

Recent continuing education policies in Hong Kong: A focus on short-term performance through inducements

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In recent years, due to economic restructuring, the problems Hong Kong has been facing are the 'knowledge deficit' in the workforce and a shortage of well-educated manpower. The Hong Kong Government has implemented a number of continuing education policies with an ultimate goal to encourage and help the workforce to strengthen themselves with improved knowledge and skills. These policies rely on short-term inducements such as providing monetary subsidies and loans. As the recipients of inducements differ in their capacities, preferences and objectives, there exist problems of variability that depreciate the intended outcomes. Moreover, the long-term needs are undermined. Because of the lack of an overall plan and coordination, there are areas of duplication and inconsistency among the policies, leading to counter-effective administration. In this article, the recent continuing education policies in Hong Kong are reviewed critically with respect to the problems and community needs as well as the policy objectives and possible solutions. The Government's promises and shortcomings are discussed.

Continuing Education, Education Policy, Policy Analysis, Policy Review

INTRODUCTION

Continuing education conventionally means the education provided for people after they have left the formal education system. In Hong Kong, continuing education evolved in 1950s as remedial education for people who missed the chance to receive a basic education. After half a century, continuing education is considered as a lifelong process for people of all ages to acquire knowledge and skills. Throughout the history of the development of continuing education, the period from 1998 to 2004 was critical. Not only was there significant growth in the field, but also the Government assumed a more proactive role and formulated a number of policies. This article serves to review the policies where the following research issues are specifically explored.

Questions. *What are the problems and community needs that prompted the Government to formulate a number of policies on continuing education in recent years (1998 to 2004)? To what extent can these policies solve the problems and address community needs?*

Policies are essentially problem-driven (Anderson, 1990). They represent Government intentions, decisions and actions in response to the problems and community needs they seek to address (Cochran et al., 1999; Cochran and Malone, 1995). In recent years, the Hong Kong Government has assumed a more proactive role and formulated a number of policies on continuing education, in contrast to its earlier laissez-faire approach. These policies aim to strengthen the workforce with knowledge and skills in order to prepare them for the advent of a knowledge-based economy

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after economic restructuring. In this article, I review these policies with respect to the problems, local community needs, policy solutions, planning assumptions and the policy formulation and implementation process.

Proposition. *The policies rely mainly on short-term inducements as instruments. There exist problems of variability as the recipients of inducements vary in their differing capacities, preferences and objectives. The long-term needs are undermined.*

The policies rely on short-term inducements, such as providing monetary subsidies and loans, which encourage and help the workforce to pursue continuing education courses in order to acquire knowledge and skills. As the policies place their primary focus on the short-term needs, the long-term needs are rather undermined. According to Elmore's concepts of policy instruments, the recipients of inducements may vary in their differing capacities, preferences and objectives (Elmore, 1987). The problems of variability inevitably exist, thus depreciating the outcomes of the policies. In this article, I investigate the solutions offered by these policies and highlight the promises and shortcomings.

Proposition. *As the policies evolved without an overall plan and coordination, there are areas of inconsistency and duplication, that lead to counter-effectiveness in policy administration.*

The Government took a so-called 'piece-meal' approach to the formulation of their education policies, where the 'problems', 'solutions' and 'politics' evolved separately. Problems were identified and the policy solutions were developed individually. Policies were then formulated and implemented separately, without much coordination with each other. Because they lacked an overall plan and coordination, there were areas of inconsistency and duplication among the policies. Counter-effective administration was the result. In this article, I analyse the policy making process using Kingdon's 'garbage-can' model (Kingdon, 1995).

The remainder of the article is organised as follows. The next section is an overview of continuing education in Hong Kong. There follows a section that summarises the policies on continuing education from 1998 to 2004. These policies are then reviewed and analysed with respect to the problems and community needs they seek to address, the policy solutions and the policy making process are discussed in the sections that follow. The article concludes with a perspective on the future development of continuing education in Hong Kong.

CONTINUING EDUCATION IN HONG KONG

The inception of continuing education in Hong Kong dates back to the 1950s when remedial education was provided to adults who missed the chance to receive a basic education. Continuing education is now considered as a lifelong process for people of all ages to acquire knowledge and skills for personal interests and academic and career prospects (OECD, 1996). Since the 1950s, there have been many changes in continuing education, both in the general perceptions and demands as well as in the Government involvement and policy making. These characterise four stages in the development of continuing education.

The Period from 1954 to 1978

In the first two decades of its development, continuing education was considered as remedial education for adults lacking basic and formal education. The Adult Education Section of Department of Education was established in 1954 to offer evening classes up to the secondary level using premises and facilities of Government schools.

During this period, a number of cutting edge continuing education institutions, taking the form of University extra-mural departments, were established. The Department of Extramural Studies (now the School of Professional and Continuing Education) of the University of Hong Kong was established in 1956 (HKU, 2006). The Department of Extramural Studies (now the School of Continuing Studies) of the Chinese University of Hong Kong and the Caritas Adult and Higher

Education Services were established in 1965 and 1966 respectively (CUHK, 2006; Caritas, 2006). The Division of Continuing Education (now the School of Continuing Education) of the Hong Kong Baptist College (now the Hong Kong Baptist University) was established in 1975 (HKBU, 2006). These institutions provided basic education and interest courses for the general public as well as high-level and intellectually oriented courses for well educated adults.

The Period from 1978 to 1988

During the period from 1978 to 1988, continuing education was perceived not only as remedial education but also as retraining education for those people who were out of work and were unable to embark on full-time formal education. They pursued continuing education courses in order to upgrade their qualifications and for better job opportunities.

In the late 1970s, the Government began paying attention to continuing education. In a white paper on education, it was mentioned that education was a continuing process and that the development of educational opportunities for mature students was welcomed (HKG-GS, 1981). A scheme was introduced to support voluntary organisations in order to encourage them to organise remedial courses, as a complement and supplement those offered by the Adult Education Section of the Department of Education. The Government still had a laissez-faire approach. Without taking any concrete action in the development of continuing education, the Government deemed that mature-aged students were expected to bear the learning costs from their own earnings and that continuing education courses should be self-financed.

During this period, there were changes in the Hong Kong economy, such as the decline and eventual contraction of the textile industry. Many workers lost their jobs and needed to be retrained. In view of the large demand for skill-based training and re-training, the courses offered by continuing education institutions were directed towards skill development. More structured courses, usually leading to formal qualifications, of longer duration were offered. At the same time, continuing education institutions began to expand. Two major educational institutions were established, the School of Professional Education and Executive Development of the Hong Kong Polytechnic (now the Hong Kong Polytechnic University) and the Spare Time Study Centre of the Hong Kong Federation of Trade Unions (HKPU, 2006; HKFTU, 2006). The latter primarily provided training for the labour workers.

The Period from 1989 to 1997

In the late 1980s, continuing education became better known to the public. It was perceived as a means for individuals to acquire knowledge for academic and skill development. There were significant demands on continuing education courses beyond the post-secondary level for two reasons. First, after the adoption of a compulsory nine-year education system, the overall education level in Hong Kong had been raised. Second, higher academic requirements and more technical knowledge for jobs were expected by employers.

In 1989, the Open Learning Institute of Hong Kong (now the Open University of Hong Kong) was established by the Government (OUHK, 2006). It received decreasing Government funding in the first few years of operation, and became wholly self-financed in 1993. This was considered as a break-through in the Government involvement in continuing education (Lee, 1997). In addition, the Hong Kong Council of Academic Accreditation was established in 1990 (HKCAA, 2006). The council advised the Government on the academic standards of post-secondary courses and qualifications and processed the registration of courses offered by non-local education institutions in collaboration with Hong Kong continuing education institutions.

During this period, there was significant expansion in continuing education institutions. For example, the number of students in the School of Professional and Continuing Education of the University of Hong Kong increased by more than 50 per cent from 1991-92 to 1996-97. A similar

magnitude of growth was found in other institutions such as the School of Continuing Studies of the Chinese University of Hong Kong and the School of Continuing Education of the Hong Kong Baptist University. The School of Continuing and Professional Education of the City Polytechnic of Hong Kong (now the City University of Hong Kong) was established in 1991 (CityU, 2006). Furthermore, commercial ventures also entered the field of continuing education. At the same time, the quality standards of continuing education courses became a concern (Chan and Holford, 1999).

While the Government neither coordinated the development of continuing education nor made the effort to promote continuing education or lifelong learning, in 1994, the leading continuing education providers established the Federation for Continuing Education in Tertiary Institutions with the intention to promote continuing education and coordinate the development of continuing education in Hong Kong (FCE, 2006).

The Period from 1998 to 2004

In 1998, Hong Kong experienced an economic downturn. Since that time, an economic restructuring has taken place. People were aware of the need to improve themselves in preparation for the advent of a knowledge-based economy. Continuing education was considered as a means to acquire new knowledge and skills for this purpose. Up to 1997, the development of continuing education had been left in the hands of major stakeholders which included the continuing education institutions and students. As a result, the development direction was driven by market demand and supply. In 1998, the Hong Kong Government became more proactive. The Chief Executive stressed in his policy address that continuing education was important so that Hong Kong could be developed into a knowledge and learning-based community (Tung, 1998). Within a few years, a number of policies were implemented.

In 2000, the Workplace English Campaign was launched to provide subsidies for employees to take English training courses. (HKG-GIO, 1999; OWEC, 2006). Then, in 2001, the Government set up a Continuing Education Fund to subsidise people who wanted to pursue continuing education courses (OCEF, 2006). From 2000-01, the Non-means Test Loans Scheme was extended to include continuing education students (Tung, 1999). The amount of money permitted as a deduction for self-education in salary tax assessment was significantly increased (Tsang, 2001; Tung, 2000). In order to set clear qualification standards for facilitating continuing education, a qualification framework was developed (HKG-EMB, 2002; HKG-EMB, 2004; Tung, 2000).

Since the launch of the Workplace English Campaign and the Continuing Education Fund, there had been a significant growth in continuing education courses. A major reason was that more people pursued continuing education by taking advantage of the subsidies, and as a result many courses were offered to cope with the demand.

During this period, new continuing education institutions were established. The Continuing Professional Development Centre of the Vocational Training Council was established in 1998 (VTC, 2006). The Office of Continuing and Professional Education of the Hong Kong University of Science and Technology and the Division of Continuing Education of the Hong Kong Institute of Education were established in 2000 (HKIED, 2006; HKUST, 2006;). The latter focused on the needs of school teachers. The Lingnan Institute of Further Education was established in 2001 (Lingnan, 2006). In addition, many private institutions were established.

RECENT POLICIES ON CONTINUING EDUCATION

This section examines the continuing education policies from 1998 to 2004. These include the launch of the Workplace English Campaign and Continuing Education Fund, the extension of Non-means Tested Loans, the establishment of a Qualification Framework and the increase in the self-development allowance in salary tax assessment.

The Workplace English Campaign

The Workplace English Campaign was formally launched in March 2000. The campaign had two elements (OWEC, 2006).

The first was the establishment of the workplace English competency benchmarks for employees who needed to use English in their workplaces and had the following job types: (a) clerks, (b) executives, administrators and junior professionals, (c) frontline service personnel, (d) low proficiency job types, (e) receptionists and operators and (f) secretaries. The second was a scheme that provided monetary subsidies for employees who needed to use English in the workplace and who found it necessary to take English language training courses to meet the relevant benchmarks of their jobs.

The objective of the campaign was to meet the need by strengthening the workforce in English language competency in order to maintain the competitiveness of Hong Kong as an international centre of business, finance and tourism. Its objective was to heighten public awareness of the importance of workplace English and raise the English standard in the workforce. The first element of the campaign was to identify English competency benchmarks required for various job types and to promote these benchmarks as a standard across different sectors; the second element was to encourage employees to pursue English language courses through monetary subsidies. A fund of \$62 million was allocated as it was planned that the campaign would benefit 30,000 employees.

The Continuing Education Fund

The Continuing Education Fund was formally launched in May 2002. It provided monetary subsidies to people aged between 18 to 60 years who were enrolled in some continuing education courses (OCEF, 2006). Prior assessment and registration of the courses was required. Moreover, these courses needed to be located in one of the following industrial sectors: (a) logistics, (b) financial services, (c) business services, (d) tourism, (e) language, (f) product and digital design, (g) inter-personal and intra-personal skills for the workplace, life skills, such as working with others as well as values and attitudes, and (h) creative industries.

The objective of the fund was to encourage and help people to pursue continuing education courses with monetary subsidies. In principle, only those continuing education courses which contributed to the economic development of Hong Kong were covered in the scope of subsidies. The target population was identified to be those people aged 18 to 60 years who enrolled in continuing education courses in the above mentioned sectors. Initially, degree-holders were excluded from the subsidies. This requirement was relaxed in 2003 (HKG-GIO, 2003). It was anticipated that at least 500,000 persons could benefit. A funding of \$5 billion was allocated.

Extension of the Non-means Tested Loans Scheme

From the academic year 2000-2001, the scope of the Non-means Tested Loans Scheme, which provided low-interest loans to students for the payment of tuition fees, was extended to cover students in continuing education courses (Tung, 1999). By providing financial assistance in the form of low-interest loans, people with financial difficulties were encouraged and enabled to take continuing education courses. According to the policy plan, interest on the loans would be charged at a no-gain-no-loss rate plus a risk-adjusted factor which sought to cover the Government's risk in disbursing unsecured loans.

Establishment of a Qualification Framework

In 2002, the Government began to establish a formal qualification framework because the existing qualification system appeared to be inadequate in fostering a vibrant, flexible and responsive environment that promoted lifelong learning. The qualification framework was a structure of

different levels of qualifications, whose standards were set to support the qualifications. It covered the mainstream academic, vocational and continuing education sectors, linked qualifications of different levels, and provided a platform for credit accumulation and transfer.

The objective of the policy was to define clearly standards of different qualifications, ensure their quality and indicate the connections between different levels of qualifications, so that people could draw their own roadmaps, set clear goals and directions to upgrade their skills and knowledge to obtain relevant qualifications. It not only fostered an environment conducive to continuing education but also encouraged the development of responsive curriculum by education and training providers to meet the needs of the students and industry (HKG-EMB, 2002; HKG-EMB, 2004). Implementation of the framework is still in progress.

Increase in Self-Development Allowance in Tax Assessment

The self-development allowance in salary tax assessment was first introduced in the budget year 1996-1997, so that salary tax payers might claim a deduction for self-education expenses. In 2000, the Government considered raising the maximum amount of the self-education allowance for deductions in the salary tax assessment to encourage people to pursue continuing education courses (Tung, 2000). Obviously, the targets were the workforce. This policy initiative became effective in the financial year 2001-2002, where the maximum amount of deduction for self-education in salary tax assessment was increased to \$40,000 (Tsang, 2001).

PROBLEMS, ISSUES AND COMMUNITY NEEDS

Policies are essentially problem-driven (Anderson, 1990). Policy solutions are problem-centred in the sense that policies are formulated in order to cope with the problems and community needs. In this section, I explore the problems and needs that brought about the continuing education policies.

The Challenge of Economic Restructuring

In 1998, Hong Kong experienced an economic downturn, a rise in unemployment and an increase in fiscal deficit. In order to stay competitive and preserve economic vitality, Hong Kong had to face the challenge of economic restructuring towards a knowledge-based economy (Tung, 1999; Tung, 2000). A knowledge-based economy is one which effectively applies knowledge for economic and social development and growth. The question was whether the Hong Kong workforce was prepared for a knowledge-based economy. The answer seemed to be negative due to the knowledge deficit of the workforce and the shortage of highly educated manpower.

Knowledge Deficit of the Workforce

In a knowledge-based economy, human talents are most important. Hence, a knowledge-based economy is characterised by a large proportion of highly educated working population. Yet, the overall educational level of Hong Kong workforce is rather low.

- Demographic characteristics show that a significant proportion (80 per cent) of the Hong Kong population aged 15 years and above has only achieved low and middle education levels (HKG-CSD, 2003; HKG-CSD, 2004).
- The illiteracy rate of Hong Kong is also rather high (1.02 per cent, 0.63 per cent and 0.52 per cent in 1995, 2000 and 2005 respectively), as compared to other Asian countries, such as Singapore and Korea (with a rate about 0.20 per cent in 2005) (UNESCO, 2004a).
- The gross enrolment ratio for tertiary education of Hong Kong was 25 and 26 per cent in 2000-2001 and 2001-2002 respectively, far below that of many developed countries, such

as Australia, Canada, France, the United Kingdom and the United States (above 50 per cent) (UNESCO, 2004b).

Shortage of Highly educated Manpower

Correlated with the knowledge deficit of the workforce, a shortage of highly educated manpower represents another barrier for Hong Kong to move towards a knowledge-based economy that is characterised by a large demand and supply of highly educated manpower. Yet, the manpower requirement and projection reports show Hong Kong in an inferior position.

- The manpower requirements at post-secondary and tertiary levels are increasing (884,000 in 2001 to 1,162,600 and 1,243,600 for 2005 and 2007 respectively) (HKG-EMB, 2000; HKG-EMB, 2003).
- There is a projected deficit of manpower at post-secondary and tertiary levels, (109,500 and 86,200 in 2005 and 2007 respectively) (HKG-EMB, 2000; HKG-EMB, 2003).
- There is a projected surplus of manpower at the secondary level and below (151,900 and 216,000 for 2005 and 2007 respectively) (HKG-EMB, 2000; HKG-EMB, 2003).

The Need to Strengthen the Workforce

Pinpointing the problems of the knowledge deficit in the workforce and shortage of highly educated manpower indicates that the community needs to strengthen the workforce with knowledge and skills. Continuing education is generally perceived as a means to achieve this goal. However, the current participation of continuing education is rather low. Surveys have identified some of the causal factors.

- Only about 14.6 per cent of the economically active persons attended job-related training courses in the previous 12 months, and about 16.3 per cent planned to attend job-related training courses in the following 12 months (HKG-CSD, 2002).
- The most critical motivational factors for pursuing continuing education were self-development and job skill improvement. These two factors were expected to become more and more significant (Shen, Lee and Chan, 2001).
- The reasons given were that the course fee were too high and a lack of money. These were the most critical factors for not pursuing continuing education, and these two deterrents were expected to become more and more significant (Shen, Lee and Chan, 2001).

Two Aspects of Policy Solutions

In order to strengthen the workforce, the recent policies on continuing education were directed at encouraging and helping the workforce to pursue continuing education courses. The policies provided two solutions. First, financial assistance was provided to people in order to encourage and help them to pursue continuing education, as shown in Table 1. Second, some standards were established to help people to set clear goals and directions to upgrade their qualifications, as shown in Table 2.

Table 1. Policy solutions by providing monetary assistances

Policy	Financial Assistance
Workplace English Campaign	To provide subsidies to employees who need to use English in their workplaces to take English courses
Continuing Education Fund	To provide subsidies to those people aged 18 to 60 years to take continuing education courses
Extension of the Non-means Tested Loans Scheme	To allow continuing education students to enjoy low-interest loans for payment of tuition fees
Increase in self-development allowance in tax assessment	To increase the maximum amount of allowance for self-development in continuing education

So far I have discussed the recent challenge of economic restructuring in Hong Kong. The problems of the knowledge-deficit of the workforce and the shortage of highly educated manpower as well as the emerging needs of the workforce have also been identified. These problems and needs prompted the Government to realise the importance of continuing education. As Kennedy (2002) commented, it was time that the policy-making community woke up to the scale and importance of the continuing education in Hong Kong. These problems also explained why the Government became more proactive and formulated a number of policies on continuing education.

Table 2. Policy solutions by establishing benchmarks or standards

Policy	Benchmark or Standard
Workplace English Campaign	To set the English competency benchmarks required for various job types and promote the benchmarks as standards across different industrial sectors.
Establishment of a Qualifications Framework	To define clear qualification standards and articulation ladders, so as to help people set goals and directions to upgrade their knowledge and skills.

POLICY TOOLS AND INSTRUMENTS

A policy tool or instrument is an authoritative choice of a means to accomplish a purpose (Anderson, 1990; Elmore, 1987). In policy-making, the choice of instruments depends on the intended policy outcomes and consequences. In this section, the policies are analysed, based on Elmore's (1987) concepts of policy instruments. It is shown that these policies rely mainly on short-term inducements in order to elicit short-term performance.

Elmore's Concepts of Policy Instruments

According to (Elmore, 1987), there are four types of policy tools or instruments, mandates, inducements, capacity-building instruments and system-changing policies. In the following sections the nature of these policy tools or instruments and their problems and shortcomings are described briefly. Mandates are said to be rules governing the behaviour of individuals and agencies, and are intended to produce compliance. Mandates assume that an action required is something all individuals or agencies should do, regardless of their differing capacities, and that the action would occur less often in the absence of explicit prescription. Mandates contain all information necessary for compliance, and create an adversarial relationship between the enforcer and the object, such that compliance is problematical in the absence of enforcement (Elmore, 1987).

Inducements are conditional transfers of money to individuals and agencies for the short-term performance of particular actions. Inducements assume that, in the absence of additional resources, one would not expect certain outcomes to be produced, and that money is an effective way to produce performance. Inducements are a form of procurement which means the conditional transfers of money in return for the production of goods and services. Inducements assume some commonality of interest between the source of the money and the recipient. Recipients of inducements vary in their capacity to produce desired results and in their own preferences and objectives. This leads to problems of variability (Elmore, 1987).

Capacity-building is something to be performed for the investment in future material as well as intellectual or human resources. It is basically a form of long-term investment which means the transfer of money for the purpose of investment in future benefits. Capacity-building carries the expectation of future returns, and as with all investment decisions, the returns are often uncertain, intangible and immeasurable and become a trade-off between the present and the future. Capacity-building can be a condition for the success of future policies. However, it creates the problem of reconciling the short-term results of investments with longer-term expectations (Elmore, 1987).

System changing refers to the transfer of authority among individuals and agencies that alters the system by which public goods and services are delivered. The expected effect of system changing is often a change in incentives that determine the nature and effect of those goods and services. Typically, system-changing policies alter the distribution of authority and money among providers of public goods and services. However, they pose problems, such as how to create new institutional arrangements as well as how to prevent existing institutions from using their competitive advantage to undermine new institutions (Elmore, 1987).

Inducement-Based Policy Solutions

The recent policies on continuing education mainly offer inducement-based solutions to provide monetary assistance to people in order to encourage and help them to pursue continuing education courses. The policies provide monetary subsidies and loans as their core elements, and rely on these inducements as the policy instruments. They are basically transfers of money to people who pursue continuing education courses. The act of pursuing continuing education courses is the short-term performance elicited by these inducements. Table 3 summarises the inducements provided by the policies.

Table 3. Inducements provided by the recent policies on continuing education

Policy	Inducements and Required Performance
Workplace English Campaign	Inducements: Subsidies of tuition or examination fees Performance: To pursue English language training courses and attain the required standard
Continuing Education Fund	Inducements: Subsidies of tuition fees Performance: To pursue a registered continuing education course, from a list of industrial sectors
Extension of the Non-means Tested Loans Scheme	Inducements: Loans for payment of tuition fees Performance: To pursue a continuing education course offered by a list of approved institutions
Increase in self-development allowance in tax assessment	Inducements: Allowance in salary tax assessment Performance: To undertake some self-development activities such as pursuing continuing education courses

Focus on the Short-Term Needs

Typically, inducements tend to be used for meeting short-term needs. Because resources are limited, attention is given to how to use the limited resources to achieve short-term goals. Resources, that require the financial funding, are allocated to launch the subsidies and loans schemes.

In policy planning, the Government made reasonable assumptions and estimated the amount of resources to be allocated and the number of persons to benefit, as shown in Table 4. Targets were set out, for example, 30,000 persons and 500,000 persons to be benefited from the Workplace English Campaign and Continuing Education Fund respectively. These were short-term targets to be met in a few years. It was shown that 74 per cent of the funds of the Workplace English Campaign and 20 per cent of the Continuing Education Fund had been used up and the funds were likely to be exhausted in a few years.

Problems of Variability

Since the recipients of inducements may vary in their capacity, preferences and objectives, inducements may create problems of variability (Elmore, 1987). Hence, in designing policies which rely on short-term inducements such as the policy instruments, it is important for the Government to make the right choice of a package of money and conditions that is sufficient to produce the desired performance, while maximising the quality and minimising the variability.

Table 4. Resources allocated in the recent policies

Policy	Resources Allocated and the Latest Status (in HK\$)
Workplace English Campaign	Resources: \$50 million (for 30,000 persons) Latest status: As at April 2004, \$37.2 million (74 per cent) had been used up, and 20,500 persons received the benefits (HKG-GIO, 2004)
Continuing Education Fund	Resources: \$5 billion (for at least 500,000 persons) Latest status: As at January 2005, \$1 billion (20 per cent) had been used up or earmarked (HKG-SFAA, 2005a)
Extension of the Non-means Tested Loans Scheme	Resources: No special funding is allocated, since the scheme operates on 'no-gain-no-loss' basis Latest status: As at 2003-2004, 39,226 applications were approved. Loans amounting to \$1,304 million were offered (HKG-SFAA, 2005b)
Increase in self-development allowance in tax assessment	Resources: Concession of tax income (amount not specified) Latest status: A concession of \$70 million is expected as for the year 2004-2005 (Tsang, 2001)

In the following, let me briefly elaborate on the problems of variability in the recent policies on continuing education.

- The policies provide monetary subsidies and assistance to people in order to encourage and assist them to pursue continuing education. The intended target group are those people who pursue continuing education if and only if they are encouraged and helped through the existence of monetary assistance. However, the recipients of the financial assistance may not be exactly this intended target group. Some are not encouraged to pursue continuing education even if subsidies or assistance are provided, while some others decide to pursue continuing education even if no subsidies or assistance are provided.
- The policies are ultimately intended to strengthen the workforce in order to prepare them for the advent of a knowledge-based economy. Hence, it is expected that the recipients of the monetary assistance would contribute what they have learned to their workplaces. However, there may be variations. For example, some receive the subsidies to study a continuing education course purely for personal interests, and not for job or career purposes. Some receive subsidies to study a continuing education course and plan to retire soon.

THE POLICY MAKING PROCESS

In this section, the policy-making process is analysed using Kingdon's so-called 'Garbage-Can' model (Kingdon, 1995). Following a brief introduction of the model, I illustrate and criticise the lack of an overall plan and coordination among the policies.

Kingdon's Garbage-Can Model

When we look into the policy-making of the recent policies on continuing education, it is found that the policies evolved separately, each with its own focal problems, aims and objectives, solutions, target groups and planning assumptions. The Government took a so-called piece-meal approach to recognising the problems and community needs, identifying policy objectives, formulating and implementing the policies individually. The situation can be explained by Kingdon's (1995) Garbage-Can model of policy making.

Kingdon's Garbage-Can model is an extension of Cohen's model of organisational choices (Cohen, March and Olsen, 1972). In Kingdon's Garbage-Can model, there are three separate streams of processes, namely, the problem, the solution and the politics (Kingdon, 1995). The problem stream captures the Government or policy-makers' attention on the issues and community needs. At the same time, there is a group of specialists that concentrates on solving the problems. Policy solutions are then generated to address the problems and community needs.

This refers to the solution stream. The politics stream is composed of public opinions, changes in administration and interest group campaigns. While the streams operate independently, they may connect at times. There a so-called policy window opens that leads to problem recognition, agenda setting and the creation of policies. The streams are combined in a 'garbage can' and the outcome is characterised by the problems, solutions and the participants in the mix.

The following section will elaborate on the problem, solution and politics streams of the recent policies on continuing education. The problems of inconsistency and duplication among these policies are highlighted.

The Problem Stream

In recent years, there has arisen a stream of problems that captured the Government's attention on continuing education. These problems have a specific focus and trigger specific community needs.

- The English language competence of the workforce needs to be enhanced in order to maintain the Hong Kong's competitive edge as an international centre of business, finance and tourism.
- There is a lack of benchmarks in workplace English for employees who need to use English daily in their work.
- There are problems of knowledge deficits in the workforce and a shortage of highly educated manpower. The people in the workforce need to upgrade their knowledge and skills in order to cope with the economic development of Hong Kong.
- A lack of clear standards of qualifications and indications on the articulation and relationship between different levels of qualifications makes it difficult for people to set goals and choose directions to upgrade their knowledge and skills.

The Solution Stream

Various solutions have been proposed to cope with the issues and needs.

- The establishment of workplace English competency benchmarks as a standard across all industrial sectors.
- The establishment of a scheme to encourage and help employees to pursue English language training courses by providing monetary subsidies.
- The launch of a fund to encourage and help people to pursue continuing education courses in a range of industrial sectors which would contribute to the economic development of Hong Kong.
- The establishment of a framework on the standards as well as a series of articulation ladders for people to set goals and directions to upgrade themselves.
- A release from the financial burden of the workforce in the pursuit of continuing education by providing low-interest loans and deductions in salary tax assessment was proposed.

The Politics Stream

There are some political and socio-economic factors that determine the plausibility and possibility of the policies on continuing education.

- Hong Kong has been facing economic restructuring. The people in the workforce need to strengthen themselves in preparation for a knowledge-based economy.

- In moving towards a knowledge-based economy, there is likely to be a shortage of highly educated people and a surplus of poorly skilled manpower. The consequences, such as high unemployment and discontent with the Government would be serious.
- Facing a high unemployment rate, it is both the Government and politicians' concern that low-skilled workers need to upgrade their skill base.
- The people in the workforce need to improve themselves for Hong Kong to maintain its economic vitality. This is a concern of both business enterprises and overseas investors.

Problems of Inconsistency and Duplication

In recent years, after the economic downturn of the 1990s, the windows of opportunity were opened to allow the problems, solutions and politics to come together. These problems and community needs were recognised. Policy solutions were generated accordingly. With support from both the Government (in funding) and politicians (in opinion), the proposed solutions were adopted and formulated as policies.

Because of a lack of an overall plan and its coordination, as implied by Kingdon's garbage-can model, there are areas of inconsistency and duplication among the existing policies. For example, although the policies provide financial assistance to encourage and help people to pursue continuing education courses, different modes of assistance are provided. Some provide assistance in the form of subsidies while some others provide assistance in the form of loans and tax reduction. Not only are the amounts of assistance different among the policies, but also the administrative procedures and operations, such as in the processing of claim applications and the mechanism of monitoring and control are different. Although the targets are mainly the workforce, the eligibility criteria are different between the policies. Moreover, there are areas of duplication. The policies are administered separately with overlapping areas of operation. This frequently leads to counter-effectiveness in policy administration.

CONCLUSION

The period from 1998 to 2004 is critical to the development of continuing education in Hong Kong. In contrast to its *laissez-faire* approach in earlier years, the Government has assumed a more proactive role and has formulated a number of policies, in which significant resources amounting to several billion dollars have been allocated. In this article, the recent policies on continuing education are reviewed from three aspects. The first considers the problems and community needs for continuing education. The second examines the inducement-based policy solutions. The third aspect describes the overall policy-making process.

Policies are essentially problem-driven and problem-centred. In response to the problems and community needs of strengthening the workforce, the Government formulated a number of policies on continuing education, such as the Workplace English Campaign and the Continuing Education Fund. It is not difficult to understand why the Government has become more proactive, as the significance of the problems and needs are of concern. If the problems are not resolved, the consequences could be serious. The current economic vitality and competitiveness would no longer be maintained and high unemployment would result.

Among the recent policies on continuing education, the policy solutions were mostly short-term inducements, such as providing financial subsidies and loans. Inevitably, inducements were an effective means to elicit short-term performance (for example, pursuing continuing education courses) if the performance could not be produced otherwise. As Elmore's (1987) concepts of policy tools or instruments implied, inducements tended to be used for meeting short-term needs. This explained why the Government's attention was placed mainly on how to use the limited resources to achieve the short-term goals. Also implied by the concept of inducements, were problems of variability. These have been thoroughly investigated.

On the other hand, the overall policy-making process was rather 'piece-meal' in the sense that, once a specific problem was recognised, a specific policy was formulated to cope with it. In this article, the situation was elaborated using Kingdon's 'garbage-can' model. Because of a lack of an overall plan and coordination between the policies, there were areas of inconsistency, such as in the amount, mode and eligibility criteria of subsidies. There were also areas of duplications, such as the overlapping scope of the subsidised courses and the entitlement of more than one assistance scheme for the same person.

Looking forward, the policy focus needs to be placed more on the long-term goals, strategies and measures. At present, the development of continuing education in Hong Kong is still market-driven and lacks clear direction. As a consequence, continuing education institutions tend to offer profitable or, at least, affordable courses. Unquestionably, a well-coordinated plan would not only balance the interests of various stakeholders but also avoid inconsistency and duplication among education policies. It would be desirable, but probably controversial if the Government intervened by assuming a regulatory role to ensure the healthy running of the continuing education sector as well as assuming a directional role to maintain the long-term development of continuing education.

Note

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