

Hong Kong and Singapore's Reform Agendas

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University education reform has been among the most important policy agenda items for both Hong Kong and Singapore in recent years. As a public policy area, university education is not immune from the profound influence of such concepts as accountability, performance-based assessment, quality assurance, and market relevance, which prevail in a wider policy context of public-sector reforms and governance changes since the 1990s.

Three major elements of university policy changes and reforms can be identified in a comparison of Hong Kong and Singapore. The first is the transition from quantitative expansion to qualitative consolidation in the course of the shift from elite to mass higher education. The second is the diversification of financial resources for the university sector. Finally, there is a common trend of comprehensive reviews of higher education systems.

The higher education systems of Hong Kong and Singapore have gone through the process of massification in tandem with a significant increase in the participation rate of university education up to about 18 and 21 percent, respectively, since the late 1990s. In order to avoid a decline in the quality of education, universities in both city-states have been granted more flexibility and autonomy in institutional governance and management as well as quality assurance mechanisms.

The University Grants Committee (UGC) of Hong Kong is held responsible for overseeing institutional management and a series of quality review exercises on research, teaching, and learning processes. The two public universities in Singapore—the National University of Singapore (NUS) and Nanyang Technological University (NTU)—have been urged by the government to assure and enhance their quality through the recruitment of talented local and foreign academic staff, a stringent tenure policy, and monetary rewards for good teaching and research performance.

Quality is not the only concern. Both governments also recognize the need to diversify sources of financial assistance in order to avoid overreliance on the government for university funding. In Hong Kong, the government has allocated about HK\$12 billion (U.S.\$1.53

billion), which accounts for about 82 percent of the universities' operating budget, to sustain eight publicly funded tertiary institutions since the mid-1990s because of massification. Nevertheless, universities have been urged by the government to become more prudent in spending public money and avoid resource waste in the face of a 25 percent funding cutback between 1998 and 2004. In March 2003, the government proposed to set up a HK\$1 billion (U.S.\$142 million) dollar-for-dollar matching fund for those universities that succeed in securing private donations for teaching and research purposes.

Similarly, in Singapore, the government established a University Endowment Fund for encouraging NUS and NTU to attract philanthropic donations as an alternative source of income apart from the governmental grants and tuition fees in 1991. Such a dollar-for-dollar matching fund proved to be ineffective in cultivating a culture of philanthropy for university education in the local community. The government thus pledged to give S\$3 (U.S.\$1.73) for every dollar raised by the universities. The ultimate goal is to lower the government's share of the universities' operating budget from 75 to 60 percent. With the establishment of Singapore Management University (SMU) as a "private" tertiary institution partnered with the Wharton School of Business of the University of Pennsylvania in 2000, a S\$50 million (U.S.\$28.8 million) endowment fund was also set up to seek nongovernmental sources of revenue.

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It is widely believed that in Hong Kong the introduction of the matching fund is a means to reduce the financial burden shouldered by the government on university education given the anticipated huge budget deficit of HK\$70 billion (U.S.\$9 billion) in 2002–2003. However, the Singapore government, which does not suffer from a shortage of public funding, intends to take a preventive approach to avoid the overreliance of universities on the government as their sole source of funding before the problem of financial cutbacks occurs.

In the meantime, both governments are also keen to carry out comprehensive reviews of university education while striking the right balance between autonomy and accountability in the sectors. In March 2003, the UGC

released *Higher Education in Hong Kong*, in which universities were advised to monitor their performance in providing value for money and carrying out executive decisions. The distribution of public funds is based on quality assurance outcomes in terms of teaching and research. The delinking of academic staff remuneration from the civil service system is the most controversial recommendation among the academic community in Hong Kong.

With an emphasis on the principle of public and financial accountability, the Singapore government announced in June 2000 that the NUS and NTU would be given greater operational autonomy especially in financial management within a more systematic accountability framework. The allocation of public funds would be made according to the universities' internal and external quality reviews. The proportion of competitive bidding for research funding would be increased to develop strategic research areas. Being delinked from the civil service salary structures, academic staff would no longer enjoy automatic annual increments in place of performance-based increases.

The most recent change in Singapore lies in the restructuring of the university sector. The NUS will be transformed into a university comprising three autonomous campuses, while the NTU will expand into a full-fledged, comprehensive university and SMU will continue its role as a "niche" university specializing in business and management education.

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The cases of Hong Kong and Singapore reveal that both governments tend to follow the principle of "autonomy for accountability" to steer the university sector from a distance. Instead of implementing direct control, quality audits and governance reviews are commonly adopted by the government to devolve more responsibility upon individual universities and maximize the "value for money" for the public expenditure spent on the university sector. In Hong Kong and Singapore universities now have to respond to external pressure for achieving better performance and to be more accountable, which makes the universities corporately responsible for their own performance and outcomes. Therefore, quality is more likely to be interpreted as efficiency of resource allocation more than as the quality of teaching and learning processes.

This current cycle of university reforms will not be the last. Greater attention will be paid to market discipline and private-sector management models. Nevertheless, overdependence on market forces to reform universities would eventually undermine their role in enlightening citizens and promoting democratic and humanistic values in society. The core missions and values of higher education—to educate responsible citizens and for active participation in society, to advance, create, and disseminate knowledge through research, and to provide an open space for higher learning and for lifelong learning—are still worthy of preservation and societies ignore them at their peril. Even in a more market-oriented environment, universities should be able to enjoy their traditional freedoms and preserve their autonomy, while being fully responsible and accountable toward society.

Bologna Is Not the Only City That Matters in European Higher Education Policy

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The emergence of a global higher education market in the second half of the 1990s and enhanced international competition have led to a growing awareness of the need to strengthen the position of European higher education. These realities formed one of the main arguments in favor of the curricular changes leading to compatibility with international degree structures—that is, the development of a European Higher Education Area. These initiatives were first presented in the Sorbonne (1998) and Bologna (1999) Declarations. The Bologna Declaration called for the establishment of a European Higher Education Area by 2010 by adopting a system of degrees (based on two cycles), setting up a system of credits, and the eliminating of obstacles to free mobility. The declaration also led to a wide range of actions at the national level in the various signatory countries. With varying scope and pace, governments are undertaking initiatives toward achieving the objectives of the Bologna Declaration in interaction with higher education actors and stakeholders.

Bologna is taken as a key document that marks a turning point in the development of European higher education. It should be emphasized that the declaration