the respective admission criteria, so as to provide against shortfalls in student intake or amalgamation of institutions.

Fourthly, the Democratic Party supports that funding be provided on the basis of research performance and supports "selectivity" in the provision of funding. But the authorities should not allocate resources only to a small number of institutions on the ground of resource constraints.

It is true that genuine competition serves to enable institutions to give full play to their areas of academic excellence. We consider that the authorities must revise and improve the existing research assessment mechanism, and allow representatives from all institutions to take part in the entire assessment process, so as to prevent dominance by the assessment panel led by traditional universities.

As the old saying goes, "it takes the whole village to raise a man", and this cannot be more correct. So, reforms of higher education rely on the support and recognition of all quarters in the community and require the injection of abundant resources before excellent talents can be nurtured. The Democratic Party urges the Government to examine in detail the four problems arising from the reform proposals outlined by me. We must bear in mind that the earnest aspirations and well-intentioned criticisms of the education sector are an important driving force propelling the development of education.

Thank you, Madam Deputy. I so submit.

**MR TAM YIU-CHUNG** (in Cantonese): Madam Deputy, last Tuesday, I met with representatives of the staff unions of the Vocational Training Council (VTC) in my capacity as a Member of the VTC. The representatives raised strong objection to the intention of the Education and Manpower Bureau to abolish the diploma and higher diploma courses of the VTC. In the report entitled Higher Education in Hong Kong, it is stated that clear lines of financial accountability be established for all public sector funds used to support programmes at associate degree level, in order to be consistent with the Government's intention that associate degrees be predominantly funded by the private sector. It is also suggested in the report that a Further Education Council be established to oversee the provision of programmes at associate degree and comparable levels by both public and private providers. The policy

direction proposed in the report has far-reaching implications on the future development of the VTC.

At present, apart from providing training for operatives, craftsmen, technicians and technologists in various fields through its training centres, the VTC's Institute of Vocation Education also offers a wide range of vocational diploma and higher diploma courses. As spelt out in the report and evident in the position stated by the Government recently, the diploma and higher diploma courses of the VTC are regarded as comparable to associate degrees and so, the Government will consider reducing its subvention for these courses and transferring them to the future Further Education Council for co-ordination and management. With regard to this policy direction, I think it is necessary to further explore and discuss it in detail, and a decision cannot be made hastily.

The VTC has long played a pivotal role in the vocational education and training system in Hong Kong. The VTC provides young people with opportunities to acquire professional skills in various trades, so that they can apply what they have learnt in their work in future. Vocational diploma and higher diploma courses cannot simply be taken as equivalents of associate degree programmes. Therefore, the Government should not apply its subvention policy on associate degree programmes to the diploma courses of the VTC. Moreover, young people with an education level of Secondary Three can presently acquire more working skills or upgrade their skills through diploma and higher diploma courses after completing VTC's certificate courses or courses of vocational studies. If the Government withdraws its funding support for diploma courses, the opportunities of these young people to pursue studies would no doubt be stifled. The tuition fees for diploma or higher diploma courses are \$13,700 at present. If government subvention ceased, the tuition fees would have to increase to at least \$37,500 (this is the level of fees of the self-financed associate degree programmes currently run by the School of Business and Information Systems of the VTC), which is 2.7 times as much as the present level. We can imagine that most students would only be deterred by the exorbitant tuition fees.

In the report on the strategic review of the VTC published by the Government in 1996, it was stated that the vocational training provided by the VTC should continue to be funded by the Government, and that the Government should not take drastic measures to privatize VTC training courses. In the report published by the Government in September last year on the review of organizational set-up of vocational training and retraining, it was also stated that during the transitional period prior to the establishment of the Manpower Development Committee, the existing functions of the VTC should be maintained. Before a final decision is made on the role and direction of the VTC in the future, a hasty withdrawal of government subvention for diploma and higher diploma courses would only cause unnecessary contentions in society and arouse anxieties among teachers and students.

The report entitled Higher Education in Hong Kong has made particular reference to the governance of programmes at associate degree level, because the development of these programmes is related to higher education. The report only followed the direction of the Government's subvention policy, without examining the subvention policy on associate degree

programmes. But as emphasized in the motion on associate degrees passed in this Council two weeks ago, the Government should increase the subvention for tuition of programmes at associate degree level, in order to ease the burden of young people in their studies.

The Hong Kong College of Technology has specifically conducted a survey among those young people who are neither studying nor working, commonly known as the "non-engaged youths". According to the survey findings, 45% of them said that whether they can continue with their studies will depend on whether they have the means to afford the costs. The diploma courses offered by the VTC are a major channel through which they can acquire working skills. If the Government withdraws its funding for these courses, I am afraid that to these young people, the day when they have the means to pursue studies would be very distant indeed. While the Government endeavours to improve higher education and increase opportunities of tertiary education, it should not seek to achieve these objectives at the expense of the opportunities of vocational education opened to young people.

I so submit. Thank you, Madam Deputy.

**DR RAYMOND HO** (in Cantonese): Madam Deputy, Hong Kong is transforming into a knowledge-based economy. Our success in future development will to a very large extent depend on the availability of sufficient manpower resources with tertiary education to meet the needs of the market. In fact, the Government is well aware of the importance of this. In the 2000 policy address, the Chief Executive proposed the target of increasing the popularization rate of tertiary education to 60% within 10 years. Therefore, the future development of higher education in Hong Kong will have far-reaching implications on the future of Hong Kong. Some of the recommendations in the report entitled Higher Education in Hong Kong published by Lord SUTHERLAND, Principal and Vice Chancellor of University of Edinburgh, aptly provides us with a basis for discussion in this regard.

Given limited public resources, the report proposed the development of key universities by identifying a small number of institutions as the focus of public and private sector support, so that these universities can develop into competitive institutions at international levels. To this end, the report proposed a segregation of universities to enable universities to give play to their strengths and position themselves in accordance with their own conditions. But I have reservations about positioning universities as research-led or teaching-led institutions, because research is basically the core of universities, and also their soul.

Having said that, however, each university has its own characteristics, unique development background and academic culture. Despite the pressure of resource constraints, the authorities concerned should not practise the so-called "selectivity" based on criteria that are unfavourable to the disadvantaged universities, for this would strangle the development of institutions with a shorter history but potentials for development.

Regarding another proposal in the report, namely, the credit accumulation and transfer system (CATS), I would also like to express some views on it. Undeniably, this system does

allow a greater degree of flexibility and can at the same time provide articulation channels for graduates of community college and associate degree programmes. Nevertheless, we have every reason to believe that higher achievers of disadvantaged institutions would very likely change to other "prestigious" tertiary institutions after the implementation of the CATS. On the premise that "money follows students", the resources and competitiveness of these "non-prestigious" institutions would be further undermined, thus resulting in unfairness. Moreover, individual departments of some tertiary institutions would probably offer programmes in which students can easily score passing marks, in order to attract students' enrolment. This would result in a decline in the quality of education. All these issues must be addressed squarely by the authorities concerned.

The report also discussed associate degree in great length in the report. This is one of the reasons why I moved the motion on associate degree in this Council on 12th of this month. Thanks to the support of Honourable colleagues, the motion was passed smoothly. My motion focused on the quality of associate degree. In this connection, I think the report proposals on establishing a Further Education Council and a quality assurance system for associate degree programmes are worthy of more in-depth studies.

Madam Deputy, the demand for higher education is inextricably linked with the development of society. Our decision to increase tertiary places and tertiary programmes must be in keeping with the needs of society in order to avoid a mismatch of human resources. For example, if the number of graduates of certain disciplines far exceeds the needs of the market so much so that the students cannot apply what they have learned or even become unemployed, it would not only waste their investments in terms of money and time, but also waste a substantial amount of resources of society. With these remarks, I support the motion. Thank you, Madam Deputy.

**MR CHEUNG MAN-KWONG** (in Cantonese): Madam Deputy, the report on Higher Education in Hong Kong compiled by Lord SUTHERLAND tends to tap new sources of revenue for the Government, steering the development of higher education to privatization and in a market-led direction. It is more of a report on financing than on the development of university education.

Nevertheless, the market is not a panacea. The report has aroused many controversies in the education sector. In a debate days ago, I already stated my opposition against the withdrawal of government funding for associate degree and higher diploma programmes. Today, I will express my views on the other key recommendations in the report.

The most controversial recommendation in the report is the delinking of the remuneration of university staff from that of civil servants. This would do damages to the "keel" of universities and court countless troubles.

Mr Donald TSANG and Mr Antony LEUNG have criticized that the costs of the local universities are exceedingly high, but evaded the fact that funding for university research

activities, which accounts for a mere 0.48% of the Gross Domestic Product, lags far behind that of our major economic rivals. The UGC said that delinking would inject more flexibility into the remuneration of university staff and allow universities to compete with other parts of the world for talents. However, funding for research studies in Hong Kong is inherently inadequate. If even the mainstream employment system, that is, a "substantive system" linked with the civil service pay is affected, we would not be able to provide a stable working environment. In that case, how could we attract overseas scholars? How could scholars concentrate on teaching and research? Indeed, in respect of the employment of senior teaching staff, universities already have some degree of flexibility in determining the level of remuneration. If scholars do not have job security, not knowing whether they will be out of job tomorrow, academic freedom would be empty talk, and this is precisely the underlying reason why university staff are so resolutely opposed to delinking.

The university staff's opposition to delinking also reflects the lack of democratic mechanisms in universities. In recent years, incidents that occurred in universities have plunged the entire community into chaos. Without proper channels to lodge complaints, the staff of university have been forced to turn to the Legislative Council for assistance. Using institutional autonomy as a pretext, universities have evaded their accountability to society. For example, as regards the mandatory redundancy incident in the Hong Kong Institute of Education, the Institute refused to communicate or explain the development despite repeated invitations from the Legislative Council; in the incident concerning the School of Law of the City University of Hong Kong months ago, the University also resorted to stalling tactics and an investigating committee was set up only until the end of the school term; both the teachers and students have long been pouring out endless grievances.

Madam Deputy, I respect the spirit of autonomy in universities. I agree that the Legislative Council is not an ideal venue for handling disputes in universities. Regarding the recommendation of the report to set up an independent ombudsman system, I consider that there are still inadequacies. It is because an ombudsman, like the Legislative Council, can conduct investigations only into whether an institution has deviated from rules and procedures. It does not have the capacity to handle academic disputes, but complaints in respect of universities are often of such a nature.

Universities are the conscience of society. If there is no democracy in universities, the staff and students would not dare to speak out for themselves, and the conscience would become silent. While universities can enjoy institutional autonomy, there is no channel for university staff to lodge complaints. Institutional autonomy has become a prerogative of the higher echelons; autonomy has become an irony. Therefore, I think the Government and universities should promote democracy in universities and expressly provide in the relevant ordinances governing the universities a more independent mechanism at a higher level for university staff and students to take part in university administration and deal with complaints.

The report recommended that a small number of institutions be identified as the focus of funding, and the merger of institutions has also been made an item on the agenda. All of a sudden, many love stories about forced marriage and open discussions on marriages have

begun in universities. In fact, the history of local universities varies, some with a longer history and some with a shorter one, and they have attained different levels of development. To engage in world competition, they should first foster co-operation among themselves, bring their advantages into full play, and endeavour to complement rather than gobble up each another. Similarly, the report recommendation to link credit transfer with funding would jeopardize the healthy development of universities, shatter the foundation of institutions and change the nature of education. So, I oppose a linkage between credit transfer and funding. The Government and the UGC should first encourage exchanges among the institutions by, for instance, increasing the quota of auditor students in the institutions, rather than forcing institutions to close down some departments with the use of the credit transfer system, sort of murdering with a borrowed knife.

Madam Deputy, grievances of university staff against scarcity of resources for universities are often heard in society. The Secretary for Education and Manpower designate, Mr Arthur LI, who are always as articulate, should understand the situation of the tertiary sector and know only too well what this sector has been through. He certainly has far more heartfelt feelings than I do. When the Government sought to cut the funding for universities for six years in a row, Vice Chancellor LI cried out loudly, holding the Government responsible for a possible decline in the competitiveness of students in the next five to 10 years. When the Government planned to delink the remuneration of university staff from the civil service pay, Vice Chancellor LI expressed concern that the Government might again cut the resources for universities, and requested the Government to put down in black and white the terms and conditions agreed by both sides, so that the institutions can pursue responsibilities from the Government by legal proceedings to ensure that the Government will not go back on its words. When the report recommended that key universities be made the focus of funding, Vice Chancellor LI was very confident that the university under his leadership would become an "elite university" of the territory; and he went further to say, "I hope we are the only one."

It is natural for anyone to act in the interest of his own institution. The views expressed by Vice Chancellor LI certainly centred around The Chinese University of Hong Kong. Now that the accountability system for principal officials is implemented in Hong Kong, new personnel will invariably bring about new styles of work. I hope that Vice Chancellor LI, after assuming office as the Secretary for Education and Manpower, will not forget his origins, the difficulties confronted universities in the face of tight funding, and the expectations of university staff and students. Certainly, he must take an overall view of the development of universities. He should formulate policies on universities not only on the basis of his own experience in a particular university, but also on the basis of the voices of the staff of all institutions, the voices of society and the voices of basic education.

Madam Deputy, I so submit.

**MR MA FUNG-KWOK** (in Cantonese): Madam Deputy, the education system in Hong Kong is poised for changes. To respond to the new demands for manpower training arising from the development of knowledge-based economy and at the same time satisfy the needs for manpower in the economic restructuring of Hong Kong, it is necessary to nurture more local

talents of a high quality. This has long been a consensus in society. Basic education and higher education alike have to face the challenge of upgrading the quality of teaching and providing more education opportunities.

The report on Higher Education in Hong Kong published by the UGC will have profound and fundamental influence on the future development of higher education in Hong Kong. The Government must, therefore, fully consult the views of all quarters, including the public, students, tertiary institutions, and in particular the staff of the institutions. After the release of the report, the Government accepted the preliminary view and extended the consultation period by two months. This merits commendation, for it allows members of the public to gain a fuller understanding of and express more views on this report of far-reaching implications. However, to truly achieve the objective of consultation, the Government, apart from inviting more input from the community, should seriously consider the different views expressed by the relevant organizations and individuals, and contemplate the various recommendations of the report in the overall interest of society.

The report has made 12 recommendations. Many people consider that the discussions on various issues in the report actually revolved around only one theme and that is, how teaching in tertiary institutions can be upgraded both in terms of quality and quantity to meet the needs of future development on the premise of effectively controlling the resource injection by the Government. This sounds like a mission impossible.

Regarding the resources for education, a research paper on education expenditure in Hong Kong<sup>1</sup> pointed out, on the basis of the global development indicators developed by the World Bank and the global education indicators announced by the United Nations, that in 1996, public expenditure on education accounted for 2.9% of the Gross National Product in Hong Kong, which was lower than the 5.4% in the United States, 3.6% in Japan, 3.7% in South Korea and 3% in Singapore.

This research study also pointed out that the percentage of funding for primary and secondary schools as a share of the expenditure on education is lower than that in most countries; whereas the percentage for tertiary education is 37.1% in Hong Kong, which is close to that in Singapore and Canada, and even higher than that in the United States.

At a glance, the resources injected into higher education in Hong Kong appears to be comparing favourably with other countries and even faring better than the United States. However, the difference is that the United States have a large number of private universities, whereas a vast majority of tertiary institutions in Hong Kong are publicly-funded. So, Hong Kong is actually not committing a lot of resources to tertiary education.

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<sup>1</sup> "Public expenditure on education in Hong Kong: Plenty or Scarce?" (香港在教育方面的公共開支多不多) by ZHANG Junsen and LEUNG Kai-yui, included in *Education Reforms and Hong Kong: New Era, New Challenges* 《教育改革與香港：新紀元、新挑戰》 edited by Dr Fanny CHEUNG, Social Science and Education Research Panel, Chinese University of Hong Kong, May 2001

In last year's policy address, the Chief Executive reiterated that the Government of the Hong Kong Special Administrative Region (SAR) must "make significant investments in education to prepare each one of us for the advent of the knowledge-based economy". We appreciate that the Hong Kong economy is not as prosperous as it was a few years ago. The economy will still face many difficulties in future and there are many social problems to tackle. Notwithstanding this, it is still incumbent on the Government to continuously make commitments to education within its means as far as possible. This is the responsibility of the Government. Meanwhile, this is also an assurance that no one will be deprived of the opportunity to pursue studies due to financial problems.

To the general families, the annual university tuition fees of over \$40,000 are by no means a small amount of money. In recent years, the employment prospects of university students have been fairly uncertain. Even if they take out loans to pay for their tuition fees, they will have to carry debts well over \$100,000 after graduation, and the pressure on them is not at all negligible. The report recommended that the majority of associate degree programmes should operate on a self-financing basis. If this recommendation is implemented, I believe most associate degree students would have to pay a considerable amount of tuition fees. While the Government has undertaken to offer loans as financial assistance, students taking these programmes will be subject to greater pressure of indebtedness. The institutions will also face the pressure of keeping the books even and so, whether the institutions can at the same time assure the quality of programmes is indeed open to question. At the end of the day, education objectives might be achieved only in a numerical sense, and we might not necessarily be able to truly train up talents.

The report suggested the "selectivity" principle, in that a small number of institutions will be identified as the focus of public and private sector support to make those institutions capable of competing at the highest international levels. There are now eight publicly-funded tertiary institutions in Hong Kong. Some of these universities of a smaller scale have, in recent years, developed an edge in certain disciplines and nurtured many outstanding students. This shows that the merits of a university have nothing to do with its size.

The report recommended that a small number of institutions be strategically identified by the Government as the focus of support. This has given rise to a series of questions: While it is certainly important to identify and reward teaching or research units that have achieved excellence, the so-called excellence must be determined by objective and fair assessment criteria and measured by an academic ruler. Can the Government, in selecting or identifying these institutions, live up to these standards? Meanwhile, if emphasis is placed only on rewarding institutions that have achieved excellence, will the centralization of resources lead to monopolization as a result of dominance in future, which is not conducive to long-term development? Free competition among the institutions has in the past enabled institutions to make their respective achievements. Rigid selectivity will only kill the interaction of healthy competition.

Education objectives should be people-oriented. The quality of teaching hinges on, among other things, the front-line educators and researchers. The report recommended that



the pay and terms of employment of staff in tertiary institutions should be delinked from the civil service system, taking the view that this can recruit and retain the best staff. This recommendation has given rise to opposition from many university staff.

The proposed delinking allows institutions to freely formulate their own remuneration packages. To many scholars, remuneration is certainly one of the considerations in deciding whether to accept an offer. But a more important factor is whether the institution offers a good academic atmosphere and environment for teaching and research. Furthermore, the existing system already has some degree of flexibility which allows institutions to recruit world-class scholars by offering them more generous employment terms and conditions.

The many recommendations in the report, such as delinking, performance-based funding system, and so on, will easily lead to marketizing of universities. To fight for more public funding and other social support, the institutions can only provide more business-related programmes; and delinking will enable institutions to recruit teaching and research staff in these fields with better terms and conditions. On the contrary, the development of humanities disciplines will consequently be ignored.

What warrants more concern is the long-term impact of delinking on academic freedom in universities. The existing linkage with the Civil Service provides a stable research and working environment for university staff. After delinking, more emphasis would be put on teaching and research results. University staff would have to adapt to the requirements of the new assessment mechanism and put more emphasis on teaching and research results. Nonetheless, it is not easy to quantify results of education. Nor is it easy to predict research results, because each research study must go through a certain process.

In the final analysis, quality still warrants the greatest concern in respect of Hong Kong's education system. If we take an overview of this report, it appears emphasis has been placed only on resources, without conducting in-depth studies of the quality of teaching, an issue of wide public concern. The new Secretary for Education and Manpower will take office soon. I hope that the Government can listen more to the views of the public over education issues and map out the commitments of the Government to education. Thank you, Madam Deputy.

**MISS LI FUNG-YING** (in Cantonese): Madam Deputy, the report on Higher Education in Hong Kong being debated in the Legislative Council today involves not only the future direction of development of higher education in Hong Kong, but also a large number of front-line educators in the tertiary sector, as well as the growth of numerous students.

In Chapter One of the report, it is stated at the outset that "this report assumes a geography that locates higher education as a sector within a large field of post-secondary education which has at least two other sectors: the vocational education and training sector, and the emerging community college sector.....". However, the report has failed to duly establish a linkage among higher education, vocational education and training, and community college. The report has devoted many paragraphs to extensively discussing the emerging

associate degree programmes, but it is almost silent on vocational education and training. No wonder educators in vocational education sector have criticized the Government's intention of lumping together associate degree programmes and diploma and higher diploma courses, calling a stag a horse by equating vocational education programmes with associate degree programmes provided by tertiary institutions.

I agree with the distinction drawn by front-line workers in vocational education. That is, associate degree programmes lay stress on general education and the main purpose and development of students is to articulate with degree programmes, whereas diploma and higher diploma courses put emphasis on professional disciplines and belong to pre-vocational education. There is indeed a need for the report to clarify the role of pre-vocational education whilst extensively discussing the future of associate degree.

Educators in vocational education sector are concerned that the Government would shirk its commitment to vocational education through the review of higher education. Under item 3 of the List of Recommendations in the report, it is recommended that "a Further Education Council be established to oversee the provision of programmes at associate degree and comparable levels by both public and private providers." Teachers engaging in vocational education have told me that the so-called programmes at comparable levels actually refer to pre-vocational education, and that the report recommendation to introduce private sector support for these programmes aims to pave the way for the Government to cut resources. Although the Education and Manpower Bureau has stressed that the Government has no intention to stop its funding for higher diploma courses, the Government has made no explicit commitment to pre-vocational education as a whole. In its replying letter to the teachers' association of the Hong Kong Institute of Vocational Education, the Education and Manpower Bureau only emphasized that if the recommendations of the report are implemented, the authorities concerned will discuss with individual institutions to decide on the courses to be continuously funded by the Government in accordance with the funding criteria. Does it mean that some of the courses that are presently funded by the Government will not or cease to be funded by the Government in future? So, the undertaking made by the Education and Manpower Bureau has failed to allay the concern of the staff.

THE PRESIDENT resumed the Chair.

The Government is vigorously promoting the development of knowledge-based economy. To those young people who are unable to receive higher education for various reasons, they may already consider this a significant failure in life. If the Government seeks to shirk its commitment to pre-vocational education in its policies, this will no doubt be a double blow to these unfortunate youngsters. If these young people who cannot afford the expensive tuition fees are made to chart their own course and run wild, society would eventually have to bear the bitter fruits.

Madam President, I am not familiar with policies on higher education. But after reading the report, I was tremendously shocked by paragraph 1.17 of the report which stated resolutely that "The core functions (of universities) ..... will be drivers of economic

opportunity". Perhaps the teachings from our ancestors that "What the Great Learning teaches is to illustrate illustrious virtue; to renovate the people; and to rest in the highest excellence."<sup>3</sup> has become obsolete. But if universities in Hong Kong are virtually turned into factories of skills as recommended in the report in order to compete with international rivals, then I must cite a few words of Prof Ambrose KING, Pro-Vice Chancellor of The Chinese University of Hong Kong, in his book entitled *The Idea of a University* (《大學之理念》) to conclude my speech: "Universities are not the birthplace of poets. But if a university cannot invoke reverberations from a poetic heart in young people and stimulate their thinking about mankind, then this university is obviously devoid of the power to influence." In the last Chapter of his book, Prof Ambrose KING earnestly cited the remarks of the former President of the Education Commission of the United States: "If the States are caught in any education crisis today, it would have nothing to do with lower scores in examinations, but rather our failure in civic education." I hope the SAR Government will take heed of these sincere advice.

Madam President, I so submit.

**MISS EMILY LAU** (in Cantonese): Madam President, more than three months ago, when Lord SUTHERLAND visited this Council, we did not have time to have lunch together because we had to attend a panel meeting at which he would present the report.

I asked Lord SUTHERLAND very clearly whether his recommendations were meant to save money for the Government because there were speculations before the release of the report and the Government was facing many problems such as a fiscal deficit. Thus, people thought that there might be a series of reforms or changes to save public expenditure for the Government. However, Lord SUTHERLAND put it very clearly, as recorded in the minutes of the meeting, that that was definitely not the case. He even said that the Government should inject more resources into this.

I believe the Secretary also knows that I have said that the resources injected by Hong Kong into education are fewer than those of our trading partners or places of a comparable level of development. As I noticed, some Secretaries said that thanks should go to the British. But I would not forget that Mr TUNG Chee-hwa and some Executive Council Members were Executive Council Members in 1992. However, it is unnecessary for us to blame anybody or the British for spending little in this regard. In discussing the reform of higher education, I believe one of the most important bases is to inject more resources and try our best to train up talents. Certainly, education should not only be oriented towards economic development.

Throughout the years, I have always said that some university lecturers are offered very high salaries, even higher than those of some famous universities in foreign countries. Some professors abroad have also told me that they admire the excellent pay of professors in Hong Kong. I have not said that university staff should be given a pay cut but I hoped that their performance would be commensurate with their pay. I also earnestly support giving

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<sup>3</sup> *The Four Books*, Hunan Publishing House, April 1996

universities more freedom to determine the pay of academic staff. I think that there is not any problem at all.

Madam President, what is wrong at present? Perhaps you also know that some university lecturers, or some professors may hold a petition for the impact they have suffered. But, should we not proceed with the reform when somebody oppose the reform proposed? Madam President, you may remember that I asked a question about racial discrimination last Wednesday, and Secretary LAM Woon-kwong said that there were voices of opposition in the community. When Mr LEUNG Yiu-chung asked the Secretary what were the sensitive points and why there had been a delay of six years, the Secretary also told Members to wait a while. That was the racial discrimination problem that was quite different from the present subject but it still took six to seven years to study. If we were going to have a further delay, Premier ZHU Rongji would scold us again.

However, when dealing with controversial issues, should we blindly press ahead? In my view, we should not do certain things about which no consensus has been reached. Having listened to the remarks made by various parties today, I have not found anyone who support the Secretary to press ahead or suggest that we should go ahead despite the objection of teachers and staff. Nobody has said so today. Some Members may support the Secretary but they have also suggested that the Secretary should first seek a consensus by the affected such as parents, students and taxpayers. The Secretary may ask how long the process would take. Even though it may take some time, there is no alternative. The Secretary would become a permanent secretary but she still has to continue to take forward the education reform. But if she still insists on pressing ahead despite the boiling discontents, even though the reform is meritorious, I would not support the Secretary dashing forward obstinately.

On the question of delinking, I in principle do not think there is any problem, and if Members think that it is good, we have to persuade the academic staff concerned because the implementation of the recommendation may directly affect their interests. But we have to tell them that it is done for the greater public interest and we should take coupling actions as far as possible. Yet, we do not advocate a high-handed approach. As Mr CHEUNG Man-kwong has said, delinking is so sensitive because it is related to the interests of university staff. Many lecturers have attended quite a few meetings of this Council and they have a total loss of confidence in the governing structure of universities, especially the complainants mechanism. Therefore, when we touched upon the arguments that may arise in the future in respect of the determination of matters such as the pay of academic staff, many academic staff think that they would not be given fair treatment under the governing structure of universities. Therefore, it is extremely difficult for there to be a highly transparent and independent governing structure that is supported by university staff, students and parents. Anyway, we have to try. Even if we fail, we should not obstinately adopt other alternatives. Otherwise, the university staff would blame us for not handling the matter well. In other words, we would have planted a bomb in the university system.

I do have some worries about the recommendation on injecting more resources into the

development of key universities because there are so many universities in Hong Kong and all students are the children of Hong Kong people and the academic staff are Hong Kong teachers. How can we ask them to allow the allocation of more funds for the development of a certain university rather than all universities? If some universities want such development, it would be best to encourage them to raise funds from outside. At present, a large number of overseas universities have come to Hong Kong to raise funds and many Hong Kong people have gladly made donations. Yet, the Government has an education system, how can the Government convince parents, students and teachers if it treats certain universities better than some others?

Madam President, the report has made many recommendations and I believe it would trigger off a lot of discussions. Heated debates have been held here in this Chamber and in the community and Mr Tommy CHEUNG has said that the changes to be made would be dynastic. In that case, if we fail to reach a consensus, I would not support the Government pressing ahead with the reform rapidly. I hope that Members would continue to discuss the matter further.

I so submit.

**MR IP KWOK-HIM** (in Cantonese): Madam President, the Korea Republic, the Tiger of Asia, made a historical record in becoming one of the four strong teams in the World Cup Finals this year, and all football fans in the world were fascinated. The older generation football fans might recall that the national team of Hong Kong in the 1960s was the Light of Asia. There were YIU Cheuk-yin, CHEUNG Chi-tai and WU Kwok-hung, and the Hong Kong team was similarly strong like a tiger. In the 1980s when that generation of football stars retired, the football teams in Hong Kong excessively relied on expatriate players, which was not helpful to the football development of Hong Kong, and the football business of Hong Kong has not been able to recover since then.

The same has also happened to higher education in Hong Kong. The report on Higher Education in Hong Kong recommends delinking the remuneration of university staff from that of civil servants so as to allow universities to recruit world-class scholars with more favourable remuneration. However, the recommendation would only intensify the present situation in which universities spend a lot of public money on expatriates. Some universities have appointed famous scholars on considerable remuneration and allowed these scholars not to teach so long as the names of the local universities appear in world-class academic journals. Even though their researches are not related to Hong Kong at all and they do not have much relationship with students, these expatriates would still be considered to have performed their glorious missions.

To allow these expatriates to do more research, other academic staff have to increase contact hours without any spare capacity for research. These expatriates do not have to teach or conduct researches that meet the needs of Hong Kong, then what roles do these world-class scholars play in the academic sector of Hong Kong? Actually, some local academics have also questioned this. Would Hong Kong degenerate into a makeshift temporary research base? Is it value for money to pay them \$1 million annually in exchange for the publication of the

names of universities in world-class academic journals? All these questions warrant our deliberation.

While world-class scholars conduct world-class researches, researches themed on the needs of Hong Kong have not been encouraged. Taking town planning that is related to Hong Kong as an example, the Government has not properly made use of the talents and resources of local universities, but it has instead paid foreign consultancies millions of dollars from the public coffer. As a result of this, the report on the \$4 million research on pedestrian environment planning has only described the streets of Hong Kong without any insight into the problem. Regarding the 1 cm thick consultancy report on the special research on the Aberdeen harbour, only seven pages are written by the consultant personally, nine pages are figures from the questionnaire survey and all the other pages are copied from the submissions. The latter report has not summed up the submissions and government replies or offered any professional advice.

While Hong Kong spends a lot of public money on subsidizing higher education and the relevant academic researches, why have local experts and academics not been consulted? Why has the Government failed to get the best out of the scholars? Now that even the Government does not attach importance to local researches, how can it raise the academic standards of Hong Kong? No wonder that there are only a few locally nurtured doctorate degree holders among the academic staff of the eight local universities. After all, it is because the local experience is not given due attention. Even local doctorate degree holders have failed in their applications for the post of Customs inspectors. Thus, the academic atmosphere of Hong Kong would only continue to weaken and local university students would only become more eager for quick success and instant benefits. Universities would degenerate into prevocational schools.

The failure to get the best out of the scholars also applies to the expatriates. So, when universities recruit world-class scholars, they may consider such requirements as contact hours, the number of research students to be supervised or joint research with local scholars, in order to utilize fully the knowledge and experience of these expatriates, lift the standard of local scholars and drive academic development in Hong Kong.

Turning back to football, with team members exerting their utmost and the experience and wisdom of their Dutch coach HINDDINK, the Korean team — the Tiger of Asia — fully displayed the might of an Asian football team. I hope that future policies on higher education will make proper use of world-class HINDDINK and display the unyielding efforts of local universities such that higher education in Hong Kong can blossom in radiant splendor.

Madam President, I so submit.

**MRS SELINA CHOW** (in Cantonese): Madam President, higher education is an important part of social investment. The question of to how a balance can be struck is very important. The Liberal Party considers that the objectives of higher education are to nurture sufficient talents for society on the one hand and achieve outstanding performance in pursuit of

excellence at higher levels or in more sophisticated domains on the other. In this connection, the Liberal Party does not oppose the provision of additional resources where necessary. But this does not mean that overlapping or wastage of resources for higher education is allowed.

Since education resources are indeed limited — this is the reality, and in any society, any kind of resources are limited — we should make a greater effort to ensure effective utilization of resources, with a view to adding value. With regard to "selectivity" in the provision of funding mentioned in the report, our view on education has always been that on the premise of popularization of education, it is utterly important to nurture elites. Under the "selectivity" principle proposed in the report, institutions with better performance can be allocated with more funding. The Liberal Party considers that this is precisely a manifestation of the pursuit for excellence and can offer institutions incentives to give play to their strengths and finally become capable of competing at international levels. Besides, since education resources are limited, we do not agree that resources be evenly distributed to every institution. In fact, the "selectivity" concept is more consistent with the principle of putting the limited resources to good use.

Moreover, research work in universities is of great importance not only to the universities. It is also a crucial factor dictating the advancement of society as a whole. Therefore, we hope that local universities can achieve excellence in their research studies or even exceed international standards in certain domains. We should not give up the efforts made by universities with capability and achievements in conducting research. But as I said earlier on, education resources in Hong Kong are limited. Added to this is the fact that local universities often receive less funding for research than internationally renowned institutions. Therefore, the principle of "selectivity" can better cater to the actual circumstances in Hong Kong, enabling institutions to adopt a more focused approach in their research endeavours to achieve goals of greater significance.

I must emphasize that the Liberal Party does not object to the policy of popularizing tertiary education. Only that we are of the view that we should not give up research and teaching efforts at some higher levels or more specialized domains. Therefore, "selectivity" in the provision of funding is all the more important where resource constraints prevail.

Furthermore, after the publication of the report on Higher Education in Hong Kong, to address the issue of resources, there have been discussions about whether Hong Kong has too many universities and about the need for some measure of integration. In this connection, I would like to share with Members my thoughts. Earlier on, the Vice Chancellor of The Chinese University of Hong Kong (who is the Secretary for Education and Manpower designate), Prof Arthur LI, proposed that universities be merged on geographical proximity, so that they can complement each other and resources can be pooled together. We consider that this proposal merits consideration and has discussion value, because after all, this is related to the question of how education resources can be most effectively utilized.

At present, we have eight universities providing different programmes. Some programmes are overlapping, and from the perspective of resources, wastage is unavoidable.

Besides, a number of institutions have competed to launch some new programmes, such as the Chinese medicine programme which is quite well-received recently. While universities enjoy autonomy, no one is in a position to play the role of a co-ordinator to ensure the most effective and appropriate injection of social resources which is consistent with the overall development and interest of Hong Kong. This is indeed an issue that requires thorough consideration, attention, discussions and decisions in the context of reform to tertiary education.

Madam President, earlier in the debate, Miss Emily LAU mentioned the views of the staff of some tertiary institutions. A number of Members also responded with strong views, particularly on the question of delinking from the civil service pay. Obviously, anyone whose vested interest is threatened will naturally feel worried. I do not oppose holding discussions on this. But as to whether a consensus must definitely be reached, as suggested by Miss Emily LAU, I am not optimistic about this. On the view that a consensus must be reached before policies can be implemented, I certainly beg to differ. I think it is always impossible for a consensus to be reached in a society, though adamantly insisted by some people. Therefore, I think our discussions should be premised on the overall interest and long-term development of Hong Kong. I very much agree to holding rational discussions, but I oppose never-ending discussions. Hong Kong has recently been criticized both by the local community and outsiders for always holding discussions without reaching decisions. I think we should reflect on ourselves. It is because not only the Government appears to be holding discussions without reaching decisions. Is this phenomenon also found in society at large? Indeed, nothing can be ideal in this world, and for some issues, it is impossible for them to be agreeable to all. Moreover, the more it involves one's own interest, the more difficult to seek consent from everyone. Therefore, I think we cannot just talk about lofty ideals that are impossible to realize. This is very undesirable to the development of our society as a whole. So, I hope that Members can focus on the development of tertiary education in their consideration.

**MR SZETO WAH** (in Cantonese): Madam President, in the policy address of the year 2000, the Chief Executive stated a strategic intent to increase the participation rate of tertiary education to 60%, double that of 30%, for the relevant age group within 10 years. It is similar to a big leap forward plan to "surpass the United Kingdom and keep up with the United States". The report on High Education in Hong Kong is a tool that serves this plan. There are 12 recommendations in the report and four of them are vital.

First, the delinking of the remuneration and terms of appointment of the staff of institutions from the civil service system to enable free and flexible determination by institutions.

Second, offering and increasing associate degree programmes and other programmes of comparable level on the self-financing and user pays mode of private operation.

Third, defining the eight existing institutions as research and academic institutions, highlighting a small number of institutions as the focus of allocation of funds, that is, they would be allocated more resources and in priority.



Fourth, implementing a credit accumulation and transfer system to induce the transfer and mobility of students. With further development of the system, institutions would be given allocation on the basis of the number of credits rather than the number of places.

These four vital recommendations reflect the highest instructions for following through the implementation of the big leap forward plan to "surpass the United Kingdom and keep up with the United States", irrespective of the reality and characteristics of education. It forcibly applies the free competition mechanism to a non-economic domain. This particular attribute was found in the philosophy of governance in other areas in the last five years, but it has further intensified this time around.

First of all, the Government has neglected the fact that education is a people-oriented cause, a cause of vital and lasting importance. It is an important initiative in socio-economic development and the development of productivity. Its fruits are shared by all the people. The Government is duty-bound to inject resources into this cause. But now, the Government has not only reduced funding for higher education, it has even asked others to foot the bill after it has ordered the dishes. I believe the Government would take similar actions in respect of the future changes to six-year system of secondary education and four-year structure of university education. It would definitely affect the quality of education, put a heavier burden on parents and deal a blow to the morale of educational workers.

Besides, the Government has not paid attention to the class division, but it has comprehensively promoted such division in many areas. It has not encouraged institutions to give full play to their edges and create their characteristics and styles; conversely, it has divided them into classes and unfairly allocated resources. If institutions were divided into classes, graduates would be labelled. Such division would also be found in the intellectual and professional classes in the future.

Moreover, the rule of man has replaced the rule of law and personal liking has replaced a proven system. There is a system for the salaries of civil servants, so while the delinking with this system enables free and flexible decisions, it also means an absence of a system governing such decisions. In other words, it has become the rule of man on the basis of personal liking. The Government is going to submit to this Council a legislative proposal on civil service pay cut which is virtually a violation of the established agreement between an employer and employees. No wonder it is now also prepared to wield the axe at the staff of institutions.

Inducing the transfer and mobility of students is euphemized as free competition, but it would actually wreck the sense of belonging of students and encourage them to trim their sails, become inconstant and play up to those in power, thus, they would develop poor characters and morals. Perhaps some may think that it gives no cause for much criticism for them to have such characters and morals in the business sector. However, should the culture spread to the education sector?

If the plans in the report are implemented, I foresee a catastrophe for higher education. Higher education which is at the top of the education pyramid must have significant effects on basic education. At present, the so-called education reform in progress has created troubles for basic education, and there would be even more problems in the future after the implementation of these recommendations.

Prof Arthur LI who is going to assume office as a principal official has made a lot of criticisms against the report. I hope that he will stick to the correct remarks he made and listen to other opinions, especially those of the academic staff of tertiary institutions who have once worked with him. I expect him to be accountable for the future education cause, but he must first be accountable for the remarks he made.

Madam President, I so submit.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, serving as a foil to today's debate is the demonstration staged by lecturers and professors of post-secondary institutions. The SAR Government is definitely not incompetent and it is most capable of inducing people to take to the streets for it has turned stability into instability. I am not sure if the permanent secretaries have to take to the streets one day.

Why have lecturers and professors of post-secondary institutions taken to the streets? It is evidently because we fail to find epigrams such as "What the Great Learning teaches is to illustrate illustrious virtue; to renovate the people; and to rest in the highest excellence." On the contrary, we only smell the stink of money and the overt conspiracy of capping and reducing funding for post-secondary education. The University Grants Committee (UGC) is very frank and does not have any hidden agenda. Money is simply the central idea of the report. The TUNG Chee-hwa government has proposed increasing the participation rate of higher education to 60% for the relevant age group within 10 years. The only sacred mission of the UGC is to double higher education places without doubling higher education funding. The only way to be the host without paying is to ask others to pay. According to the report, associate degree programmes will have to be self-financed, and the salaries of university staff will no longer be linked with civil service rates. At the end, Mr TUNG Chee-hwa would be the host but university staff and students have to pay to achieve his goals of education.

Two weeks ago, we discussed the reform proposals of associate degree programmes and I am not going to repeat the relevant remarks. I only wish to say that students, especially those with poorer results, who want to take associate degree courses in future would have to carry loads of debts. Then, poorer students may give up further studies after consideration. The system would only lead to the gradual regression of education in Hong Kong.

Workers are not living seafood and their salaries cannot change with the times. Workers want a stable job and a stable income to make arrangements and plans for life such as whether they would get married, have children or buy a home. Intellectual workers in universities also want a stable job and a stable income because academic research is a lifelong career. Taking a step back, if a professor has an unstable job and has to constantly worry

about daily necessities, how can he wholeheartedly devote to academic research and teaching duties? At present, most newly appointed university academic staff are not appointed on a permanent basis and their salaries are not linked to civil service rates. Some of them only have a nine-month teaching agreement in a year and whether the agreement would be renewed is dependant upon whether extra money can be squeezed from somewhere in the next academic year. Under such adverse working conditions, how can there be quality research? The situation would become even worse if their remuneration are delinked from the civil service rates.

Besides academic staff, university staff, especially basic rank staff, are set on tenterhooks. I believe that if their remunerations are delinked with civil service rates, there would be outsourcing of more security guard and cleaner posts and clerks would be given a pay cut. A survey conducted by a trade union two years ago found that the wages of security guards and cleaners working in outsourced posts were just enough to erk out their livelihood and some outsourcing contractors had violated the labour legislation. They did not grant such workers rest days and sick leave, shame on the ivory tower.

Not long ago, students of Harvard University fought for improvement to the treatment of workers of outsourced jobs and they almost offended the President. I hope that such education in pursuit of social justice would not emerge in Hong Kong. After all, the education of students should not be built on the sufferings of workers. However, I guess that the situation would continue and students may have to assist workers in fighting for their interests.

Madam President, the proposals of the UGC such as the credit transfer system and the selectivity principle for research funding actually seek to commercialize higher education. The market logic stresses survival of the fittest with the extreme of being unscrupulous, which is out of tune with the education philosophy of salutary influence and cleansing the soul. Reforming higher education on basis of pure market logic has only one result, that is, doomed failure. To attain effective market operation and enable money to follow students, there have to be quantifiable indicators — it would be the best for them to become indicators of price. Yet, as Simon CHAU said, education is heart-to-heart stimulation and a project of induction and transformation. The project is inherently difficult to quantify. In the course of forcibly quantifying the performance of education and quality of research, we may easily make mistakes such as taking "馮京" as "馬涼" or "量化" as "異化".

In the education market, knowledge is actually too abstract for students and the pursuit of knowledge is even more abstract for them. How are students going to make a choice? They may have to know which professor would give away most distinctions, whether the subject is popular in the market and whether employers would scramble to employ them upon graduation. The marketplace would then be explicit and calculations can be done. If education were quantified that way, it would degenerate into a marketplace, rather than a means for knowledge transmission.

Madam President, when Prof Edward CHEN, President of the Lingnan University, was interviewed by a *Ming Pao* reporter and discussed the report, he repeated eight times that he was very angry and he said that it was ridiculous thrice. He wished to convey a very clear message, that education is not an ordinary commodity. The information useful to evaluating the quality of teaching is extremely scarce and the supply and demand of education is inevitably subject to market failure. Therefore, education cannot be considered as a commodity, unlike a chicken for \$1 in restaurants. Given that education cannot be commercialized as a commodity, we object to the proposals of the UGC that would turn education into a market commodity.

Madam President, I so submit.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, the report on Higher Education in Hong Kong has several key recommendations, firstly, "selectivity" approach in allocation of funding; secondly, elite training and thirdly, delinking the remuneration of university staff with civil service rates. I wish to express my views on the three points above.

As regards the "selectivity" approach in allocation of funding, many colleagues have just said that the subjects currently taught in universities might become commodities on the market and the market would determine their quality. Commodities of good quality may be allocated more resources; otherwise, fewer resources would be allocated. But, what is good quality? The biggest question is how to measure good quality and what criteria should be adopted. It is a very difficult question.

An institution has appointed a world-class professor to conduct research and if his research were fruitful, the institution would be given more resources. Another institution says that the performance of its students has generally improved and the subjects they taught are not only market-oriented. Would this latter institution be considered good for its students have achieved better academic results, character and morals? If so, it should be given more funding. However, the report disagrees and it has stated that more funding would only be given for better academic achievement. I cannot help asking what the objective of university education is. Is it for the sake of society as a whole or the economy only? Should the character, conduct, beliefs and lifestyle of people be improved as well?

If Members agree with the principle of selectivity, please tell me the criteria of assessment. If there were not sufficient grounds, it would not be feasible to do so. Why? It is because many institutions would act according to the Government's preference. For instance, Mr TUNG often emphasizes technology, so, institutions would look for professors with expertise in technologies to conduct researches in Hong Kong, and if their researches were fruitful, the institutions would be given more funding. What about social science that is not Mr TUNG's preference? There would ultimately be a shoe-shining culture in universities, as I have often criticized. In fact, such a phenomenon would easily arise because institutions have to comply with the Government's preference.

Actually, there is but not will be a shoe-shining culture. Universities have continuously required academic staff to conduct better researches for publication in international journals. What kinds of research results are qualified for such publication? These journals often require research subjects to focus on significant issues of concern to the whole world, very prominent issues. They may not put emphasis on general issues, especially domestic issues. Therefore, academic staff have told me that they have to comply with their preference and strive for publication of the results of their researches in such journals. But it would indirectly impede academic freedom seriously and deal it a heavy blow. Even though a scholar would like to conduct research on a subject, it would not be worth the effort if the results would not be published in these journals. Even worse, it would have impact on the institution, impeding its rise to a first-rate university; it would then fail to get funding or more provisions by the Government. Then, his own "rice bowl" would not be secure. Hence, it would indirectly deal a blow to academic research and neglect academic freedom.

Concerning elite training, we need elites indeed but how many would we need? People from the business sector keep saying that there is a lack of talents and they have to find talents outside. Have they considered how many elites we have to nurture? One, two; 100, 200; 10 000, 20 000; or over 1.2 million, over 2 million? We have to consider clearly how many elites we need. If we only need dozens of them, I think it would not be very helpful to the business sector.

The business sector intends to import talents because there is a lack of talents in Hong Kong. It is true but we are not talking about dozens or hundreds of talents but the general improvement in the academic levels, skills and knowledge of the population. Only then would there be results and social progress. But training individual elites would not be helpful to society as a whole. In fact, the business sector is reaping what it has sown. They have not vigorously promoted popularization of tertiary education and many students with poorer results cannot go to universities, thus, they cannot help the development of society. I hope that Members would not focus on training a small group of elites. If there were a participation rate of 60%, all of such students should become elites. Only in this way can such a participation rate be helpful to society, otherwise, it would be meaningless.

Lastly, I would like to discuss the issue of delinking. I wish Members would understand that an academic research takes a long time and it cannot be completed within one to two days or a short period of time. If scholars do not have a fixed income or job security, how can they conduct researches? Would they set their mind on and think hard about the researches? We must consider these questions and we cannot just say that more researches should be conducted when there may not be any more resources for research half a year later. How could they set their mind at ease and put all their efforts in conducting researches?

I hope the Secretary would carefully consider that a person would not be wholly absorbed in research if he could not be assured of a stable living. Members must also understand that researches would not achieve results within a short period of time and they take a fairly long time. Therefore, scholars must have a stable job and income. The report recommends delinking the remuneration of academic staff with civil service rates, but it will

not facilitate the conduct of researches. Furthermore, if remunerations are linked with performance, it may give rise to a flattery culture. People once criticized that there was already such a phenomenon in tertiary institutions, I very much worry that it may also emerge in the future.

Madam President, I so submit.

**MR JASPER TSANG** (in Cantonese): Madam President, first of all, I wish to remind the Secretary that the Chinese translation of the report on Higher Education in Hong Kong is very poor. I was astonished by the sentence cited by Miss LI Fung-ying earlier, but I found after reading the report that it was not the meaning of the original text. Miss LI Fung-ying cited paragraph 1.17, saying that the core functions of universities will be drivers of economic opportunity. How can it be? If we look at the original text in English, we would discover that the meaning is actually different. But we cannot put the blame on Miss LI Fung-ying because the Chinese translation is like that.

Madam President, let me cite another sentence. I am just criticizing the translation in passing. I would like to cite paragraph 6.35, as there is no punctuation mark in the sentence of 34 Chinese words, I wonder if Members can understand it. The sentence goes, "In all of these contexts the boldness necessary to further deregulate the sector and thus strengthen its responsiveness to the winds of international competition is essential. (必須積極地減少對教育界的規管和增強面對國際競爭的適應能力是絕對必需的。)" The sentence comprises the word "necessary" and "essential". After reading it over and over again, I still fail to figure out how many issues are involved. All in all, the report has many similar examples, but I do not think the Chinese is presentable for a report on higher education.

I do not intend to focus my discussion on the above. I do not wish to make sharp criticisms as some Honourable colleagues have done. This report has discussed about resources from beginning to end and it is simply about money. For instance, the report proposes how funding should be allocated, that is, key institutions should be allocated more resources rather than equal allocation of resources. The remunerations of academic staff would not be linked to civil service rates and the same salaries would not be given for some should have higher salaries than the others. Students can take some credits in an institution before taking other credits in another institution. The Government would not allocate funding to an institution on basis of the number of students but the credits given to students. Evidently, the whole report is about the allocation of funding.

"Selection" and "competition" have appeared many times in the report and the two points are discussed throughout the report while the overall spirit is espoused in the conclusion. The word "deregulate" is used in the English text but I am not sure about its Chinese translation. However, the Chinese translation of the report is so poor that readers would definitely not understand it. The word "deregulate" means giving up uniformity and limitation, to be flexible and open. The report has also repeatedly mentioned the market and dependence on the market force.

However, I am concerned if the development of higher education can be so dependent upon the market force. We should not think so on the grounds of popularity and peculiarity. Under ordinary circumstances, the market-led development of higher education has problems.

What exactly is the so-called market? Students would strive to take the relevant courses in the light of what talents are much coveted in the market. Madam President, I recall that when I entered university, I had to be interviewed by the committee because I had applied for living allowance. The chairman of the committee asked me how much I reckoned that I had to spend monthly as a university student. As I had not prepared for such a question, I arbitrarily gave him an estimate. The chairman then said with a smile on his face that students who wished to take Mathematics were the worst at calculations. His point was I did not know my sums. University students in the 1960s were like that. Yet, university students who took Mathematics in the past 20 years were very good at calculation. Thus, all of them took medicine because it was very popular to become doctors during a certain period. As far as I know, the Faculty of Medicine of the University of Hong Kong admitted all students who had distinctions in two Mathematics subjects in the A-Level examination.

But when 1997 was approaching, students were worried by the uncertainty of becoming doctors under "one country, two systems" after 1997. Since it took far too long, five years, to study medicine, I heard that students no longer took medicine from the end of 1980s to 1990s; as a result, the medicine students of universities had performed increasingly badly. Students with the best results in Mathematics switched to taking business management since it would take a shorter time and be applicable all over the world. Unexpectedly, this group of graduates met the financial turmoil upon graduation. They could hardly find satisfactory development in the business sector nor a job. I heard that universities have gradually admitted students with better results for science subjects. For years in the past, students with outstanding results in mathematics did not take mathematics in universities but some students with better results in mathematics have done so in recent years. Nevertheless, we cannot tell how the world would change when these students graduate. In other words, the training provided by higher education certainly lags behind social demands. Today, some industries that are generally regarded as offering good prospects may lag behind the social changes when the graduates join the workforce. I have evaded a discussion about the market demands irrespective of the academic demands. I think this lag is a general rule.

Hong Kong is a very special society because it is a small place and there are only eight universities. There is not much difference between the best and the worst of these eight universities, but there are really differences between famous universities and the worst universities in the United States. Does the Government wish to artificially create differences and increase disparity? If it puts more resources into a few key institutions, it would mean fewer resources to the other institutions. Should we do so now that there is only a small number of universities in Hong Kong? Another problem is delinking. Since there are only a small number of universities and academic staff in Hong Kong, do we have to create salary disparity between academic staff? Thus, under the special circumstances of Hong Kong, we must carefully consider the recommendations made in the report. Thank you, Madam President.

**MR MICHAEL MAK** (in Cantonese): Madam President, education brings people hope and self-confidence. University education should train up talents with knowledge and power of judgement, talents who would make contribution in the social, cultural, democratic, scientific and economic domains. However, it is disappointing that the report on Higher Education in Hong Kong has not explored or made recommendations in relation to how best this mission and conviction can be strengthened and consolidated, and it has failed to tackle the issue of increasing university places. On the contrary, it is money-minded, benefit-oriented and very commercial, which is most disappointing and regrettable. In a word, it has forsaken righteousness in the face of benefits.

I said so because most of the report recommendations focus on training talents who meets the needs of high value-added society, while stifling the development of other smaller faculties with fewer students. Besides, to save funding, it has invented all sorts of names and recommended delinking the remuneration of academic staff with that of civil servants. All these are shortsighted recommendations that fail to see the wood for the trees.

Given the limited public resources, the report has proposed the principle of selectivity under which disciplines with outstanding performance will be selected from different institutions for key funding in the hope of further strengthening such areas of excellence. However, humanities subjects that normally have fewer students but emphasize moral standards and rational thinking would be eliminated with further reduction in resources. Madam President, to forcibly apply the survival of the fittest theory to the cause of education is not beneficial to the younger generation at all.

I am strongly dissatisfied with the report suggestion that associate degree courses should no longer be subsidized. Mr TUNG Chee-hwa, the Chief Executive, has said in the most ambitious manner that the participation rate for the relevant age group would be increased to 60%. But the Government is now going to stop subsidizing associate degree students, who would be deterred from taking up such courses in the light of tuition subsidy. With such contradictory policies, it seems the Government is giving itself a good slap on its own face.

In keeping with the needs of the community, more and more institutions have begun to offer associate degree programmes and the relevant programmes tend to articulate with universities overseas. Thus, associate degree courses are gradually becoming an alternative avenue to university education. For example, the Hong Kong Baptist University School of Continuing Education plans to co-operate with a famous university in Canada next year. Under this co-operative programme, students who have completed associate degree programmes would be granted bachelor degrees from the university after taking a two-year articulated degree courses. Compared to studying in Canada, students would at least be able to save more than \$400,000. Reducing subsidies for associate degree programmes during an economic slump would deter students who aspire to university degrees and deprive them of opportunities of learning, sort of hitting them when they are down.



Madam President, many reviews in recent years have targeted at the salaries and benefits of civil servants and staff of subvented organizations. And yet, the Government has taken wonderful coupling actions and racked its brains to squeeze everything out of them. The report is no exception and it proposes delinking the remuneration of university staff from that of civil servants. The working environment of universities must be stable, so if the salaries and benefits of university staff are destabilized, universities would no longer be places where they can teach and conduct research with peace of mind. The ultimate victims would be the students. Actually, the problem is also found in the Hospital Authority (HA) in which I serve. The HA has introduced different policies to exploit newly appointed staff in terms of benefits and salaries. Today, I have received a complaint that the HA may abolish the increment for newly appointed staff who have to accept with reluctance and helplessness.

Madam President, it is most miserable to be desperate. I am disheartened and angry with the Government's probing the bottomline of professionals time and again. Professionals serve the public with professionalism and expertise, but we are really heartbroken after we have been heartlessly treated again and again. I hope the current review on higher education would make the Government reflect on the attitude it should adopt towards professionals.

I so submit.

**MR NG LEUNG-SING** (in Cantonese): Madam President, the report on Higher Education in Hong Kong commissioned by the Education and Manpower Bureau made important recommendations on the reform of universities. If such recommendations as elite education, credit transfer system, extending the ambit of The Ombudsman to cover universities and the establishment of Further Education Council are implemented, they would have far-reaching effects on the development of higher education in Hong Kong. This widely representative legislature is therefore duty-bound to discuss the matter further, collect more public opinions and reach a consensus on various matters for reference by Bureau Directors under the accountability system for principal official so that better policies could be made.

The most controversial recommendation is the selectivity-based resources allocation policy. Under the proposal, institutions and staff with outstanding performance would be given suitable funding to assist them in attaining first-class international standards. As stated in the report, to maintain the international competitiveness of our higher education sector, we must concentrate resources on the development of teaching and research in key universities. Since there is a serious deficit, the Government cannot inject resources without limits; thus, it can only selectively subsidize academic research projects with higher returns. It seems that all these are result-based and market-oriented, and people cannot help worrying about if education would become commercialized. Evidently, new institutions with a shorter history do not welcome the new policy and they have raised a lot of questions. I understand that the recommendations of the report seek to improve the quality of teaching and research projects through competition among institutions. However, I worry about the side effects of the policies, fearing that they may not be as good as intended. For new institutions to compete with famous universities for resources, they are like eggs hit against a rock and destined to lose. Similarly, without suitable injection of resources by the Government, I am afraid the new

institutions will find operation difficult. Therefore, the resources allocation problem arising from the establishment of public universities within a short period really warrants deliberations and study. We should ponder over the affordability of resources for higher education and consider the future direction of operating private universities with resources from the community.

Given the existing mode of public funding, there was strong reaction to the proposal in Appendix E of the report on the determination of the amount of subsidies on the basis of the number of credits. Under the Credit Accumulation and Transfer System, students naturally will have more choices. It is certainly good for students who initially failed to enter the famous universities they like and would promote academic exchange among institutions. Yet, resources would be transferred with the transfer of students and credits, creating a phenomenon in which subsidies follow the students. Are there not side effects? In general, in a benefit-oriented society, students would certainly choose universities of greater fame, and new institutions would gradually be abandoned or become transitional institutions. No wonder they think that it would be an unfair game resulting in at least a vicious cycle. Therefore, linking the research funding of universities to credits and market response would induce the flow of most resources to famous universities and strangle the development of new institutions to a very large extent. In addition, the more worrying problem of the quality of programmes would ultimately do harm to education in Hong Kong.

After all, we have to lead the community to reach a consensus again. What is the goal of education, especially higher education, in Hong Kong? Provided that all of us explicitly know this goal, we would have a clearer direction and be more confident in moving forward. Do we only wish to be comparable to first-class universities in the international arena, equating university education to economic benefits, or do we wish to cultivate cultural creation, morals and spirits and develop an education policy with the features distinctly Hong Kong? It takes 10 years to grow trees but 100 years to rear people. Education is a protracted war and we can definitely not see the results at once. For this reason, the Government should substantively support education by making reasonable and stable financial injection. In regard to policies, the Government should consider making proper arrangements for private institutions, otherwise, it would force universities onto the road of commercialization and degenerate into the next sacrifice in the market.

Madam President, I so submit.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MRS SOPHIE LEUNG** (in Cantonese): Madam President, it is now past 10 pm but we still have to debate another motion, however, I must make some remarks after listening to the heated discussions about the motion by Honourable colleagues.

Mrs Selina CHOW and Mr Tommy CHEUNG have discussed the views and position of the Liberal Party, but I still wish to make some remarks. In the past few years, I have had many opportunities of co-operation with many university students. Sometimes, people

describe universities as "ivory towers" but I would not casually agree with the use of this metaphor. Actually, we have to consider that our arguments are sometimes produced in "ivory towers". Some Members have just loudly fought for more resources for the younger generation or maintaining the existing resources. Should we look at the results of students given the existing resources? Have they made good use of the campuses? Does anybody know the inside story?

In the past year, I have held dozens of seminars of over three hours each with students and studied the questions with them in detail. More students have approached me this year because it has been very hard for them to find a job. On each occasion, I would spend three hours discussing matters with them, but I must make a few remarks here. Firstly, insofar as the universities are concerned, many people work in the department responsible for liaison with students. I thought that they would really liaise with the students, show concern for them and offer them alternative dependence. But it appeared that they were best at sending e-mails and none of them would follow up if students had read the e-mails or bother about how the emails are received. On one occasion, a university asked me to give a lecture, but only one person from the university attended the lecture.

Secondly, I had asked a lot of students if they know the culture and characteristics of their universities, but none of them knew what the culture was. I told them to find out the answer from teachers or even the presidents or vice chancellors, but they just evaded the matter. That is the case of post-secondary institutions after we have injected a lot of resources. I am not sure what problems there are and I have tried to ask some presidents or vice chancellors about their opinions on the motion, but they are not as concerned as some of their peers whom I know.

Thirdly, students who have approached me are actually very good students. When I asked those among them who had the habit of preparing lessons to raise their hands, only a few students dared raise their hands. When I asked whether they had prepared lessons, only a small number of students among a class of 30 raised their hands. When I asked them why they did not prepare lessons, they told me that their teachers had not asked them to do so. I asked if they thought that they would have wasted the tuition fees paid, they did not know how to answer my question. That is the case after we have injected a lot of resources. I only wish to share my experience with Members. If we really wish to fight for resources for the younger generation or maintain the existing resources, then we must ask a major question. How have the resources actually been used, and have the younger generation been fully nourished with the resources. Thank you, Madam President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member responded)

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, in late March this year, the University Grants Committee (UGC) released the report on Higher Education in Hong Kong (the report), in which recommendations on the future development of

local higher education are made and a public consultation period designated. Subsequently, in response to the views expressed by the Legislative Council Panel on Education, the UGC extended the consultation period to the end of July to enable the community, the education sector and students to discuss the recommendations in greater depths and reflect their views to the UGC.

I welcome Mr YEUNG Yiu-chung to move this motion today, so that all Members of the Legislative Council can have a chance to discuss the development of local higher education, and I am also very grateful to the valuable opinions put forward by Members. Since the public consultation exercise on the report is still ongoing and the Government has no predetermined position on the UGC's recommendations, I do not intend to respond to the opinions of Members one by one. As for the financing of associate degree programmes, since we also had a pertinent debate two weeks ago, I would not repeat my points here. Today, I intend to discuss with Members the present situation of higher education, its mission and some of the significant principles underlying the planning of its development in the future.

First, let me define some of the terms which may easily be mixed up. Actually, "higher education" denotes education at degree level or above, and "tertiary education" is a generic term for all the education received after secondary school. This means that higher education is in fact a subset of tertiary education, and tertiary education would cover professional diploma, higher diploma and associate degree programmes, which are all referred to as sub-degree courses. The main task of the UGC is related to higher education, but since two of the UGC-funded universities also offer subsidized sub-degree courses, the report released by the UGC inevitably has to touch upon the future supervision and financing of sub-degree courses.

Local higher education started to develop very rapidly in the mid-1980s. The participation rate for youngsters aged 17 to 20 actually rose from 5% in 1985-86 to 18% in 1995-96. Subsequently, the number of freshmen has remained consistently at the level of 14 500. During this course of development, the Government has injected huge resources to increase the number of university places, encourage research efforts and upgrade the quality of the various institutions.

Currently, we have a total of eight publicly-funded universities, and the funding for them amounts to nearly \$ 1.4 billion in 2001-02, or 6% of the total government expenditure. These eight universities now offer about 80 000 full-time equivalent places, 4 000 of which being research degree places. The objective of the UGC report is not so much to save resources; rather, it is aimed at strengthening university governance and increasing the flexibility of resource utilization. In fact, if we are to implement the recommendations of the UGC, billions of additional expenditure will have to be made.

In the mid-1990s, the UGC once conducted a comprehensive review on local higher education, in which the general situation and possible developments following the expansion of university places were assessed. At that time, the community at large expressed deep concern about the "quality" problem resulting from the increase in "quantity". The conclusion of the

UGC was that while increases in places will admittedly lower the average standards of students, the overall quality of students was still satisfactory because the overall participation rate was still on the low side. The UGC, however, did raise two concerns: first, the language standards and social skills of students were generally unsatisfactory; and, second, the quality of students admitted to less popular programmes was comparatively less satisfactory and enhanced training was required.

The conclusion of the UGC then is still appropriate in the context of today. However, we should also note that as more and more Hong Kong students further their studies abroad, the intake quality of local universities will inevitably be further affected. We estimate that every year, about 7% of our secondary school graduates will go abroad for studies, and many students even do so before they complete their secondary education. In the long run, however, we need not thus worry about any brain drain, because as long as Hong Kong can retain its status as a cosmopolitan city, it will continue to attract talents from around the world and induce graduates to come back to cater for our domestic demand. Actually, since the reunification in 1997, many overseas graduates have returned to Hong Kong for work, thus giving Hong Kong many talents with cross-cultural and international perspectives.

As for local graduates, owing to the increase in participation rate, their standards are bound to vary. However, I must add that many students admitted to popular programmes are still very outstanding, and at times, even more outstanding than their predecessors in early years. These students are now nurtured by better teachers, and they can also benefit from a better learning environment and a much more holistic learning experience, all made possible by general education, exchange student schemes and hostel life. Besides, local university students have also won many awards in various international contests.

Since 1999-2000, the Government has been conducting annual surveys on employers' satisfaction with university graduates. Generally, about 70% of the employers sampled for survey are satisfied with the performance of their graduate employees. About 13% of them are very satisfied, while 6% are not satisfied. Employers in general are more satisfied with the information technology knowledge, Chinese language standards and work attitude of their graduate employees, but they are most dissatisfied with their Putonghua, English and analytical power. This shows that the language standards of students are still the main concern of society. The crux of the problem does not lie so much with the universities. Rather, it is caused by a series of factors connected with primary and secondary schools: their curriculums, teaching methods, teacher quality, learning incentive, language environment, and so on. All these are precisely the issues to be dealt with by the education reform now underway.

As for the quality of teaching and research, the UGC has introduced many quality assurance mechanisms over the past 10 years to ensure the quality of university education, covering research evaluation, formative reviews on teaching and learning, management reviews, and so on. Doubtless the local higher education sector has achieved constant upgrading in terms of teaching and research in recent years, especially in the field of research. With increasing resources from the Government, and also under the pressure of competition, the various tertiary institutions have achieved marked qualitative and quantitative improvements in

their research work, and some of their research projects have even attained international standards.

During the 10 years between 1991 and 2000, the Research Grants Council under the UGC financed more than 4 000 research projects, and research funding also increased from \$100 million in 1991 to \$470 million in 2000. However, when compared with other advanced regions, Hong Kong's research funding is still on the low side, representing just a mere 0.5% of the Gross Domestic Product (GDP). The corresponding percentage is 2% in Taiwan and 0.8% in the Mainland. According to the Organization for Economic Co-operation and Development (OECD), in order to tie in with the development of knowledge-based economy, the research funding indicator of a place should be 3% of its GDP. However, the OECD also encourages the industrial and commercial sector to invest vigorously in research activities. Many Members have criticized the report for focusing only on resource allocation without considering any educational objectives and ideals. Actually, right at the beginning of the report, in the first chapter, the role played by universities in the community of Hong Kong is already explored, and Annex II also offers a comprehensive picture of local higher education and the effects of rapid social changes on higher education institutions and their upgrading of quality.

The core task of a university is no doubt to create knowledge, nurture talents and serve the community. In the academic world, research work is often looked upon as a means of asserting one's status and reputation. Many professors regard teaching as their career mission, and, to them, serving the community is only of secondary importance. As times change, the mission of universities should be revised accordingly. At this time of social anxieties and economic restructuring, the responsibilities of universities have become ever heavier than before, as they have to serve as the beacons of society, take an impartial lead in discussions about social issues, draw the strengths of society together and assist in social development founded on their solid research capabilities. Precisely because of this sacred mission, universities should enjoy autonomy and academic freedom and be free from any external pressure and political intervention.

Prof Henry ROSOVSKY, former dean of arts and sciences at Harvard once remarked to the effect that only three kinds of people are qualified to wear hats and gowns — priests, lawyers and professors, for they are the symbols of justice and equity, the conscience of society. This is what society expects of universities and the higher education sector. I very much hope that our professors can treasure this expectation.

Higher education every where in the world has been undergoing varying degrees of reform due to the impacts of knowledge-based economy and globalization. In 1998, the United Nations Educational, Scientific and Cultural Organization pointed out in the World Conference on Higher Education that "to lay down the fundamental principles for the in-depth reform of higher education systems throughout the world and thus contribute to transforming higher education, in its material and virtual manifestations, into an environment for lifelong learning, for cultural debate, for the affirmation and safeguarding of diversity, and for forging and confirming the values and principles for 'the intellectual and moral solidarity of mankind'".

To achieve this goal, the improvements and reform of higher education must be based on quality intake, and universities must improve their governance and quality assurance, seek to serve society and build up better links with the real working world. While enjoying autonomy and freedom, higher education institutions must be accountable to society and members of the public, so as to strike a balance between rights and obligations.

In Hong Kong, the future development of higher education should seek to intensify the missions of universities and respond to the needs of society. When drawing up a blueprint for future development, we must take account of the following:

- (1) Since universities are the nurturing grounds of the best of our talents and university students are the future leaders of society, universities must strictly assure their quality of teaching, so as to ensure that their graduates can meet the expectations of society;
- (2) Since universities are part of the whole education system, they are obligated to play the role of locomotive in education reforms, and they must assist in upgrading the quality of secondary education through their admission policies, teacher training, curriculum reforms and research, so as to ensure a higher quality of university intake;
- (3) Higher education is both a public responsibility and personal investment. The Government, society and individuals must jointly shoulder the expenditure on higher education. Currently, the various subsidized higher education institutions all draw the funding mainly from the Government. The tuition fees collected represent only 18% of the total costs, while private donations represent another 3% to 4%. These rates are much lower than those of other developed regions;
- (4) Given the shortage of resources, we are obligated to make the best use of resources by promoting a division of responsibilities among universities, so as to reduce unnecessary duplication and waste of resources. We must expend resources on the strongest areas on individual institutions, with a view to maximizing the effectiveness of resources.
- (5) Hong Kong must upgrade the educational qualifications of its people if it is to maintain its competitiveness in the knowledge-based economy. In the long run, we must further increase the number of university places; and,
- (6) The higher education system must remain flexible and diversified in a society of lifelong learning, and it must converge with the other segments of the education system, so as to provide alternative avenues and facilitate and encourage lifelong learning. The funding mechanism must keep abreast of the times to cater for the needs of lifelong learning.

The 21st century is an age of globalization and knowledge-based economy. At this very critical moment of economic restructuring and gearing in with the mainland economy, the role played by institutions of higher education has become all the more significant. They will have to play the role of nurturing talents for commerce, politics and education and of driving our social and economic development.

The report puts forward a number of visionary directions for the development of higher education, and Members have advanced many views that merit our consideration. There is still a month or so to go before the end of the consultation exercise. I hope that all the sectors of society can put forward their views. The UGC and the Government will seriously consider all the public views on the recommendations and then work out a practicable schedule for gradual progress and a reasonable strategy of resource allocation. I am sure that the incoming accountable official will be able to lead local higher education to the state of excellence, promote academic-government co-operation and enhance the links between higher education institutions and society. He will certainly live up to public expectations.

Madam President, today is the last time for me to speak in a meeting of the full Legislative Council as the Secretary for Education and Manpower. I wish to take this opportunity to thank Members for the attention and advice they gave to the Bureau in the past two years. Over the past two years, Members have asked 153 questions and moved 14 motions on education policies, and they have provided a lot of valuable and practical suggestions to the Government. I look forward to continuing my communication and co-operation with Members outside the legislature in the future.

Madam President, I so submit. Thank you all.

**PRESIDENT** (in Cantonese): Mr YEUNG Yiu-chung, you may now reply. You have up to three minutes 50 seconds.

**MR YEUNG YIU-CHUNG** (in Cantonese): Madam President, I am very grateful to the dozens of Members who have expressed their views on today's motion. As expected, Members have different opinions and viewpoints on education but I believe this debate has brought out a very strong message, that we hope the Government would think twice before taking forward reforms on higher education and that it would prudently deal with such fundamental issues as the philosophy of education and the interests of educational workers.

As the Secretary has said, it is the last time for her to speak in the Legislative Council in her capacity as the Secretary for Education and Manpower. I am very grateful to the Secretary for the strong support she has given to the Panel on Education in the past two years and I hope that the Secretary would establish a new partnership with the Legislative Council in her capacity as a permanent secretary. In particular, I hope that the Secretary would convey to the new Bureau Director the views expressed by Members of this Council today because education reform is very important indeed. I wish that our higher education reform would be carried out in a sensible, useful and orderly manner. Thank you, Madam President.



**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr YEUNG Yiu-chung be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

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