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## Editorial

### The Future of Higher Education in Hong Kong

Lord Sutherland's report on higher education has made bold and interesting proposals that potentially may help propel Hong Kong's higher education sector to new highs of performance, but it also carries great risks. It is up to the UGC and the SAR government as to how to go ahead with the implementation of some or all of the proposals. But it will be folly to ignore the risks.

Hong Kong's higher education depends heavily on taxpayers' money. It is only right that this money be spent in worthwhile ways. For this reason, it does make sense to devote valuable resources where the bang of the buck is greatest. Funds devoted to education are an investment. It makes sense to invest to maximize the returns.

But maximizing the returns is not the same as "identifying a small number of institutions" to be "the focus of public and private support with the explicit intention of creating institutions capable of competing at the highest international levels." (Recommendation No.1)

It will be wrong to identify the future "star institutions" because investment should be programme-based, not institution-based. An institution could be tops in one programme (teaching or research) but mediocre in another. Each programme should be evaluated for its potential for high return. Investment

should be based on the prospect for producing good return. We are confident that a fair and objective assessment will put Lingnan's teaching and research in a favourable light, and that our university is very likely to benefit from an increase in funding.

There is a danger, however, that in the event that a certain programme is deemed not up to mark funding is taken away from it, because this will ultimately hurt students. Rather than cutting the funding, we think that a non-performing unit may be up for revamp, with perhaps the responsible persons replaced. Mechanisms should be in place to nail down the responsible persons who fail to do a good job.

Education as well as research is a long-term investment. Because both take time and commitment, stability in funding is important. That is why it makes sense to divide the pool of funds into two parts: a "basic, operational fund" to finance the operations of programmes that are deemed to be worthwhile for Hong Kong's universities to have, and an "additional fund" to further enhance the quality of teaching and research where the rate of return is the highest. While we agree that such "additional funds" should be awarded to programmes on the basis of merit--to those that offer the best expected returns, the "basic funds" for operations *must be stable and sufficient for a quality programme*. Without stability there can be no planning and it will be impossible to attract good people to commit themselves to the programmes. Acute instability and "subsistence level" funding (Mr. Peter Cheung, Secretary General of the UGC did use these terms in a meeting that the author attended) will even guarantee poor quality and a waste of taxpayers' money, and will unfairly victimize students.

Another key to using taxpayers' money wisely is that the money should be used for educational and research purposes that are most pertinent to Hong Kong's needs. "Competing at the highest international levels" and "the highest levels of research excellence" sound good, but it should not be at the expense of Hong Kong's true needs. It is a basic lesson in economics that everything carries a price and that there is no such a thing as a free lunch. The UGC and the Government must know what they are doing. Do they want our researchers to devote their energy only on publishing articles in top-notch journals so as to just satisfy the vain wishes

of some bureaucrats and academics? The demise of *The Other Hong Kong Report*, which was widely read and which had served useful purposes for people concerned about development in Hong Kong, is a case in point. Because contributions in this volume are treated as having little academic merit, editors had great and increasing difficulty finding academics who are willing to spend time and energy writing a chapter for it.

One of the proposals put forward in Lord Sutherland's report is a Credit Accumulation and Transfer System (CATS), which provides a mechanism for any university student in Hong Kong to take courses in sister institutions and have the credits counted toward his own degree. This is in principle a great proposal, and will potentially generate efficiency gains in terms of greater choice for students and promoting more economical utilization of resources. But there are some prerequisites for these desirable results to materialize. First, students should not be allowed to change their "home base." They should graduate from the same university as the one into which they had been admitted in the first instance. This will ensure stability in funding and student enrolment which is necessary for universities to plan and do their work, and avoid wasteful competition. Second, while student exchange for a term or a year on a matching basis should be encouraged, they should not be allowed to take courses from another university unless they are in a "transfer semester" or unless the same courses are not available in their "homebase" universities.

Education is a long term investment, both for the individual and for society. As such the educators must be given the needed stable and favourable environment to do a good job. Good academic staff should be recognized and under-achieving staff should be upgraded or, failing that, replaced—without necessarily affecting the funding of universities. While there is certainly a case to penalize unproductive or poor teachers there is no point in "penalizing" a university because that would only hurt students over the long run. Additional funding should be invested where the bang for the buck is the greatest. In order to do this each programme (teaching or research) must be evaluated objectively with no prior judgement.

Finally, it is important to note that for our universities to produce the greatest benefits for Hong Kong we need to have students who are ready to benefit from them. If students are inadequately prepared, then even if they are admitted to Harvard or MIT they may not benefit at all. So a successful education reform from primary school up holds the key to the future of Hong Kong's higher education.