

Chapter Six

Looking to the Future: 10-year Horizon

- 6.1. It is reasonable to ask what the future of the higher education sector might or perhaps should look like if the recommendations in this Review were to be implemented. It is well said that he who gazes too long into crystal balls ends up eating ground glass. However, attempting to help shape the future is the intention of this Review and it is surely right that my aspirations for the future are made clear.
- 6.2. I am confident that the success story of the development of universities in Hong Kong will continue, but there will be significant implications for the UGC in providing strategic directions to a highly deregulated system. In ten years' time the sector should aspire to the following features.

Sector Wide Landscape

- 6.3. The sector will be larger in at least two different ways. The first is that the current participation rate for first degree courses will have risen. There is no proposal to raise the first year first degree participation rate of 18%, but additional places will be needed for students coming in, via the associate degree route, after the first year of the first degree course. This increase will be paralleled and stimulated by a vigorous community college sector. Four-year first degree programmes will be in place and will be the norm of undergraduate study in many disciplines, providing quality education and training to graduates who will have all the necessary skills to join the workforce. The growth in participation rate will follow the development of the associate degree as a new and different route into the advanced years of the university sector. This growth will be achieved principally in those institutions whose mission is to widen their teaching and learning profile, rather than at the research-led institutions, and accordingly will be achieved at a lower unit cost than at present. There will also be an increase in the number of students engaged in postgraduate study.
- 6.4. Such a growth can be accomplished without the creation of new publicly-funded institutions. There will however be a market-led growth in private sector provision. This will include locally-based providers, but we shall also see the development of programmes offered by overseas institutions. It is not inconceivable that, when the economic conditions are right, some private consortium might want to establish a new private university to service Hong Kong. This will provide a variety of learning opportunity for students.
- 6.5. These pressures will significantly increase the impact of the market on the current publicly-funded sector that will show in a number of ways. The most important of these will be an increasing deregulation of the sector in matters of finance and planning. Salaries will be set by the market rather than linked to civil service scales. Institutions will decrease their dependence on the public purse, by increasing the proportion of income from private sources. Although the size of public funding will not decrease, any

increase in budget will be achieved through competition in the market to win additional resources from the private sector. In many courses, especially taught postgraduate, fees will be charged at full cost rates or above.

- 6.6. Regulation of quality will be performance and output-based, and especially in relation to the latter, will apply on an equal basis to private sector providers. The Government will have ensured that the rigour of the quality assurance processes in place is comparable to that under the UGC's responsibility.

Diversity

- 6.7. In the institutions that receive public funding there will be clear diversity of mission and practice. This will be driven both by the UGC's funding mechanisms and by the competitiveness of the market. The diversity will show in both teaching and research.
- 6.8. In the latter case there will be a small group of institutions funded to achieve internationally competitive research levels. The success expected of them, if such funding remains in place, will require powerful and selective strategies, and the management and governance arrangements necessary to define and implement such strategies. The goal of international competitiveness will almost certainly require these institutions to concentrate on fewer areas of teaching and research, with increases in student numbers largely in postgraduate research student places. Such change will not be easily achieved in the absence of leadership in governance, and an institutional management which is fit for purpose.
- 6.9. All staff in higher education need to be 'research active' to the extent that engagement in research and scholarship is an essential ingredient of teaching at advanced levels of learning. This means that no higher education institution is a pure teaching-only institution. However, I do expect that there will be significant differences in the volume and types of research undertaken in each institution. In addition, I envisage that a future emerging institution could focus its mission on teaching as its distinguishing point of excellence.
- 6.10. In the case of education and teaching, the diversity will show itself in many ways. Some programmes, such as medicine, law, social work, dentistry, and teacher education will be professionally driven by the benchmarks of best international practice. Some programmes will continue to offer highly specialised single discipline training, although there will be a broadening even here as a result of the move to four years as the basic norm for first degrees.
- 6.11. However, this will no longer be regarded as the dominating type of undergraduate degree programme and some institutions will develop different patterns to offer, for example, liberal arts programmes and degrees which exploit the opportunities offered by the developing CATS.
- 6.12. This latter system is compatible with both single discipline and multiple discipline programmes, but has a flexibility particularly suited to a multiple-entry, multiple-exit system, signalling a move away from the current first year first degree straitjacket. In future there will be growing demand created by associate degree programmes for entry

into the advanced years of first degree programmes, as well as from those whose education will be mixed over time with the demands of work. Similarly, changes in the secondary school curriculum will have an impact on the demand for first degree places.

- 6.13. Provision of such programmes will become a specialist skill, funded as such, in some cases by the UGC, and in others by an increasingly discriminating private sector. The two sectors will be well articulated, underpinned by CATS, with a high degree of student mobility. Funding will be determined, at least partly, by credit units.
- 6.14. At postgraduate level there will be equivalent diversity. Some institutions will be particularly strong in research programmes. Others will develop strong taught postgraduate programmes related to their own niche market or policy-driven research strengths, or to private and company-sponsored market demands. And indeed some may decide to concentrate on undergraduate programmes alone.
- 6.15. Diversity will take other forms – part-time or work-based courses, off-campus provision of lifelong learning and continuing professional development. All institutions will have developed considerable e-learning strengths and some will exploit this in distance-learning packages and/or in the growth of campus provision in mainland China. They will also use e-learning collaboratively to reach students on- and off-campus across Hong Kong.

Collaboration

- 6.16. Although the market will demand diversity and competition, it will be apparent that the most powerful competition comes from outside Hong Kong – Singapore, Shanghai, the USA, the UK, Australia, and so on. This will force the realisation that no one institution is best positioned in such a world if it is solitary in its dealings with others.
- 6.17. Strategic collaborations will be an essential part of shaping the future. Institutions will take advantage of the geographical proximity to encourage local collaborations, and form strategic international alliances. Such collaborations and alliances will be stimulated by a variety of needs to develop and exploit niche markets, in pursuit of international excellence.
- 6.18. Within Hong Kong research-led universities will, on some projects, collaborate with each other where critical mass demands it. They will also provide opportunity for researchers from other institutions whose needs and abilities are appropriate. Most particularly they will develop strategic links with a variety of other research strong universities in mainland China and overseas.
- 6.19. According to their teaching distinctiveness and strength, all institutions will have cohorts of students from the People's Republic of China and from a variety of international sources. In some cases there will be specific exchange programmes, and in others a share of the private international market will be built.
- 6.20. Institutions will facilitate the movement of students within Hong Kong and the UGC will support this by more flexible funding arrangements. More specifically, the Hong Kong Institute for Education will develop collaborative links in Hong Kong to stimulate

two particular advances. The first will be to create new degrees in teacher education in which two years of subject study will be combined with two years of pedagogical study, although not necessarily strictly in that order. Such a new pattern would complement current Bachelor of Education (B.Ed.) and Postgraduate Certificate in Education (PGCE) programmes, by allowing much greater flexibility and choice. The second advance will be to make available to students on current courses, a much greater range of subject or discipline based teaching than could be provided in the Hong Kong Institute of Education alone, for example by seeking science-based courses from the Hong Kong University of Science and Technology.

- 6.21. More generally, such strategic links will allow institutions to be more focused upon their areas of strength and excellence.

Governance and Management

- 6.22. In future the relationships between the Government and the UGC, and then to the institutions will be clearer and sharper. On this basis the block grant system and the freedoms which go with it will be complemented by accountability lines, by agreements over mission and performance indicators which are sufficiently robust to be used in funding, and by increased deregulation within agreed guidelines.
- 6.23. In such a changing climate, governance systems in institutions will have redefined themselves to be fit for purpose. In some cases this may well involve smaller governing bodies, and a clearer relationship between executive (senior academic and support management) and non-executive members. The latter will be subject to appointment processes which recognise the need for a range of 'lay' expertise and input in financial, human resource, estate, strategic planning and marketing processes.
- 6.24. Academic leaders below Head of Institution level will also carry the responsibilities of financial and other accountability and will therefore be the outcome of appointment and succession planning processes. They will be supported by a committee structure which is fit for purpose and which avoids the danger of the management-by-committee syndrome.
- 6.25. In such a context the issue of academic freedom, which even in evidence to this Review tends to be more characterised by slogan than argument, can be redefined. The slogans tend either to demand or to deny the importance of some generic absolute but unclear form of autonomy. No individual or institution anywhere in the world has such an unrestrained freedom to act without consideration for the consequences or costs. There are only negotiated freedoms. Such freedoms are agreed between funders, whether public or private, and funded institutions. I have argued earlier that specific forms of freedom are essential if the academic enterprise is to be successful, but that they are not without constraint.
- 6.26. The best research ideas are not the product of intrusive government direction. The best teaching builds upon the creative talents of lecturer and professor. Such ideas, such talents, are best fostered where autonomy is balanced by the acceptance of responsibility. It would be easy on the one hand to smother such creativity by intrusiveness; it would be equally easy to squander it through self-indulgence. Neither of these extremes

characterises the reality of the situation in Hong Kong. However, increasingly throughout the world there is an acceptance that the freedom of enquiry and mind, which is the lifeblood of academic creativity and health, is constrained by funding pressures. In a mature society the necessary freedoms are negotiated between players who share the common goal of a strong university system. The balance is delicate, but if the best researchers and teachers are to be attracted to and remain in Hong Kong, that balance must be found and maintained.

Conclusions

- 6.27. There are grounds for optimism about higher education and its contribution to a dynamic Hong Kong SAR whose economy is knowledge based.
- 6.28. There is in place a good higher education system. It has been and still is funded at reasonable levels by international standards. On the assumption that this continues to be the case, and that new demands on the system are accompanied by adequate investment in both capital and recurrent terms, then there is a strong platform for growth.
- 6.29. The sector responded well to the decision to expand the system in the 1990s. The funds provided were well-husbanded by the UGC, and the sector made full use of the opportunities which this provided. The two original universities expanded their provision, and were competitively tested by the comparative speed at which the new Hong Kong University of Science and Technology established itself as a major player. The institutions which were admitted to UGC-funded status have developed their own distinctive niches and dramatically expanded the range of choice for Hong Kong students.
- 6.30. In research there has been astonishing progress over the last ten years. A decade ago there were individual scholars and researchers of high standard. The dual developments of selective funding by the UGC and the development of the RGC, has encouraged the growth of research groups and centres of weight and strength that allow aspiration to international competitiveness to be a reality. There is inevitably further progress to be made, but granted such recent explosive expansion, the professional and strategic platform provided would justify more and selectively channelled resources. The sector has demonstrated well that resources provided will be used to produce real additional value.
- 6.31. The institutions are now demonstrating a willingness to abandon a rather parochial internal focus upon Hong Kong. There is real engagement with international benchmarks in both teaching and research, and a wish to position each institution in a regional and international context. There is a wish to expand the numbers of international students, and this should be encouraged.
- 6.32. In future, the mark of the graduates of Hong Kong universities will be international competitiveness. They will be well taught in a variety of ways according to the diversity of institutions. Some will embark on first degree courses immediately after secondary education; others will do so after gaining an associate degree qualification in the community college sector, and perhaps some work experience. They will have a high level of written communication skill in English and Chinese, and spoken language

competencies in Putonghua, Cantonese and English. Specifically, many graduates will have demonstrated their English proficiency through achievements in an internationally recognised assessment. RPG training will produce highly skilled researchers with particular strengths and applications for the region, and they will have contributed to the development of a strong research base in Hong Kong. Research in the arts, social sciences and humanities will have enhanced Hong Kong's understanding of its culture and history, thereby engendering a self confidence so that citizens of Asia's world city will be key players in the world stage.

- 6.33. All of this owes much to the 1997 redefinition of Hong Kong's future as Hong Kong SAR. The Pearl River Delta beckons with opportunity that is both economic and educational. The institutions are aware that, in both contexts, the competition as well as the opportunities lie outside Hong Kong.
- 6.34. The shape of the future and the full exploitation of the possibilities will depend upon a tripartite acceptance of responsibilities. On the one hand, the Government, through the EMB, must have clear policies defining objectives and investment strategies. The UGC must develop funding mechanisms which will stimulate and reward performance based upon agreed missions. Institutions must accept the challenges of the new context by ensuring their strategies are clearly defined and supported by mechanisms of governance and management which can deliver those strategies.
- 6.35. 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. For example, the delinking of salaries from civil service pay scales would be one small but essential step. Equally important is increasing the incentive to institutions to maximise income from private sector sources.
- 6.36. All of these goals are attainable. The first step is the implementation of the recommendations made in this review. The second is to recognise and exploit the change of culture which this will stimulate. As I have been crystal ball gazing in this chapter, it will be worthwhile to take stock in, say, five years from now, to conduct another review and see how far the system has advanced and how far the aspirations outlined in this chapter have been realised.

Recommendation 12:

That the UGC conduct another review of higher education in Hong Kong five years from now, to assess the progress made in the expansion of the post-secondary sector, the interface with the school sector, the articulation arrangements between the community college and university sectors, and the implementation of specific recommendations in this report.