



Higher Education in Hong Kong

(October 1996)

Author	University Grants Committee
Publisher	Government Printer, Hong Kong
Theme	Continuing education – Curriculum and instruction – Educational financing – Higher education – Quality assurance
Level of Education	Higher
Background	The Government decided in 1989 to enhance a sizeable expansion of the undergraduate education programmes. The University Grants Committee (UGC) was commissioned to conduct a policy review in 1993-94. The UGC interim report was considered by Executive Council and its revised version was published in March 1994 for public consultation. In light of the values of the interim report, the Government requested the Committee to further pursue the study, with broadened scope of review and analysis on the whole of higher education in Hong Kong. This full report was completed and submitted in October 1996.
Aim	This Report gives a somewhat comprehensive account of the development and issues of the higher education system in the past decades. The review, accompanied by relatively in-depth analysis of issues and systematic projection of ecological changes/impacts, forms a basis for the UGC to present 56 informal recommendations and 25 formal recommendations, which, if implemented, would facilitate the pursuit for quality improvement, as well as the strategic development, of the Hong Kong higher education system.
Table of Contents	<ul style="list-style-type: none"> • Background <ul style="list-style-type: none"> Section A Introduction (chapters 1-5; pp. 1-15) <ul style="list-style-type: none"> The routes to higher education (chapter 1; pp. 1-3) The providers of higher education (chapter 2; pp. 4-6) The Government's advisory (chapter 3; pp. 7-8) The University Grants Committee (chapter 4; pp. 9-12) Institutional autonomy and academic freedom (chapter 5; pp. 13-15) Section B History (chapters 6-9; pp. 16-38) <ul style="list-style-type: none"> The development of higher education (chapter 6; pp. 16-24) Structural change since 1988 (chapter 7; pp. 25-27) Expansion since 1989 (chapter 8; pp. 28-33)

	<p>The role of the UGC, and the review (chapter 9; pp. 34-38)</p> <ul style="list-style-type: none">• The Review<ul style="list-style-type: none">Section C The Present landscape (chapters 10-15; pp. 40-61)<ul style="list-style-type: none">Undergraduate courses (chapter 10; pp. 40-43)Sub-degree courses (chapter 11; pp. 44-47)Taught postgraduate courses and CPE (chapter 12; pp. 48-50)Research degrees and research (chapter 13; pp. 51-53)Staff and students (chapter 14; pp. 54-57)Capital provision (chapter 15; pp. 58-61)Section D The Quality of Teaching, Learning and Communication (chapters 16-20; pp. 63-75)<ul style="list-style-type: none">The cultural climate (chapter 16; pp. 63-64)Quality assurance (chapter 17; pp. 65-68)Language proficiency in the community (chapter 18; pp. 69-70)Language teaching (chapter 19; pp. 71-72)Language in higher education (chapter 20; pp. 73-75)Section E Continuing and Professional Education (chapters 21-24; pp. 76-92)<ul style="list-style-type: none">Recurring education (chapter 21; pp. 76-79)The providers of CPE (chapter 22; pp. 80-83)The users and beneficiaries of CPE (chapter 23; pp. 84-89)The future of CPE and its funding (chapter 24; pp. 90-92)Section F Higher Education after 1998 (chapters 25-33; pp. 94-129)<ul style="list-style-type: none">The nature and length of full-time undergraduate courses (chapter 25; pp. 94-96)Present and future teaching methodologies (chapter 26; pp. 97-101)Other taught courses (chapter 27; pp. 102-105)Research (chapter 28; pp. 106-107)The pursuit of excellence (chapter 29; pp. 108-111)Numbers 1998-2001 (chapter 30; pp. 112-119)Numbers 2001-2006 (chapter 31; pp. 120-121)The roles of the institutions (chapter 32; pp. 122-124)The external dimension (chapter 33; pp. 125-129)Section G The Costs of Higher Education (chapters 34-38; pp. 130-148)<ul style="list-style-type: none">Expenditure (chapter 34; pp. 130-132)Income (chapter 35; pp. 133-136)Unit costs (chapter 36; pp. 137-140)Recurrent funding (chapter 37; pp. 141-145)Accountability (chapter 38; pp. 146-148)• The Outcome<ul style="list-style-type: none">Section H Analysis (chapters 39-42; pp. 149-162)<ul style="list-style-type: none">Forming a picture (chapter 39; pp. 150-154)
--	--

	<p>Quality and quantity (chapter 40; pp. 155-157)</p> <p>The shape of things to come (chapter 41; pp. 158-160)</p> <p>Counting the cost (chapter 42; pp. 161-162)</p> <p>Section I Conclusions and Recommendations (pp. 163-176)</p> <p>Conclusions (chapter 43; pp. 165-173)</p> <p>Recommendations (chapter 44; pp. 174-176)</p> <ul style="list-style-type: none"> • Annexes <ul style="list-style-type: none"> Annex A. Interim report (14 pages) Annex B. Terms of reference of the UGC (1 page) Annex C. List of organisations and individuals that made submissions on the interim report (10 pages) Annex D. List of organisations that attended consultation sessions (1 pages) Annex E. Framework for teaching and learning quality process reviews (6 pages) Annex F. The implications of the IT revolution for higher education in Hong Kong (5 pages) Annex G. UGC membership 1993-96 (2 pages)
--	---

Extraction from this Educational Document in the Handbook	
Content	Document Paragraph
Summary of Policy Review	Executive Summary
The HE System	paras. 1-4
Recent Change	paras. 5-8
The Current Position	paras. 9-12
Summary of Policy Recommendations	section I
Context	pp. 163-164
Chapter 43 Conclusions	
The structure of higher education	paras. 1-3
Entry to HE	paras. 4-9
The learning environment	paras. 10-14
Teaching	paras. 15-19
Research	paras. 20-24
CPE	paras. 25-28
Language	paras. 29-33
Quality	paras. 34-39
Costs	paras. 40-42

Content	Document Paragraph
Fees	paras. 43-46
Expansion	paras. 47-51
The international dimension	paras. 52-56
Chapter 44 Recommendations	
To Government	paras. 1-10
To HEIs	paras. 11-22
To employers	paras. 23-25

✧ Summary of Policy Review ✧

The following extraction from the Report's *Executive Summary* describes both the current situation and recent changes in higher education in Hong Kong. *Editors.*

The HE System

1. Higher Education in Hong Kong is provided by a wide variety of public and private institutions. School leavers may obtain initial qualifications in the universities and colleges funded through the University Grants Committee (UGC), the Vocational Training Council (VTC) and directly by government. Most of these institutions offer a wide range of disciplines but two (the Hong Kong Academy for Performing Arts and the Hong Kong Institute of Education) specialise in limited areas. All are heavily subsidised by the taxpayer.
2. Private providers of full-time courses leading to initial qualifications include Shue Yan, Chu Hai and Francis Hsu Colleges. Part-time courses, often taken by those already in employment, are given by the Open Learning Institute, the Hong Kong Management Association and others in Hong Kong, and by many overseas institutions.
3. Full-time postgraduate courses leading to master's degrees or doctorates are restricted to the UGC institutions, but part-time provision is more widespread. There is a large and growing demand for Continuing and Professional Education (CPE) which is satisfied in part by UGC and VTC institutions, in part by trade associations and private colleges, and in part by employers in-house.
4. In all, in 1994-95, there were about 135,000 full time equivalent students of higher education in Hong Kong, of which the largest components were 87,000 (including CPE) in the UGC institutions and 26,000 taking CPE courses in other ways. Additionally, 40,000 students from Hong Kong were in higher education institutions (HEIs) overseas. Higher education in Hong Kong absorbed about 6% of total recurrent public expenditure.

Recent Change

5. During the early 1990's, the number of students in both the UGC and VTC institutions rose markedly as a result of a government decision (taken in 1989) that by 1994-5 the age participation rate should be 18% for first degree courses with a further 6% for sub-degree courses. This implied an expansion of about 50% in undergraduate numbers, and it was expected that postgraduate and CPE numbers would grow similarly.
6. With such a large and rapid expansion, there was necessarily concern about the quality of both students and staff, where some 3,500 new appointments were needed. There has been a small diminution of HKALE [Hong Kong Advanced Level Examinations] scores of entrants to first degree courses during the expansion, but not sufficient to cause anxiety, and it should be remembered, in any case, that Hong Kong students are of high quality by world standards. Staff recruitment coincided with a paucity of jobs for academics world-wide, and good appointments were made.
7. In addition to the expansion of opportunity in the UGC and VTC institutions, the last few years have seen the establishment and rapid growth of the OLI and the creation of the HKIED. There has also been a substantial increase in private sector provision and, in particular, in courses provided by overseas institutions, many in collaboration with partners in Hong Kong.
8. As well as the increase in student numbers, the recent past has seen a major development in research activity, mainly in the universities. This has happened in part as a result of increased

government subvention, in part because of the creation of the Research Grants Council, but also because of the recruitment of many research-conscious staff during the expansion. Certainly there is now a much more thriving and widespread research culture than there was a decade ago.

The Current Position

9. The higher education system has survived the recent rapid expansion in good heart. It can now satisfy all present student demand with adequate numbers of good staff, modern buildings and well-equipped libraries and laboratories. The only shortfall in capital provision is in student residences in the UGC institutions. The system is diverse and flexible and can meet the needs of both initial qualification and through-life personal and professional development.
10. In the present lull in growth, it is convenient to take stock of residual problems. The most important of these is concern about students' competence in English (although there are also worries about Chinese, including Putonghua). Teaching in most HEIs, and indeed in many secondary schools, is nominally carried out in English, but the extent to which this is really true has diminished greatly in recent years. Adequate numbers of bilingual graduates are of great importance to Hong Kong's economy, and the UGC institutions are providing remedial and developmental English courses for their students, although major improvement can only come through the schools. The wider aspects of language competence are the subject of a recent Education Commission Report.
11. A problem which is inherent in a non-expanding situation is that institutions cannot shift subject balance readily as student demand changes, since this implies shrinking or even closing some programmes. In order to maintain quality of intake in less popular areas, the UGC has made it known that it will not penalise under-enrolment where maintenance of quality is the cause. Another aspect of quality which is receiving much attention at present is that of the teaching provided and learning achieved. The UGC is undertaking teaching and learning quality process reviews in its own institutions, and similar studies are being carried out by the VTC and others. The Hong Kong Council for Academic Accreditation has much experience here.
12. Rapid expansion tends to be a rather inefficient process in terms of value for money. In the present more stable situation, tighter and more effective use of resources should enable unit costs to fall. Additionally, some tasks associated with expansion will no longer have to be performed. The UGC has already adopted a financial model for grant assessment and distribution which it believes leads to better use of money, and it will be carrying out management reviews of its institutions to the same end.

✱ Summary of Policy Recommendations ✱

[The following extraction from *Section I Conclusions and Recommendations*, pp. 163-164 of the Report, describes the context in which the higher education institutions would operate and develop. *Editors.*]

Context

Hong Kong is entering a period of rapid political and social change. The transfer of sovereignty will probably accelerate the growth in links with China and the movement of graduate labour between China and Hong Kong, although both are, of course, already occurring. This extension of our relationship with China is in some senses only a local manifestation of the globalisation of high level labour, in which movement of workers across boundaries, either physically or via computer links, is becoming commonplace. (p. 163)

Two advantages which Hong Kong graduates possess in making their way in the "global village" are that they are already used to working in two cultures (East and West) and that they speak the international language of both business and science - English. We should not, however, be complacent about this - some of our neighbours can make similar claims - and we need constantly to reinforce these attributes, particularly within higher education. (p. 163)

An aspect of the extension of Hong Kong's external links which we should exploit is the opportunity for Hong Kong to become a regional centre, not just in business, but in higher education. There will be an increasing demand for initial, high quality, tertiary education from young people in south China and other Pacific-rim countries and, perhaps more important, for postgraduate work and CPE. (p. 163)

We shall increasingly in future live in a knowledge-based economy in which the amount of knowledge and our capacity to store and retrieve it is ever increasing, but the period for which particular pieces of knowledge are relevant or valuable is commonly decreasing. CPE will grow (in Hong Kong the number of students on CPE courses already exceeds the number in initial higher education by a factor of 3). CPE will partly be required as an answer to the knowledge explosion, but even more as a facilitator of career change as old industries diminish and new ones grow. (p. 163)

As well as changes of a political and social nature, and those caused by the increasing demand for "through life" education, our HEIs will have to accommodate to quite different teaching methods which utilise the growing capacities of IT. We do not see the "global village" incorporating the "global university", but we do see the ready availability of material and courses from outside Hong Kong leading to our HEIs operating in a more competitive environment than they have done hitherto. (p. 164)

The one factor which is likely to be dominant in the development of our HEIs over the next decade will be perceptions of quality. If they are regarded as providers of high quality teaching and as engaged in high quality research, then they have a good chance of becoming regional centres for educational services and substantial exporters on the global net. All of this does, however, have to be set in a scenario in which questions about the cost of higher education by government and the taxpayer are likely to become increasingly strident. (p. 164)

It is within this context of regionalism and internationalism, educational provision throughout life, the opportunities provided by the electronic revolution and increasing concern about quality and cost that we now present our conclusions and recommendations. (p. 164)

[In the following extraction from *Chapter 43*, pp. 165 to 173, the report presents, after an overall concluding remark, 56 informal recommendations which are grouped into 2 categories as follows: (1) the structure of higher education, (2) Entry to HE, (3) the learning environment, (4) teaching, (5)

research, (6) continuing and professional education, (7) language, (8) quality, (9) costs, (10) fees, (11) expansion, and (12) the international dimension. *Editors.*]

Chapter 43 Conclusions

Readers who have struggled through our lengthy report will, we hope, have reached at least three general conclusions for themselves: first, the higher education system in Hong Kong has a rich diversity and can cater for almost any learning need of any student, whatever their age or background; second, the higher education institutions are well provided with modern facilities and, more importantly, are places of intellectual vigour and rigour; and third, none of this happened by accident - the present health of our higher education is due to unstinting work over many years by academic staff, by students, by administrators and by all those individuals in government and the community who have believed that high quality and successful tertiary education is a key to a high quality and successful Hong Kong. (*p. 165*)

We now turn to our detailed conclusions which are divided into twelve broad categories. Some contain suggestions or advice which falls short of a formal recommendation. (*p. 165*)

The structure of higher education

1. The present division of responsibility for planning and funding and accountability between government, its advisory bodies, and the subvented institutions seems to us to work well. It is founded in small part on formal relationships, but very largely on mutual trust.
2. The private sector of higher education is necessarily more market driven. It occupies, in the main, fairly specialist niches and our study has suggested that within those the private sector does a very good job.
3. We take very much for granted in Hong Kong an adherence to institutional autonomy and academic freedom, and they have served us well in the past. These are not absolutes - there are restrictions - and their survival depends as much on pragmatic considerations of efficiency as on moral and ethical arguments. Nevertheless there is a strong "hands off" element in the relations between government (directly or indirectly through the advisory bodies) and the HEIs. It is important to maintain it.

Entry to HE

4. Entry to Higher Education at present represents an educational discontinuity to many students. Modes of learning and expectations of competence may be quite different from those at school. Secondary and tertiary teachers need to work together to make this transition smoother.
5. Institutions need to be flexible in their course offerings to meet student choice of subject. This will be more difficult within static overall numbers than it was during expansion. Currently, Business Studies is the most popular area but some specialisms within Physical Sciences and Engineering have difficulty in recruiting.
6. We have few worries about the overall balance of social class or sex among students but there could be beneficial changes in some areas. At undergraduate and sub-degree levels, only about one-third of the scientists and one fifth of the engineers are women, compared with a preponderance of female students reading Business Studies, Mathematics and Social Science.
7. Many of the learning difficulties which students experience are related to inadequate language competence, particularly in English. Institutions should be more rigorous in enforcing their entry requirements in this respect.

8. More generally, institutions should not admit underqualified students in order to fill places. The UGC will not penalise institutions financially for modest under-enrolment in order to maintain quality.
9. After some initial difficulties and some modifications, both the JUPAS [Joint University and Polytechnic Admissions System] and JASPIC [Joint Admission Scheme for Polytechnics, Technical Institutes and Colleges] systems of admission procedure seem to be working well.

The learning environment

10. For young people who are full-time students we remain committed to the "campus" university. Indeed we hope to improve it by the provision of more student residences and have recommended to government that the present planned number of hostel places should be increased by 150%. Although it seems likely that many of the subject-specific aspects of learning may in future be available by electronic means which could be received anywhere, the elements of education which employers value most highly - social and communication skills - require a physical presence on campus and interaction with students and staff.
11. The richness and variety of library type provision on a campus, and the availability of staff to help the tyro in its use, is also important in "learning how to learn", perhaps the most significant skill which higher education can bestow. We see increasing opportunity here, through IT, in tailoring courses to the needs of the individual student, although there will be investment costs. IT will also, of course, enable much of the facility of the campus library to be available off-campus.
12. For some full-time courses, practical training or experience is needed in a learning environment. There are subjects where better collaboration is required between HEIs and employers both in Hong Kong and south China to ensure an adequate number of places and appropriate instruction.
13. The current three year full-time undergraduate curriculum is matched to the Hong Kong school system and any proposals for change should consider the whole entity. Since this has only recently stabilised in its present form, the UGC is not in favour of alteration in the near future. Even apart from this consideration, the three year course seems at present to provide a satisfactory experience of both the general and specific offerings of higher education for the majority of students, although in some subjects longer courses are necessary.
14. For part-time students, many of whom are in employment, flexibility and ease of learning may be more important than a campus environment, and IT offers increasing opportunities. Nevertheless, there are factors such as poor home study conditions or access to laboratory facilities which suggest some continuing institutional provision.

Teaching

15. We believe that the most important task of the higher education system, at all levels and in all modes, is the enrichment of the understanding of the student, for the benefit both of the individual and society. It follows that the provision of high quality teaching must be the first function of every institution.
16. The UGC and HKCAA have done a great deal of work recently on teaching quality, much of it concerned with process - ensuring that institutions have appropriate internal mechanisms to encourage and monitor good courses, although quality as such has also entered into discussions with the institutions. Process itself, however, is not enough. Commitment and participation by staff at all levels is equally important, and leadership by senior staff is vital.

17. The UGC has not hitherto attempted to assess formally the quality of teaching, but the Committee does not preclude the possibility of removing student numbers (and funding) from institutions which it believes are inadequate in their teaching provision.
18. The ending of overall expansion means that change in teaching provision in future will require some courses to contract or vanish so that others can grow. This may well lead to uncomfortable re-adjustments of resources. It is very important in this situation that managements pay heed to quality as well as quantity.
19. Taught postgraduate courses have grown very markedly in recent years. We expect that this growth will continue, but in areas where private, rather than public, funding would be appropriate. Some taught postgraduate courses clearly have a continuing function but others serve only topical needs and should have a limited life. Linked to this latter point is a concern of the UGC about uneconomic courses with too few students. We have given appropriate advice to our institutions.

Research

20. Hong Kong has lagged behind other Pacific territories in conducting its own research and development. Even today, the interest shown by employers (other than those in academia) in recruiting staff with formal research qualifications such as a PhD is small. This may change as we move to higher technology and high value added industries and sciences.
21. Within the HEIs, there has been a recent and rapid growth in research, mainly due to government initiative but also, in the case of the UGC institutions, the introduction of an overt funding model in which grant depends upon research performance.
22. There is evidence now of a flourishing research culture in the higher education sector. It is important that this is sustained at least its present level financially, since competition for research grants is already at a point where good projects are not being supported. The institutions need the resources to develop areas of excellence and, for a few teams or individuals, to move from good to world-class research.
23. Research in HEIs in Hong Kong should in future fulfil three overall requirements : participation in mainstream worldwide topics which are advancing fundamental knowledge; symbiosis in research with industry, commerce and government, and local culture and society; and collaborative work relevant to the region. Collaboration between the HEIs should be encouraged.
24. We believe that our research would benefit from a greater diversity in its labour force. Our HEIs do not at present need more research students, but more post-doctoral fellows and secondees from outside higher education would improve breadth and quality.

CPE

25. Continuing and Professional Education already accounts for more than a quarter of the students in higher education and is growing. Current provision is about half by subvented institutions and half by private suppliers including professional associations, specialist colleges and in-house by employers.
26. CPE has made a major contribution to the change in Hong Kong from manufacturing to service industries and is indeed more effective in facilitating career moves than job changes or improvement of performance.

27. In Hong Kong's new knowledge-based economy, there is an increasing demand for professional and targeted CPE leading to recognised qualifications for different groups of students. There is some evidence, however, that we also need to develop CPE devoted to social and life skills, and to non-vocational interests. Both types of CPE should be encouraged.
28. The growth in demand for CPE is not confined to Hong Kong. There is a similar need throughout the region, with great opportunities for our HEIs and private providers to help to satisfy it.

Language

29. One of the advantages which products of the Hong Kong higher education system may hope to have is multi-lingualism. There is, however, deep concern expressed from many sources - the Education Commission, employers, the press - that advantage (of vital importance to Hong Kong in its roles of an East-West bridge and a window from China to the world) is being lost.
30. In particular, the standard of English of many students leaving school and entering higher education is felt to be inadequate and employers are dissatisfied with the competence in English of those whom they recruit.
31. In the longer term, remedying this deficiency is a matter for the schools, but HEIs are culpable when they fail to convey the importance of language skills. In past years, some weak students have been allowed to "scrape through" – recruited with minimal or sub-minimal grades and at no point in their course failed because of language incompetence.
32. The remedial work being done by institutions, some of it specially funded by the UGC, is valuable but needs to be extended, including substantial use of vacation time.
33. Most important of all, HEIs should refuse to admit students who do not satisfy appropriate language criteria, and should test language competence and record it on certificates of subject qualification.

Quality

34. An overall factor which contributes greatly to the quality of the Hong Kong higher education system is its diversity. As well as the major subvented institutions and the OLI there are many commercial and charitable private colleges, courses run by professional and trade associations and contributions of various kinds from overseas. Almost any student need can be satisfied, and the student usually has a choice of competing providers.
35. We believe that this diversity of role, mode and market must be maintained and developed, and as far as our own institutions are concerned we would encourage variety of mission.
36. Although the move to a much larger participation rate may dilute the intellectual quality of students in higher education slightly, we believe that overall quality remains high. Complaints made to us by employers about recent graduates have not related to their intellectual ability, but to their social and communicative skills.
37. We remain committed to the concept of areas of excellence which we introduced in our Interim Report. They may be concerned with any or all of the excellences which we believe are important - in teaching, in research and in multilingualism - and we would expect them to have local, regional and international functions. The existence of an area of excellence has quality-enhancing effects elsewhere in the institution.

38. We do not believe that our overt introduction of funding based upon uniform costs is a bar to quality. Our institutions are still given a block grant and have plenty of scope within it to deploy money in ways which they see as leading to excellence.
39. The physical plant and human resources of the UGC institutions are at present in good condition. Half of the buildings are less than six years old and half of the larger items of equipment less than two. The academic staff recruited during the recent expansion were mostly very young and the median age is now 43. It is important that our institutions have proper maintenance and replacement schemes. In the past they relied on UGC rescue operations to maintain quality. These will not be available in future. However the UGC does propose to retain a central reserve to assist institutions with problems of staff redundancy.

Costs

40. Unit costs in the UGC institutions have risen in real terms during the recent expansion. The two dominant causes have been an increase in research activity, which we would not wish to see reversed, and a change in student mix towards more expensive areas and higher level courses in order to meet the needs of Hong Kong.
41. Now that we are entering a period of little or no growth, we see opportunity for savings without sacrifice of quality. These include reaping the benefits of economies of scale and the end of front-end loading, and the trimming of administrations as the tasks associated with expansion no longer have to be performed. There should also be opportunity for refining internal procedures.
42. We do not see any short-term cost savings due to the introduction of IT. There may indeed be some initial additional expenditure, with potential economies a decade hence.

Fees

43. In determining what should be funded, we believe that priority should be given to initial qualification, including some help for part-time provision. Much CPE should be self-funding, as should many postgraduate courses.
44. The present standard student fee, with a government target of an overall cost recovery rate of 18%, is on the limit of what is tolerable with regard to equity between subjects. We would not be averse to some fee differentiation by broad subject grouping at both undergraduate and sub-degree levels, and for some taught postgraduate courses, but not reflecting true cost. Any gain in total fee income could, however, only be slight.
45. There is much more scope for fee variation in career orientated taught postgraduate courses, where setting fees at higher than the standard rate, possibly up to "full-cost", can result in greater income and should be encouraged.
46. The UGC strongly supports the government's policy that no qualified student should be denied access to tertiary education through lack of means. Therefore any further tuition fee differentiation (beyond the current position that the indicative fee for sub-degree courses is lower than that for degree courses) should be accompanied by appropriate financial assistance measures including non-means-tested student loans.

Expansion

47. The massive growth of Hong Kong's higher education system during the quadrennium 1991-95 took place very successfully. Although student numbers increased by 46% and it was necessary to recruit some 3,500 new academic staff, initial worries about diminution of quality proved to be largely groundless, and it was possible to make good appointments.

48. The 1991-95 expansion was not uniform across disciplines. The changes were, in the main, reflections of longer term trends.
49. Our studies of both supply and demand during the period up to 2001 (and more speculatively up to 2006) suggest that no further significant expansion of either undergraduate or postgraduate education is required, but neither should there be any contraction. This conclusion should however be kept under review in the light of updated population projections.
50. The position with regard to sub-degree numbers is less clear cut. Some small further expansion of output may be desirable but possibly difficult to achieve in terms of recruitment. Any increase should be largely in the VTC technical colleges, although CityU and PolyU may have specialist contributions to make.
51. If government is minded to accede to any of the aspirations of private or charitable colleges to play a more formal role in higher education, further non-industrial sub-degree courses would be their most useful contribution.

The international dimension

52. Higher education in Hong Kong is less expensive than in the US and Japan, although more so than in some other countries. The comparisons do, however, need to be treated with caution and related to such factors as purchasing power and the housing market.
53. Our planning for higher education will need increasingly in future to take account of the "China factor", particularly as the border becomes more permeable to movement of labour, and many contacts and exchanges have already been made. We see both advantages and disadvantages to our graduates, but believe the former outweigh the latter.
54. More widely, there are great opportunities for Hong Kong to act as a regional centre for both initial and continuing higher education, not just for China but also for other neighbouring countries.
55. The health and vigour of our HEIs depend on strong international inputs, including the recruitment of staff and research students from outside Hong Kong and participation in joint teaching and research ventures with overseas partners.
56. While many contacts of our HEIs outside Hong Kong will in future be with China, it is important that they also look elsewhere in the world, including to the Chinese diaspora.

[The following extraction from *Chapter 44* of *Section I* contains the UGC's 25 formal recommendations, which are divided into three groups, with the government, HEIs, and employers as the respective recipients. *Editors.*]

Chapter 44 Recommendations

To government

1. Although government may quite properly decide which broad areas of teaching and research it is willing to fund, it should not, now or in the future, apply embargoes based upon value judgements of particular activities.
2. The element associated with research in the current funding of tertiary institutions should not be reduced and, ideally, should be increased.
3. There should be a substantial increase in provision for student residences.

4. Differential student fees at sub-degree and undergraduate level may appropriately be introduced, but the differences should not reflect the costs of provision. There is much more scope for higher levels of cost recovery through fees in taught postgraduate courses. Research students should pay fees at the lowest undergraduate level.
5. The normal length of an undergraduate course should remain at three years following two years of sixth form study at least for the foreseeable future.
6. For the triennium 1998-2001, the FYFD intake at the UGC institutions should be 14,500, leading to total undergraduate numbers in 1998-99 of 45,069, in 1999-2000 of 45,058 and in 2000-2001 of 45,050
7. For the triennium 1998-2001, total sub-degree numbers in the subvented sector should remain at about the present level and, in particular, the number of places in the UGC institutions should be held at 9,450 fte excluding the HKIED, which will contribute a further 5,200 fte.
8. For the triennium 1998-2001, the number of subsidised taught postgraduate places should rise to 5,600 fte by 2000-01, including the HKIED.
9. For the triennium 1998-2001, research student numbers should remain at 3,595 fte.
10. In order to promote Hong Kong as a regional centre for higher education, institutions should be permitted to recruit up to 4% of their undergraduate and taught postgraduate numbers as non-Hong Kong students paying standard fees, 2% within target and 2% outside. Similarly, institutions should be permitted to recruit up to one-third of research postgraduates, within targets, as non-Hong Kong students paying standard fees.

To HEIs

11. Teachers in the tertiary institutions, should, in collaboration with their colleagues in the schools, set up a permanent forum in which problems at the interface of the two sectors can be discussed and resolved.
12. HEIs should not recruit weak students in order to fill places. The UGC will not penalise institutions which leave a modest number of places empty to maintain quality.
13. HEIs should refuse to admit students who fail to satisfy their published language requirements.
14. Remedial and enhancement language courses in HEIs should be extended, including substantial use of vacation time.
15. Students' language competence should be tested at intervals. Inadequate performance should be a bar to progression. Students' language competence should be recorded on their academic certificates.
16. The particular strengths displayed by the individual UGC institutions, and which are described in their agreed statements of role, should be maintained during the coming decade, but the development of areas of excellence will require resource redistribution and the cessation of weaker activities.

17. Inter-institutional collaboration in teaching, research and planning should be encouraged. Not only does it offer opportunity for the better deployment of expensive resources but, at least in some areas, may provide the "critical mass" necessary for the highest levels of academic achievement, which may not be available in any individual institution.
18. HEIs should have in place programmes of maintenance and replacement to ensure that their physical plant and human resources remain in good order and appropriate to changing needs.
19. HEIs should know, with reasonable accuracy, the hidden subsidy involved with most courses charging so-called "full cost" fees, and be prepared to justify it.
20. Institutions should as far as possible support the infrastructure or "core staff" of units engaged in CPE from sources other than the block grant.
21. The costs of all established CPE courses which may contribute to professional or employment enhancement should be recovered in full by fees, but HEIs may help with the launching costs of those courses which it is in the public interest to establish.
22. Courses given by CPE units which lead to an initial higher education qualification or whose primary purpose is social benefit may be subsidised from block grant.

To employers

23. Employers, including those in the public sector, should collaborate with HEIs to ensure that there is an adequate number of training places available for students in those disciplines which require them.
24. Employers should make more use of HEIs for collaborative R & D and the upgrading of their own technology.
25. Employers should be willing themselves to serve on advisory committees for higher education courses, or give appropriate employees time to do so.

Annexes A - G (*See original document*)

