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THE UNIVERSITY OF ALBERTA

EDUCATION AND NATIONAL DEVELOPMENT IN THE NICs:

THE CASE OF HONG KONG

By

Sau-Ha WONG

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Education

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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled EDUCATION AND NATIONAL DEVELOPMENT IN THE NICs: THE CASE OF HONG KONG submitted by Sau-Ha WONG in partial fulfilment of the requirements for the degree of Master of Education in Comparative and International Education.

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(Supervisor)

.....

.....

Date: Dec. 14, 1987

This thesis is dedicated

to

my father, WONG, Sum (黃森) and my mother, CHEUNG, Ping (張萍)

whose love and kindness I shall never forget.

ABSTRACT

This thesis is a study of the relationship of educational expansion and national development in the Newly Industrializing Countries (NICs). National development was considered not only in respect to the economic growth and social development but also the qualitative perspectives of development. The experiences in the economic-social-educational developments in the NICs, as a group, and in a particular NIC, Hong Kong, were examined, assessed, and compared with those in the other Third World countries. The relationship of educational expansion and national development in Hong Kong was analyzed in detail under the framework of the arguments posited in the human capital theory and the conflict theory of education.

Though post-war economic growth and social development in the NICs, as a group, and in Hong Kong, have been rapid and outstanding, these improvements do not qualify them as having attained satistfactory 'real' development. This unsatisfactory situation was due mainly to: (i) the increasing dominance of external factors in their economic development; and (ii) the presence of internal exploitation of the masses of laborers in their economic growth and the perpetuation of social inequalities in their societies.

The post-war educational expansion in Hong Kong has been geared neither to maximize the rate of growth of its economy, nor to narrow the social inequalities in its society. At best it has played a minor part in contributing to the impressive economic development in its economy; at worst, it appears to have posed hindrances to the

full attainment of genuine development in the colony by acting as a means to reproduce the social and economic inequalities.

In other words, economic expansion in the NICs has been achieved at the cost of the qualitative dimensions of their 'real' development. Educational expansion seems to have played a minor role in the NICs' economic growth and a negative one with respect to the qualitative aspects of national development in general. Nevertheless, though the case-study of Hong Kong undertaken here has produced important insights, similar studies of other NICs are needed to enrich the understanding of the NICs' development.

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1. INTRODUCTION.

1.1. Background To The Problem.

Since the end of World War II, nearly all countries in the world have launched programs geared towards some form of national development. This was especially true in the newly independent nations and the less developed countries (These countries will be referred to as the Third World countries or the Third World hereafter). Much concern has been placed upon the search for strategies that would lead to the attainment of national development in these countries. In the mid-1950s, economists attempted to identify the factors which had contributed to the rapidly growing economies of the economically more developed countries. In this process unexplained 'residual' elements were noticed and these were attributed to the improvement in the quality of the labor force -- a fact which led to the formation of the human capital theory (Thurow,1972). With the support of the human capital theory, education was advocated as the most important 'factor of production' which could help these Third World countries to attain their goals of national development. It was then generally accepted that there was a twofold function of the expansion of the education system: (i) to enhance economic growth for the country concerned; and (ii) consequently reduce and eradicate the social backwardness of the population and narrow the social inequalities which existed between various groups in these nations. Hence, fueled by such hopes and

expectations, the Third World countries have been expanding their educational systems at unprecedently rapid rates especially from the 1950s to the 1980s. An increasing percentage of their GNP and a substantial part of their annual recurrent budgets have been allocated to sustain this expansion.

However, in the late 1960s and during the 1970s, disappointment and criticism have been growing due to the fact that the earlier claims of rapid economic growth and improved social conditions that accompanied the educational expansion remained unfulfilled. Problems like the creation of large numbers of educated unemployed, urban poverty, increase of juvenile delinquency, related political unrest, and the widening disparity between the rich and the poor, have further strengthened their pressure in the Third World countries. Moreover, this disappointment has been deepened by the cumulative record of unsatisfactory economic development which has been generated in many of the Third World countries. Consequently, the deployment of policies of educational expansion for the goals of national development in the Third World countries and the effectiveness of the educational development in the past decades are being questioned.

In the academic arena, the human capital theory has been very much discredited by these shattered assumptions and unfulfilled expectations. An alternative explanation of the role of educational expansion in the Third World development has been proposed by the conflict theorists of education. In the view of the conflict

theorists, educational expansion is only a legitimate means for the recruitment of labor in the accumulation process of the capitalist mode of production; and, at the same time, as a mechanism for the reproduction of the existing social and class structure. To the conflict theorists, there has not been any commitment, in the past expansion of the educational systems in the Third World countries, to equality or even, perhaps for mazimizing the rate of economic growth in the countries concerned. In the late 1960s and the early 1970s, the debate between proponents of the human capital theory and the conflict theory of education on the role of educational expansion in Third World development has intensified. There was also growing mistrust in the human capital theory related to the causal assertions as to the economic value of education in national development.

However, while we are understandably impatient with the halting or slow pace of development in the less developed parts of the world and feel somewhat betrayed by the popularized strategy of 'education for development', there emerged a small group of rapidly industrializing developing countries the experiences of which contradict our pessimism and perhaps demand a revision of our mistrust of this strategy. This small group of Third World countries are referred to as the Newly Industrializing countries (These countries will be referred to as NICs hereafter). They have performed remarkably well in their economic growth and have experienced extraordinary growth in industrialization and in their overseas trade since the early 1960s. Externally, they have

penetrated rapidly into the world economy as significant competitors to the economically more developed countries for the exports of manufactures (NPA,1981:3). Internally, the structures of their economy have been undergoing rapid transformation with a rising share of the industrial employment among the total working population, and a redistribution in the share of the GNP taken up by the industrial and agricultural sectors. Furthermore, there is also a quantum jump in the relative real income levels of the NICs, based on per capita GNP at average international prices (OECD,1979:21-22). Some people believe that if such a growth pattern is to be pursued for a long enough time, the consequential relaxation of material constraints will lead to social and political liberalization throughout the society of the NICs (Bienefeld,1981:88). Smaller NICs are mentioned as examples of successfully implemented development strategies which have transformed these societies and resulted in overcoming much of their poverty within this short period of time (NPA,1981:3). The changes occurring in this small group of developing countries, Caporaso contends, may not be revolutionary but they are rapid and substantial by historical standards (Caporaso;1981:381). With the emergence of the NICs, it seems reasonable to question the pessimism concerning the prospects for development of the Third World countries and to reassess the effects of the strategy of 'educational expansion for national development' in these countries.

The NICs phenomenon has become more noticeable since the quadrupling of oil prices in 1974 (Hoogvelt;1982:23) and it has been

receiving much attention in the developmental literature. Since then, a rapidly growing literature has been devoted to studying the growth in these countries. However, these studies are mostly economic in orientation focusing on the analysis of the trends of their economic growth and trade relationships in the world economy, particularly the NICs posing an import-adjustment issue for the West (Bradford, 1982:8). Little attention has been paid to investigate the relationship between their outstanding economic growth and their educational development. Hence, it is the intention of this study to look into the relationship between these two variables.

1.2. The Statement Of The Problem.

The major theme of this study is to examine the role of educational expansion in national development in the NICs in the post-war years. The purpose of this investigation is threefold. First is to examine the extent to which educational expansion has contributed to the economic growth and to social development in the NICs in the post-war years. Second is to attempt a reappraisal of the debate on the role of the post-war educational expansion in national development in the Third World in the context of the NICs. It is to see if the views of the human capital theorists or those of the conflict theorists of education can explain better the situation in the NICs. Third is to identify the pattern of development in the NICs, so as to reflect on the challenges it may pose to the

conventional notion of the un- and/or under-development of the Third World countries.

In this study, emphasis will be placed on the expansion of the educational system, though related educational policies may be mentioned. The definition of national development, discussed in this study, is not confined only to economic growth, but also to include the distribution of the economic wealth, the well-being and living standards of the people, and the social equality in opportunities and mobility. Hence, the development in the social, economic and educational systems of the society will be examined. National development is seen here as a process that gears to the enhancement of a more affluent and equal society as a result of which the quality of the lives of the people which should be improved.

The study will proceed from a broad and general discussion of the NICs, as a group, to a specific case-study of a particular NIC -- Hong Kong. The pattern of development in the economic, social, and educational systems in the NICs, in general, will be identified and assessed. The historial and contextual experiences of Hong Kong will be used, as an example of the NICs, for the examination of the specific relationship of educational expansion and the NICs' development.

The research in this study will be guided by the following objectives:

1. To review the conventional record of the experiences and the consequences of the Third World's post-war educational expansion;

and to discuss the debate of the human capital theorists and the conflict theorists of education on these experiences.

2. To examine the specific patterns of development of the NICs; and to assess their levels of development as compared to that in the average Third World countries.

3. To review the experiences in educational expansion in the NICs; and compare these experiences with those in the average Third World countries.

4. To review and identify the patterns of post-war economic development in Hong Kong; and to examine the role of educational expansion in its economic success.

5. To review and identify the characteristics of educational and social developments in Hong Kong; and to investigate the relationship of the changes in these two sectors.

6. To draw conclusions about the nature of the national development in the NICs; on the role of educational expansion in their development; and on the adequacy of the two theories of education in the explanation of the NIC's development.

1.3. Delimitations Of The Study.

a. The countries.

Various approaches have been employed to define the grouping of the NICs (NPA.1981:4; Balassa,1981:xix; Hoogvelt,1982: 25). Official lists vary as to the number of countries to be included in the list of NICs. The OECD's list is basically used in this study. It includes these countries: Argentina, Brazil and Mexico in Latin America; Hong Kong, Singapore, South Korea and Taiwan in South-East Asia; Greece, Portugal, Spain and Yugoslavia in Europe (OEDC,1979:47; Todaro,1985: 23). Data concerning the economic, social and educational developments in these countries will be assembled and

summarized in an aggregate form treating them as a more or less internally homogeneous group. References to the countries in the developed and the less developed parts of the world will be made, but only for the purpose of comparison and they will be treated collectively. In the case-study, emphasis will be placed on one particular NIC -- Hong Kong -- only.

b. The time period.

Various points of time have been suggested, in the development literature, to mark the emergence of the NICs. However, generally the period during which they began to experience noticeable economic growth stretches over the early part of the 1960s. Thereby, the general discussion of the NICs, as a group, would include the period of the 1960s and the 1970s. In the case of Hong Kong, the period of discussion will be extended from the late 1940s to the end of 1970s. The late 1940s and the early 1950s mark the turn of the course of Hong Kong's economy from entrepot trade to rapid industrialization. From then on, Hong Kong has been experiencing rapid changes in the economy and in the society. However, the period of concern terminates in the early 1980s. It is not assumued in this study that there are any abrupt interruptions in Hong Kong's economic and social development after the 1970s. The early 1980s is chosen rather to delimit the study in order that a possible interventing 'event' -- the uncertainties brought about by the Sino-British discussions and arrangement on the sovereignity of Hong Kong in the year 1997 -- does

not vitiate the analysis. Of course, the impact of the 'issue of 1997' on Hong Kong's economy, society and educational system have been, and will continue, to be significant. These impacts also deserve careful study. Nevertheless, the focus of this study is on the relationship between the educational expansion and the economic and social development in Hong Kong to the early 1980s.

c.Other delimitations.

Except in the case-study of Hong Kong, the discussion on the problem will be conducted on an aggregate scale and at a general and broad level. Discussion will also rely primarily on statistical data collected by, and available from, the state agencies. However, these general and broad discussions will be supported, in as far as possible, by a detailed analysis in the study on Hong Kong. Furthermore, this study deals mainly with the formal educational system. Although provisions of educational opportunities exist outside the formal sector in these countries, they are not included in this study.

1.4. Methodology.

The method employed in this study is an analytical one. A comprehensive literature review will be conducted on the historical development of and the theoretical debate on the rapid educational expansion and national development in the Third World countries in

the post-war years. Aggregate statistics concerning the economic, social and educational development of the NICs and of the other Third World countries, as a group, will be used for a cross-country analysis. Official publications from the statistical departments of several international organization -- especially the Unesco and the World Bank -- will be consulted as the major sources of information of these aggregate statistics. In the case of Hong Kong, the official documents published by the Hong Kong government, such as government policy papers, departmental reports, the annual reports, commission reports, and offical statistics from the census department will be examined and analyzed. A comprehensive search on the social, economic, and educational aspects of Hong Kong will be conducted and relevant books, articles, and a few unpublished papers and theses, which the writer found, will be used.

1.5. The Organization Of The Thesis.

In addition to this chapter, there are six chapters in this study. In this chapter, the background for the research problem, the statement of the problem and the sub-problems are presented. The delimitations and the methodology, in which the research will be carried out, are clarified. The organization of the chapters is also summaried.

Chapter two is a review of the theoretical support for and debates upon the role of educational expansion in the national

development in the Third World in the post-war years. The theoretical arguments that have served the basis of the post-war Third World educational explosion will be discussed. The conventional records of the consequences of the educational expansion in the Third World countries will be reviewed. The theoretical debate between the human capital theory and the conflict theory of education on the role of educational expansion in Third World national development will be discussed.

Chapter three presents a review, a discussion, and an assessment of the NICs' development. The experiences in economic and social developments in the NICs will be outlined and compared with those in the other Third World countries. An overview of the successful economic performance of the NICs will be presented. The challenges of the NICs' economic growth to the Third World un- and/or under-development debate will be discussed. The level of 'development' of the NICs will be discussed.

Chapter four focuses on the post-war educational development in the NICs. The patterns and trends of educational expansion of the NICs will be identified and compared with those in the other Third World countries. An attempt will be made to highlight the similarities and differences in educational development between the NICs and the other Third World countries.

Chapter five and six constitute the case-study of the educational expansion and the national development of Hong Kong. In chapter five, an attempt will be made to examine the relationship between the

expansion of Hong Kong's education system, and its post-war economic development. An account of the social transformation in Hong Kong will be presented as background information to enrich the readers' understanding of the discussion in the chapter. An overview of the post-war economic development in Hong Kong will be provided as an assessment of its growth performance as an NIC. An detailed examination of the role of its expanding educational system in its post-war economic development will be made.

Chapter six provides a detailed analysis of the inter-relationships between educational expansion and social inequalities in Hong Kong. A review of the post-war social development in Hong Kong will be provided. A brief account of the educational development in Hong Kong will be presented. A detailed analysis of the relationship of the expanding educational system with the social inequalities in Hong Kong will be undertaken.

Chapter seven is the conclusion of this study. A summary of the findings in the preceding chapters will be made focussing on the role of educational expansion in the NICs' development. This will be followed by concluding remarks on (i) the alternative perspectives, suggested by the development theories, on the factors at work in the NICs' development; and (ii) the qualitative dimensions of the NICs' development.

II. EDUCATIONAL EXPANSION FOR NATIONAL DEVELOPMENT IN THIRD WORLD COUNTRIES IN POST-WAR YEARS

Introduction

As we move into the second half of the United Nation's Third Development Decade and try to reflect on the history of a period of over three decades of educational development in the Third World, it seems apposite to describe the course as a gradual process characterized by a shift from high hopes and optimism to disillusionment and skepticism. Some observers describe the late 1950s and the early 1960s as 'the age of innocence' (Ward, 1974) where there was a sense of eupheria, hopes, optimism, even certainty in education. Yet as it progressed into the 1970s, the initial faith in the contribution of educational expansion to national development was considerably eroded having been replaced by a growing sense of skepticism. Shattered expectations and unfulfilled claims, which were unanticipated in the faith of educational expansion during the optimistic years, have resulted in widespread disillusionment in many Third World countries. Requestioning and skepticism led to a reappraisal of the initial ideas and theories that supported the expansion of the educational systems for national development. As a result, a theoretical debate concerning the contribution of education in the Third World national development has been brought forth. However, in the midst of this debate, and during a period of disenchantment of unfulfilled development in most of the Third World countries; the emergence of a group of rapidly industrializing Third

World countries -- the NICs has presented a counter challenge to the emerging radical critique of conventional theories of education and development. Being a part of the unitary category of the 'Third World', but contrary to the conventionally described slow and retarded growth of the Third World countries, the NICs have recorded a rapid and outstanding growth in their economies.

It is the purpose of this chapter to review the theories and debates about the role of educational expansion in the national development in the Third World. The discussion will be divided into three sections. First is a discussion of the theoretical arguments that have been supported and fueled by the post-war Third World educational explosion. Second is a review of the achievements and of consequences of the educational expansion in the Third World countries. Third is a discussion of the theoretical debate that concerns the role of educational expansion in the national development of these countries.

2.1. Education Expansion For National Development In Third World countries: The Theoretical Supports.

There was a tremendous faith, shared by most Third World educators and politicians, during the early 1960s, in formal education as a major instrument for the social and economic development of their countries. Education was not only seen as 'the key that unlocks the door to modernization', but was also seen as a 'leveler of hardset social inequalities' (Coombs,1985:3). The

genesis of the tremendous faith came from many sources. Among them, the most important ones are (i) the contemporary 'drive for national development' among the Third World countries which has led to an urgent search for a means that could accelerate the national development in their societies; (ii) the changes in developmental thought that emphasized modernization and industrial development and the importance of investment in human capital; (iii) the dominance of the human capital theory in educational thought that provided an analytical framework for the wholesale adoptation of educational expansion in the developmental strategies in these less developed countries.

2.1.1. Post-war 'drive for national development'.

One of the most important developments in the Third World, at the end of the World War II, was the achievement of formal independence from a former colonial empire by many Third World countries. The achievement of self-government and independence, in these new nations, raised high hopes and aspirations among the national elites and the masses. The hopes held by both groups were that -- as they were now in command over their own affairs -- the problem of the slow pace of social and economic development as under the colonial rule would be corrected. It was hoped that there would be rapid progress and they would join the ranks of the industrialized and the affluent in a matter of a few decades. The other not so new

Third World nations, at that time, also got caught in the whirlpool of the excitement of national development generated in the ex-colonies (Jayasuriya,1981:4). The search for the necessary factors in social and economic development was then brought into focus in the development paradigms. The planning for development and changes had also become a major preoccupation of the governments in the Third World. Nyun, the Executive Secretary of the Economic Commission for Asia and the Far East, announced in his address to the Conference of Ministers of Education and Ministers Responsible for Economic Planning of Member States in Asia,

> For the first time in their history, the countries of the E.C.A.F.E. region generally came to accept that planned efforts are essential to the acceleration of economic and social development which is needed to close the growing gap between "have" and "have not" nations (Unesco,1965:47 and quoted in Jayasuriya, 1981:12).

Efforts to accelerate economic and social developments were then viewed, by most of the Third World nations, as the means to attain the end by catching up with the 'have' nations. There was an urgent need for the appropriate strategy whereby, in the shortest possible time, these under-developed nations could transform their 'backwardness' into modernity and education was to be an important element in that strategy.

2.1.2. A shift from the emphasis on physical capital investment to human capital development.

The conception of 'development', during the 1950s and the 1960s, was akin to Rostow's stages theory of economic growth (see section 3.2.1.). The development strategies, that were popularized at that time, were geared to the accelerated modernization through the implementation of the GNP-centered and trickle-down policies of development. Under these strategies, the 'center of developmental gravity' of the economies is oriented to the modern industrial sector; and all other areas of development are subservient to it. It was also advocated that economic growth from this modern sector would trickle-down to all segments and sectors of the society and thus development for the whole nation would be enhanced. However, there was a shift in the views of what 'agent' would lead to the success of these policies. Initially, physical capital was seen as the most important missing factor in the less developed societies of the Third World that caused the bottle-neck for successful take-off. The 'miracles' of the reconstruction of the war-torn societies of Western Europe and Japan helped to inspire a formula for development in the struggling economies of the Third World. New forms of economic planning and cooperation among countries, reinforced by the large infusion of U.S. financial and technical assistance under the Marshall Plan, enabled these war-torn countries to rebuild and modernize their economies more swiftly than anyone had dared hoped.

A few years later, in a daring leap of logic, a similar formula was drafted for the less developed countries. It was assumed that a process of accelerated modernization could be induced in these less developed economies by applying the same inputs. Large capital infusions, plus the transfer of modern technology from the developed countries, it was thought, would enable these struggling economies to take off into a self-sustaining process of economic development. In other words, modernization, at a far faster pace than had historically been true for the industrialized nations of the West was assumed to be both possible and desirable. However, it was soon to become evident that such a replication was but a conceptual fantasy. The analogy between the post-war reconstruction of the war-torn countries of Europe and Japan with the less developed countries was flawed.

The dominant explanation of the failure of the replication, at that time, was that the less developed countries lacked the adequate supplies of trained human resources and the requisite manpower-generating institutional capacity necessary to put the capital stock into fully productive use (Coombs,1985:14-15). At the same time, economists discovered the importance of the quality of human resources in the process of economic growth. It was observed that in the underdeveloped countries, human capital constituted only 10-15 per cent of physical capital as against the 30 per cent in the economically developed countries (Bacchus,1981:215). It began to be believed that the major cause of the differences in the economic

development in the more developed and the less developed countries was the differences in their human resources rather than in their physical capital. One human reources economist states,

> Human resources...constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organizations, and carry forward national development. Clearly a country which is unable to develop the skills and knowledge of its people and to utilize them effectively in the national economy will be unable to develop anything else (Harbinson,1973:3; quoted in Todaro,1985:325).

Harbinson's study which lent 'statistical' credibility to the point of view of the human resources development was then considered, by most of the Third World countries, as a critical factor for the attainment of accelerated economic growth in the GNP-centred and trickle-down strategies of development. The earlier emphasis on the investment in material capital only, for national development was then shifted to an emphasis in the investment on human capital. The concept of 'human investment' was undergoing profound change in the economic thought of the time and it was in its full swing by the early 1960s (Sobel,1978). Concurrent to that was the emergence of the relatively new field of study -- the economics of education -- which endorsed the human investment approach in the national development and educational plannings. The human capital school, founded on this reconceptua- lization of 'human investment', provided the theoretical framework which was greatly responsible for the post-war educational explosion in the Third World countries.

2.1.3. Human Capital Theory And Educational Expansion For National Development.

The formulation of the theory of human capital was ushered in by Theodare W. Schultz (1961) in his presidential address -- 'Investment in human capital' -- to the 1960 American Economic Association annual conference (Sobel,1978:54) [1]. In this address, Schultz laid down the fundamental concepts of the theory. He stated,

> Much of what we call consumption constitutes investment in human capital. Direct expenditures on education, [and other forms of human capital formation]...[are] widespread and...unrecorded. In these...the quality of human effort can be greatly improved and its productivity enhanced...[and] such investment in human capital accounts for most of the impressive rise in the real earnings per worker (page 313).
>
> ...knowledge and skill are in great part the product of investment and, combined with other human investment, predominantly account for the productive superiority of the technically advanced countries (page 314).

He continued, in his address, to elaborate on the correlation between differences in individual and national earnings and the differences in the quality of human capital. When specifying the five categories of human investment, he contended that investment in formal education was a key investment that had led to the economic growth in the United States. He pointed out,

> Happily we reach firmer ground in regard to education. Investment in education has risen at a rapid rate and by itself may well account for a substantial part of the otherwise unexplained rise in earnings (page 319).
>
> ...both the magnitude and the rate of increase of this form of human capital [formal education]...could be an important key to the riddle of economic growth (page 320).

Concerning the comment on the underdeveloped countries, Schultz's conclusion was,

> ...countries are poor fundamentally because they are starved for capital and that additional capital is truly the key to their more rapid economic growth. The reconciliation...to be found in emphasis on particular forms of capital...the optimum rate of investment which treats knowledge and skill as a critical investment variable in determining the rate of economic growth is both relevant and important (page 317).

To sum up the point, the message presented by Schultz was simply that expenditure on education should be viewed as a productive investment; through which productivity of workers would be improved; and, on the one hand, earnings of individual workers would be enhanced; on the other hand, a more productive technical base would be formed for economic development. Since the less developed countries are lacking the knowledge and skills required to take on and use efficiently the superior techniques of production, emphasis on educational investment is then considered as important for them to attain economic development.

Sobel contends that the expectation of economic benefits, anticipated in the human capital approach was not the sole rationale for the expansion of educational services. Broad societal goals -- such as desire for upward mobility, greater income equality and improvements in living standards -- that underlaid the advocacy of the human capital theory, were far more decisive determinants for the expansion of the educational systems in the developing economies (Sobel,1978:62-63). The popularized notion of 'more education,

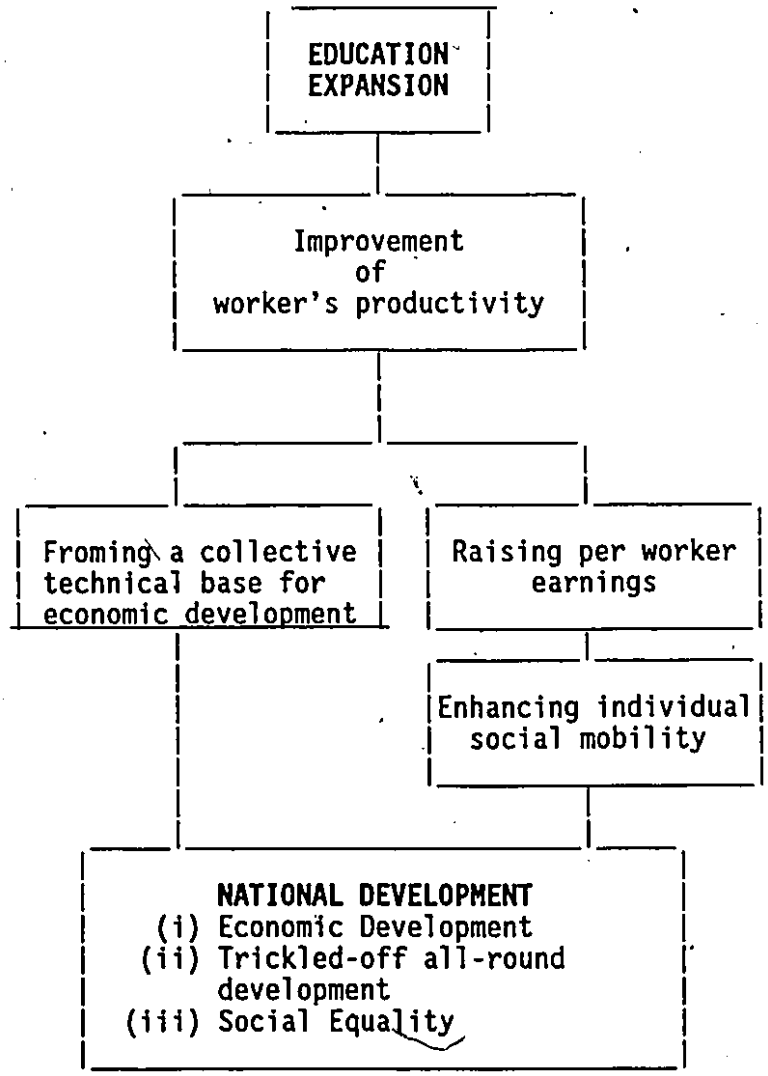
higher incomes' had also led to the hope of a subsequant avenue to upward social mobility for individuals and the expectation of a narrowing of the social disparities. And so, expansion of educational opportunities was seen, not only as a means to economic development but also as an avenue to enhance social equality [2].

2.1.4. Educational expansion for national development in the Third World countries.

The anticipated results of educational expansion were apt for the goals engendered in the drive for national development in the Third World countries at that time. The emphasis of a GNP-centered development, advocated by the 'trickle-down' theorists, and the expected economic development and social equality engendered in the human capital theory, altogether had made educational expansion an appropriate strategy for national development in the Third World countries. The logic of the adoption of educational expansion for national development in the Third World countries can be summarized as the following (see Figure 2.1).

Since human skills and knowledge are identified as the most important missing components that caused the bottle-neck for national development in the less developed countries; through the process of formal education, these skills and knowledge would be obtained, and, thereby, productivity of those benefiting from it would be enhanced; enhanced productivity would, on the one hand, raise individual's earnings, and, on the other hand, form a technical base for economic

Figure 2.1: A Summary of The Human Capital Approach of Educational Expansion for National Development.



Source: Drawn by Sau-Ha WONG

development for the whole nation. Hence, by rapidly expanding the educational system, it was argued, economic growth would be accelerated. The economic progress, in the view of the 'trickle-down' theorists, would lead to an overall development which would improve the levels of living of the whole population. On the other hand, expansion of the educational system would equalize opportunities, income, and, ultimately, power in the society. In this way, hardset disparities between the rich and the poor would be narrowed and social equality would then be attained. Therefore, educational expansion was expected as an effective strategy to help the Third World countries to attain two goals namely, economic development and social equality, for their national development.

Education was viewed almost without question, by the poor nations, as the key that unlocks the door to modernization; by the poor masses in these countries, as the means to escape poverty and an avenue to upward mobility. The faith in the developmental potentials of educational expansion was so high that it seemed that rapid educational expansion would continue, unchecked, until all of its great aims had been attained (Coombs,1985:4).

2.2. Post-War Third world Educational Expansion: The Disillusionment.

But then, as educational expansion progressed into the 1970s, the initial faith in it was considerably eroded. It was replaced by a growing sense of disillusionment, requestioning and skepticism. Disillusionment was brought about by the shattered convictions and

unfulfilled claims, and the subsequent socio-economic-educational problems.

2.2.1. Unattained claim.

a. Presisting under-development.

High hopes and ambitious claims engendered during the late 1950s and the 1960s, have led to an educational explosion in the Third World. However, despite the rapid expansion of enrolments and educational expenditures during the 1960s, it became clear by the early 1970s that the problems of under-development in most Third World countries were still very real [3]. According to Toh's collection of data (Table 2.1), the gap between the First World and the Third World was still very wide in the first half of the 1970s. The average GNP per capita of the Third World countries in 1975-1976 was only $494, while that in the First World was $5,847. The latter was over eleven times that of the former. There were 770 million absolute poor in the Third World in the early 1970s. In other words, the Third World had nearly 37 per cent of its population living in absolute poverty [4], as opposed to the five per cent in the advanced industrialized countries. Low average life-expectancy (56 years), but high rate of infant-mortality (73 per thousand) were found in the Third World. Over half of the Third World population was illiterate, while only three physicans available per 10,000 persons in the Third World. However, those in the First World were $114 and 19 respectively. Unemployment in the Third World was high (33 millions), and

it doubled that in the First World. Furthermore, there were about 250 million in the Third World who were underemployed.

Table 2.1. Indicators of Third World Poverty and First World Affluence, circa 1975-1976[a].

Indicators	LDCs[b]	AICs[c]
Average per capita GNP	$494	$5847
Absolute poor (%)[d]	37	5
Average life-expectancy (years)	56	73
Average infant-mortality rate (per 1000 live births)	102	14
Average literacy rate	49%	97%
Average per capita educational budget (1974)	$13	$254[e]
Average per capita public health expenditure (1974)	$4	$114[e]
Physicians per 10,000 population(1974)	3	19[e]
Estimated pop. unemployed (millions)	33	17
Estimated pop. underemployed (millions)	250	n.a.[f]

Sources: ODC(1979:151,172,176); ODC(1977:178). Adapted from Toh,1980:9.

Notes:a. Except when otherwise stated.

b. Figures are averages for some 140 less developed countries (LDCs), including OPEC LDCs.

c. Figures are averages for 22 advanced industrialized countries (AICs) including USA, Canada, most of Western Europe, Japan, Australia and New Zealand.

d. 'Absolute poor' indicates (on an internationally comparable basis) the number of people in each country whose per capita income is below the level at which it is possible to secure minimum shelter, nutrition, clothing in that country. In Toh's table, the estimated number of absolute poor was 770 million; and according to the ODC (1977), the total number of Third World population was 2,087 million. Therefore, 37 per cent of the total population is considered as absolute poor.

e. Figures include AICs, USSR, and 5 other East European states.

f. N.a. means data not available in this table and the other tables in this study.

In short, these data indicate that the people in the Third World were still very far from reaching the economic wealth, educational services, health and life chances that their counterparts in the First World were enjoying. The hope of narrowing the gap between the 'have' and the 'have not' nations, indicated in Nyun's address as the goal in the Third World 'drive of national development', was unattained. The claim of accelerated economic growth subsequent to the educational expansion was unrealized. There was also no trickle-down overall development after these efforts in development [5].

b. Widening socio-economic disparities.

The problem of hardset disparities between the rich and the poor in the society had not been narrowed either. Neither the expansion of the modern sector nor the educational investment which was geared to expanding this sector, had trickled off into rural development. Instead, the rural-urban gaps in most of the Third World countries had been widened. In Coombs' description, the poor rural conditions, which were commonly found in the Third World nations, are as follows. There exist staggering proportions of landless and near landless rural families; unemployment and underemployment are spreading; there are poor conditions in health, water supply, sanitation, and nutrition; high infant mortality rates and high rates of rural population growth. In the urban sector, the booming modern sector constitutes only a fraction of the whole urban economy. Urban

poverty is no less extreme than in the villages. The ugly urban slums are increasing rapidly.

Furthermore, it was soon found that educational expansion in most of the Third World countries had increased rather than decreased the socio-economic disparities between the rich and the poor. Expanded educational services have benefited mostly those whose parents had already had advantages [6]. Schooling not only failed to narrow the socio-economic disparities but has helped to reproduce and legitimize the achievement of the rich and the failure of the poor. In other words, if there has been any improvement in the quality of living in the Third World countries, the majority of the population have shared only a minor part of it. The hardset disparities between the rich and the poor, rooted in the pre-war era, have not been solved but have worsened.

2.2.2. Unanticipated economic problems.

Educational expansion is a less effective factor for national development than it was expected. Other than the subsequent unattained developmental claim, unanticipated problems in the economic, social, and educational systems are found in most of the Third World countries after the years of educational expansion.

a. Growing financial burden.

Expanding educational expenditures not only have failed to generate a higher economic return, but instead have led to some new problems in the struggling economy of many of the Third World

countries. The rising enrolment has caused an endless escalation of costs. Table 2.2 shows that the public expenditure in education from 1960-1968 have almost tripled in Asia and doubled in Africa and in Latin America (Simmons, 1974:13). Ward also reports that educational

Table 2.2. Public Expenditure on Education in less developed countries by region 1960-68.

(Per Annum % increase from 1960-68 over 1960 base in current prices)

Country	Per Annum
Asia	23
Africa	14
Latin America	17
Arab States	11
Mean	16

Source: Adopted from Simmons,John (1974), Education, poverty, and development p.13 table 1.

expenditures, in most of the Third World countries, have expanded more than twice as fast as the GNP growth during the 1960s (Ward,1974:xvi). The increasing claims of education on limited national resources of the poor countries have been competing with the claims of other important needs: such as agriculture and industry, roads and housing, important social needs such as health and old age security, unemployment relief and the military budget (Coombs,1985:136). Educational expansion not only failed in releasing many of the Third World countries from their economic problems, but has been in fact impeding the social development and

imposing a growing financial burden on most of the Third World nations [7].

b. Unemployment and underemployment.

The ineffectiveness of educational expansion as an economic investment, has also revealed itself in the growing number of educated unemployed in many of the Third World economies. Post-war economic growth in most of the Third World countries was relatively faster than it had been before. However, the output capacity of the rapidly expanding educational systems has been rising so fast that it overrode the absorptive capacity of the labor markets of most of the Third World countries. The disequilibrium has led to a problem of educated unemployment in most of the already struggling economies of the Third World countries [8]. According to Bacchus, at the beginning of the 1970s, combined unemployment and underemployment rates were estimated at 29 per cent for all developing countries and 38 per cent in Africa alone (Bacchus,1981b:217).

The question of expanding the educational production to meet manpower shortages had become a more serious problem of providing enough new jobs of the right kind to the newly educated. Overeducated and underemployed became a common phenomenon in many developing countries. The phenomenon is often described in terms of the 'diploma disease' (Dore,1976). In Todaro's words, the diploma disease is described as follows:

> The irony is that the more unprofitable a given level of education becomes as a terminal point, the more demand for it

> increases as an intermediate stage or precondition to the next level of education (Todaro,1977:247).

Hence, despite the outstanding record of expansion of educational facilities, each worsening of the employment situation has called forth an increase of formal education at all levels. Hence the supply of school graduates continued to exceed the demand of the labor markets. The average educational level among the unemployed has risen. Qualifications for entering jobs have escalated and the marketable value of the educational credentials has fallen. Diplomas and degrees thus became the requirements for employment, but ceased to represent the education they were intended to signify (Todaro,1977:248). The 'qualification escalation' and 'educational inflation' in the labor markets, thus, have generated a continuing demand for the expansion of the educational system. Racing for a diploma has become a disease that permeated many of the Third World countries. The demand for higher levels of education has diverted additional government resources to the educational sector, so much so, that it began to absorb funds that might have been used to finance claims of other developmental importance. In this way, the expansion of education has inhibited economic and social developments, and, in turn, has worsened the growing problem of unemployment in most of the Third World countries.

2.2.3. Unanticipated social and political problems.

Rapid expansion of the educational system has also contributed to other social and political problems in many Third World countries.

The educational system seems to be acting as an immigration service for the modern sector or as the bridgehead of the traditional sector to the modern sector. The massive waves of rural-urban migration, on the one hand, have worsened the existing problem of urban unemployment. On the other hand, they very often added problems -- like growing urban poverty, expanding urban slums, and increasing urban crime to the urban sector .. Massive numbers of young graduates of the rural areas have turned to the modern sectors with high expectations. However, they are often disappointed and have to join the queue of the educated unemployed. The massive unemployment among the urban youth has often led to uncontrolled social and political problems. The educated unemployed have become politically dangerous when the sense of being wronged, produced by the apparent refusal to honour the right to a job persisted. Political unrest and student revolts, such as the 'revolt of youth' in Sri Lanka in April 1971, seemed more likely to happen (Dore,1976:7). It is a human tragedy and is an economic waste when the best of the rural youth are channelled into urban crimes, unemployment and underemployment (Simmons,1980:14). Though hard questions have begun to be asked concerning the increasing investment in schooling, the reduction of the rate of educational investment seems impossible. Objections not only would come from the masses, but also from the outspoken middle-class parents. Going against the popular demands of the masses and especially of the middle-class is economically and politically unaffordable for most of the national leaders in many of the Third World countries (Simmons,1974:19).

2.2.4. Unanticipated Educational Problems.

a. Educational inefficiency.

It is true that the expansion of the educational systems in most of the Third World countries has narrowed the gap between those 6-11 year olds attending schools and those not attending. Education is now also being provided in many regions which were previously unserved by schools. However, the expansion of the conventional educational system has been ineffective in solving the educational problems in most of the Third World countries. Universal primary education (UPE) remains unattained in many Third World countries; the number of illiterates has increased rather than decreased; and educational wastage, with high drop-out rates and the large number of repeaters, is very serious in most of the Third World countries [9].

b. Diploma disease and anti-educational education.

Furthermore, Dore argued that the education provided in the expanding systems in the Third World was, in fact, anti-educational. The expanding educational systems were imported replications of those in the industrially developed countries. They were too academic and overly theoretical. The curricula and programs were irrelevant to the developmental needs of the largely agrarian societies of the Third World. In these systems, the objective of learning has been replaced by the acquisition of certificates. In this kind of education, the argument that 'surely the more education the better' seems hard to accept. It seems that the claim of the human capital

theorists that 'investment in education increases labor productivity' also needs to be re-examined. Most of the graduates, whether being employed or not, argued Dore, have not been educated. They were the victims of a system of schooling without education. The major focus of learning in the 'qualification-oriented' schooling is not to learn and master knowledge but to gain knowledge for the once-and-for all purpose of reproducing it in an examination. Therefore, learning and reproducing is all just a means to an end -- getting a certificate which is a passport to a coveted job, a status, and incomes. The 'diploma disease', therefore, not only has altered the objective of schooling from learning to an acquisition of certificates, distorted the classroom learning to the preparation for examinations, but also produced 'schooled' graduates instead of 'educated' persons ready to fulfill the roles in the development of their countries (Dore,1977: ch.1).

c. Institutionalized and sponsored educational inequalities.

It seems that social inequality has been maintained and legitimized through the expanding educational services in many Third World countries. The expanded educational systems, in these countries, not only have failed to ensure mass participation, but have practised discrimination in their process of selection, promotion and future determination of careers. These inequalities are aggravated by the institutionalized inbalance in the provision of educational services, both quantitatively and qualitatively, to different geographic areas and income groups. The educational

systems in most of the Third World countries are 'sponsored-systems' which show an elitist bias favoring urban upper- or middle-income groups at the expense of the rural and urban poor (Williamson,1979:21).

Williamson contends that there exists an imbalanced provision of educational services in the rural and urban regions in most of the Third World countries. He points out that the poorer the society, the poorer the system of rural education, and the greater the discrepancy between rural and urban areas. He also refers to this situation as, what Pearse(1973) has called, the problem of 'institutional appropriation'. The educational institutions which have been already established in urban areas tend to consume additional educational resources and thereby deprive rural areas of any real share in the growth of educational investment (Williamson,1979:17). The rural areas can be described as the semi-arid educational deserts. The rural school systems are usually thinly spread with primary schools and with few, if any, secondary schools above them. Rural schools usually have an insufficient supply of textbooks and other educational materials and equipment. They also have a disportionately higher share of untrained and unqualified teachers. Universities and other higher institutions, even agricultural colleges are concentrated in cities. Therefore, the chances of an equally bright and motivated rural child of either sex, in getting an equivalent quality of education to that of an urban child is low.

The chance for an urban youngster to climb the academic ladder is much better than the equally able rural counterpart. Not counting the better socio-economic backgrounds they usually have, the structure of the educational system is often constructed to benefit them more. Primary schools are much more abundant, better equipped and better staffed. New secondary and post-secondary schools are concentrated in the cities. Curriculum is more in line with the rapidly modernizing urban environment, where reading and writing in a colonial language and the sophisticated computational skills usually play a much larger role in both their daily lives and in school (Coombs,1985:17).

Moreover, after over two decades of educational sxpansion, it is found that education benefited most those whose parents had already had advantages. Sponsored by the 'cultural capital' [10], children from the higher-income families usually enjoy a better chance to access and promotion within the educational system. This is seen in the socio-economic profile of the dropouts, repeaters and successful students, and in the fact that the middle and upper income groups are over-represented in higher education (Williamson, 1979:21). It seems that schooling instead of narrowing the socio-economic disparities between the rich and the poor, has helped in reproducing and legitimizing the achievement and success of the rich. Those from the poor families were then made to accept their failures and expect their low positions in society (Simmons,1980:42).

In summary, it is portrayed in the conventional records, that the initial claims and convictions, upheld for the educational expansion for the Third World national development, were unattained. Educational expansion has not necessarily brought prosperity to the people or the countries; instead it has left the former without jobs and the latter with increasingly burdensome claims on public funds. Furthermore, educational expansion has not only failed to achieve greater social equity but in many cases it has contributed to a reproduction and a consolidation of inequalities which were already existing in a given society (Weiler,1978:179).

Dashed hopes breed second thoughts. Disillusion- ment has seriouly eroded the previous confidence in education and has invited a re-examination of the initial conceptual bases of the now faded optimism. Debates and reappraisals concerning the initial thought and that brought about by the educational explosion have been dominating the theoretical arena since the 1970s. The next section is a section devoted to a review and discussion of the arguments in this debate.

2.3. Educational Expansion For National Development: The Theoretical Debate.

Towards the end of the 1960s, the human capital theory had been very much discredited due to the unattainment of accelerated economic growth and greater social equality in the Third World countries. Critical comments about the rubric of human capital theory and its applications in educational planning were predominant at that time. Rethinking concerning the underlying assumptions and the rationales

of the analytical framework of the theory were brought to the fore. Another school of thought, namely the conflict theory of education, emerged to present an alternative explanation of the relationship between formal education and national development. In the following, an attempt is made to analyze and discuss the major differences between these two theories on two major issues of national development. The two issues concerned are: (i) the role of educational expansion in economic expansion; and (ii) the relationship between educational expansion and social inequalities. The discussion in this section will be structured in the following order: (i) an analysis of the underlying assumptions and rationales of the human capital theory; (ii) a summary of the arguments of the conflict theory of education; (iii) the debate on the role of educational expansion in economic development; and (iv) the debate on the relationship of educational expansion with social inequalities.

2.3.1. Human capital theory: an analysis.

a. <u>The human capital chain.</u>

Blaug contends that underlying the human capital theory are several preconceptions which form themselves into a 'human capital chain' (see figure 2.1). In this chain, schooling is linked to productivity and productivity to earnings (Sobel,1978;66). Through schooling, it is viewed, productivity of individual workers would be improved, and thus their earnings would be raised and, these worker would collectively form a technically productive workforce that would enhance the national economic growth. Therefore, the economic values

of education, it is asserted, benefit the individuals with raised earnings and the country with national economic growth as measured by increased national income. It is also presumed that equality of educational opportunities would automatically result from the expansion of the school system. Given an equal chance to obtain education, it is argued that, the poor and the disadvantaged would be provided an opportunity and a means to social and economic mobility. And so, educational expansion, it is viewed, not only enhances national economic development, but also narrows social inequalities in the society concerned.

b. Technological-functionalism: Technical function of education and economic development.

The conceptualization of these presumptions is, in fact, based upon the notions of technological-- functionalism and technocratic-meritocracy (Fagerlind and Saha,1983;17). Karabel and Halsey contend that the human capital theory was consonant with the concepts of technological-functionalism which attracted many sociologists in the 1950s. They both share the functionalists' view of the organic structure of society; stress the role of technical-function of education in economic development; emphasize the efficient use of human resources; and support the liberal notion of equality of opportunity (Karabel and Halsey,1979:13).

According to the functionalists, society is a structural-functional system within which there are different institutions and each has its own role and function. These institutions are integrated and inter-related with each other to

provide a state of stability and equilibrium. The economic sector is one of these functional institutions, and it creates and provides a hierarchy of jobs and positions which demand different kinds of skills and knowledge. Formal education is considered as another functional institution in the society through which cognitive and technical skills needed by workers are transmitted. Therefore, the major function of education is to train and prepare members of the society to fit into the positions in the other social institutions, especially the economic sector.

It is argued that fundamental changes in the occupational structure in industrialized countries have inevitably resulted from the rapid technological advancement since the end of World War II. For instance, increasing differentiation, specialization, and hierarchization of the labor force have taken place during the last forty of so years. Industrial innovations have also led to a demand for a tremendous upgrading of the labor force. There were increases in the number of jobs requiring more knowledge and skills; great expansion of white collar occupations; and increases in the number of technical and professional jobs. Therefore, it resulted in a consequential demand from the economic sector for an increase in the cognitive and technical skills of the labor force. Rising educational qualifications required for most occupations are seen as essential for modern industrialization. Therefore, expansion of the educational system, especially at the tertiary level was seen as 'functionally' necessary to provide workers with knowledge and skills required for job adequacy in a rapidly expanding and changing economy.(El-Nahhas, 1981:121-123).

The technological-functionalism had great impact on the designation of national developmental strategies in the Third World countries. Assumming technological advancement and industrial innovations are the only means to economic development, technological- functionalism envisages all societies to progressing along a unilinear developmental path. Following this logic, developmental projects with heavy injections of physical capital and advanced technology from the industrially advanced countries have been assigned crucial importance in the developmental strategies of developing societies. It is hoped to accelerate the growth of their economies, especially in the modern-industrial sector, through the importation of advanced technology and industrial innovations. Moreover, these countries have been urged to model their economic and occupational structures on those in the advanced industrialized countries. However, such formulations of the expectation of an accelerated economic growth in the less developed countries have failed to materialize. The failure has been explained as a result of the failure fully to utilize these inputs which, in turn, is seen due to the inadequacy of the labor force of these countries. Hence, expansion of the educational systems to produce more highly trained personnel and to improve the quality of the manpower in general, it is argued, is a neccessary precondition for the economic development in the Third World countries.

c. Technocratic-meritocracy: educational expansion and social equality.

The straight forward link of productivity to earnings, posited in human capital theory, rests, in turn, on the notion of modern society as technocratic- meritocracy. In this link, education is assigned the function of an objective mechanism for a fair selection and allocation of appropriate personnel to social roles. The concepts and assumptions that this link is based upon are: the functionalist theory of social stratification, free and open competitive labor markets, and the notion of meritocracy. The human capital theorists and the structural-functionalists assert that the relationship between education, occupation, and labor income is a very strong and positive one.

The functional theory of stratification posits a purely theoretical explanation of why some workers receive a higher labor income than others. In all societies, argue the functionalists, there are some positions which are functionally more important than others, and societies have to develop a system of rewards to induce individuals to fill these positions. These rewards are distributed differentially according to the functional value of the position, and the scarcity of talented and/or trained personnel. Therefore, social inequality, in the functionalists' view, is universally necessary. The resulting social stratification in modern societies is functional and inevitable.(El-Nahhas,1981:127-128).

Labor income, in fact, argued the functionalists, is a function of the scarcity of personnel to fill functionally important positions and of the length of time of education and training required for

these positions. The relative amount of economic rewards are subject to the laws of supply and demand in the labor market. The labor market, where the matching of labor demand and labor supply occur, according to the functionalists, is competitive, with adequate mobility and sufficient labor-market information.

The driving force of the labor market is the wage competition. Wage laborers come into the labor market with a pre-existing set of skills and knowledge, which are supposed to be obtained largely from formal education. With these pre-existing marketable skills, they compete with each other on the basis of wages. Educational qualifications, in that way, are seen as an objective and impartial means to define one's marketable productivity. Hence, one's labor earnings are a function of one's occupation, and one's occupation is a function of one's educational attainment (Thurow,1972:325). In this way, one's level of earnings is linked with one's marketable productivity, and one's marketable productivity is positively related to one's schooling.

According to the technocratic-meritocratic ideology, expansion of educational opportunities is technically efficient and meritocratically sound. Social and occupational status, in the meritocratic view , should be achieved on the basis of achieved but not ascribed characteristics. Upward or downward mobility should be the function of one's innate ability and efforts, rather than of birth into a particular status and class. Regardless of class or region, one should be given the equal opportunity to develop one's innate talents to the fullest. Therefore, an elitist educational system, which does not provide equal educational opportunity for all

groups in the society, is seen as the major reason for wastage of talent and the gross inequalities in society. On the other hand, a meritocratic system with guaranteed equality of educational opportunity is deemed necessary to eliminate gross inequality and wastage of talent. Expansion of the school system is upheld as a means to provide equal opportunity to everyone to develop his/her talent. Given an equal chance in education, those who obtain better results and attain higher levels of education demonstrate their greater ability and motivation. They also, the argument goes on, prove themselves as fit to fill the more technically demanding and functionally important roles in the societal hierarchy.(El-Nahhas,1981:132-134). Hence, the function of education is not only to improve one's productivity, but also to provide a channel for contest mobility to everyone in the meritocratic society . Through such a contest system the 'appropriate persons' are selected to the social roles and they are rewarded proportionately. In this way, both social justice and efficiency would then be attained. Wastage of talent and gross social inequality would be eliminated.

2.3.2. The conflict theory of education: an alternative explanation.

Unlike the functionalists, the conflict theorists contend that society is composed of different classes or status groups. Instead of co-operating functionally together, they engage in a constant struggle and conflict for their own interests. Those who are in power always try to preserve the status quo and reproduce the social

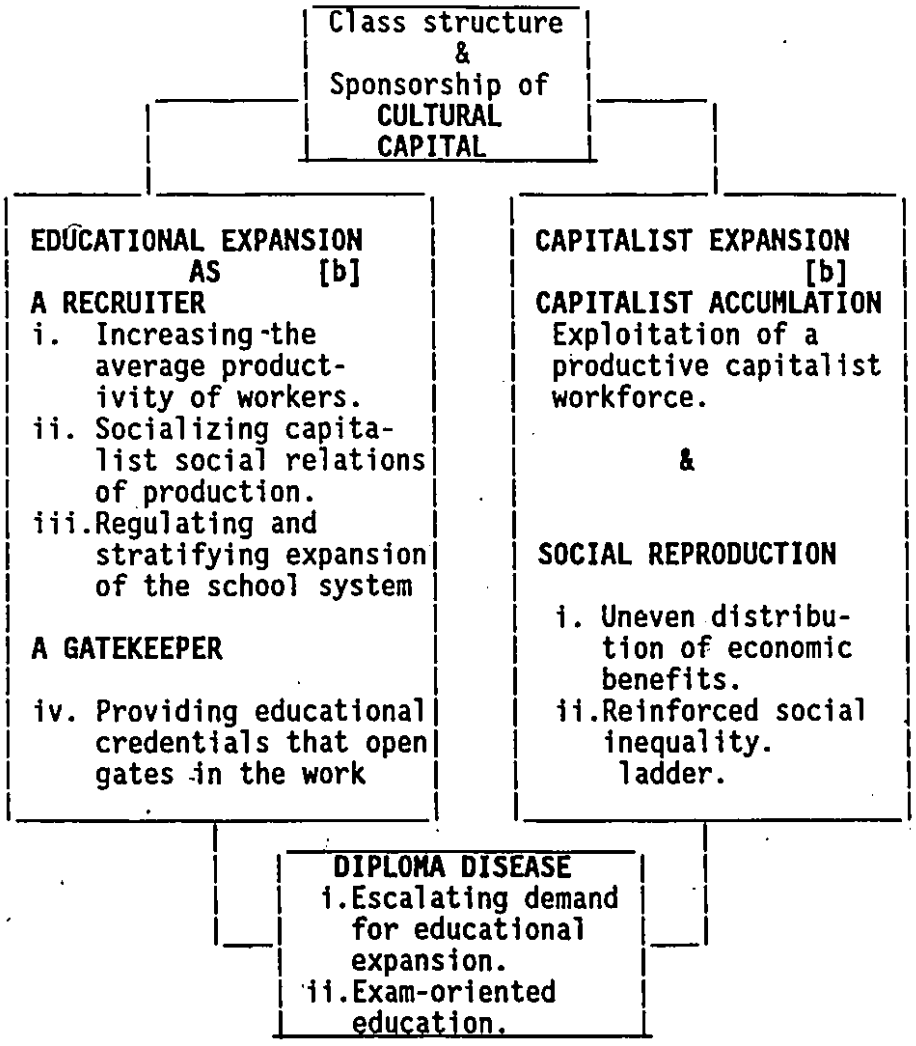
relationships so that they can transmit their privileges from one generation to another. Therefore, society is an entity of structured relations between these groups and classes which form the constitutive units of the society. The educational systems, the conflict theorists argue, are a major instrument for those in power to secure their domination and to legitimize their imposition of social reproduction.

Samuel Bowles (1980), in his article "Education, class conflict, and uneven development" [11], has dealt specifically, from the point of view of the conflict school, with the role and effect of education in national development in the capitalist Third World countries. His view has provided an alternative explanation that challenges the human capital theory. He contends that educational expansion in the capitalist Third World countries is not geared to the maximizing of the rate of economic growth nor to the narrowing of soical inequalities in the societies concerned. However, the major role of the expanding educational system was to stablize the contradictions in the process of capitalist accumulations and social reproduction. His arguments are summarized and discussed in the following (see paragraphs a to c and figure 2.2).

a. <u>The role of the state and capitalist expansion.</u>

Firstly, he contends that the role of the state in capitalist society is to reproduce the social relations which define the position of the capitalist class and other dominant groups of the society. On the one hand, the structure of the state and state

Figure 2.2. A Summary of the Conflict model on Educational Expansion for National Development in Capitalist Third World Countries [a].



Source: Drawn by Sau-Ha Wong.

Notes: a. This summary is based on Bowles arguments reviewed in this chapter; Dore's observations on the consequential phenomenon of the diploma disease resulting from the Third World post-war educational expansion; and Bourdieu's assertions on the effects of cultural capital on educational equality. For details of the summary, please refer to the discussion in section 2.3.3.

b. The summary of Bowles' agruments.

policies are severely limited by the prevailing economic and class structures; on the other hand, the state influences the economic structure by increasing the power and incomes of the politically powerful groups. The educational system is one main instrument of the state, not only to produce labor power for the production process, but also to reproduce and transform the social relations. Hence, the function of schools in embodying skills and knowledge to individuals represents only one minor aspect of the educational process. However, the more crucial relationship between schooling and the economy is the impact of educational structure on the social relations of production -- i.e. the configuration of property and power in the labor process. In other words, an educational system is the major instrument of the state for social reproduction in the process of capitalist expansion.

Secondly, Bowles argues that in the process of capitalist expansion, contradictions occur between the processes of accumulation and reproduction. On the one hand, capitalist profits depend on a productive capitalist labor force in which the qualities, like time-consciousness, discipline, respect for authority, and a capacity to adjust to detailed supervision in highly routine and fragmented tasks, are required. On the other hand, capitalists' profits depend on their power over workers. However, it becomes increasingly difficult to thwart consciousness and militant political activity among workers in the process of rapid capitalist expansion. Inequality of wealth becomes more apparent, and is less easily justified and less readily accepted.

b. Educational expansion as a recruiter.

The school system, Bowles asserts, serves as both a recruiter and as a gatekeeper, and thus it attains its role in stablizing capitalist development and expansion in the society. Bowles identifies three ways in which the school system functions as a recruiter in capitalist society. He contends that schooling (i) increases the productivity of workers; (ii) socializes students with the ideologies of the capitalist social relations of production; and (iii) incorporates capitalist class structure into the school system.

Contrary to the human capital proponents, Bowles asserts that the function of education in developing the technical and scientific skills, necessary for efficient production, is not the only way to improve the productivity of workers. Furthermore, few of the academic skills learned, he argues, are directly transferable to the capitalist workplace. However, Bowles does not deny the importance of this learned knowledge and skills; especially basic scientific knowledge, communication skills, and mathematical abilities, are essential to competence in some occupations and for effective on-the-job learning of many directly productive skills. And yet, another important function of education in increasing productivity of workers is to transmit the values, expectations, beliefs, types of information, and modes of behavior required in the capitalist workplace.

There is a correspondence between the structure and social organization of the school system, Bowles argues, with those in the process of capitalist production. The social relationships in the

school are hierarchical and competitive as that in the capitalist workplace; students and their parents are denied control of the educational process as in the fragmented factory production process; success is measured by external standards -- grades and examinations in schooling and wages in the workplace; and these external standards become the main motivations for learning and working. Through these hidden curricula, students are socialized with the required values, discipline and attitudes for the capitalist production.

The structure of schooling, Bowles contends, is so patterned that it incorporates a capitalist class structure. The hierarchical division of labor in a capitalist system of production requires a relatively small group of future technical and managerial personnel for whom the capacity to calculate, decide, and rule has to be developed; while a large group needs to 'learn' to follow instructions accurately. Therefore, in order to recruit the right number and the 'right' persons to this hierarchy, a stratified amount and type of schooling available to different children is employed. By regulating the quantitative growth of the school system according to the expansion needs of the capitalist mode of production, the capitalist class structure is incorporated into the expanding school system.

There is also an international dimension of the correspondence principle described by Bowles. The international division of labor results in a global class structure dominated at the top by foreign management and technical personnel (often located in New York and Tokyo), and a corresponding underdevelopment of employment demand for indigenous college graduates may be anticipated [10].

c. Educational expansion as a gatekeeper.

Bowles asserts that schooling also functions as a gatekeeper. The widespread ideological emphasis on education as the road to success leads to popular demand for rapid educational expansion. The rapid educational expansion may often exceed the rate appropriate to the employment needs of the capitalist mode of production. The over expansion of educational provision would cause increasing fiscal costs that would lead to a rising tax burden to the capitalists. Social problems, like unemployment, especially the growth of a large number of frustrated unemployed but educated urban workers would result. Furthermore, there is also the possibility that this would result in the development of a consciousness of workers concerning the uneven capitalist distribution of economic advantages. Therefore, in order to continue to contribute to the capitalist growth process, by producing a productive capitalist workforce, the school system has to act as a gatekeeper as well. Bowles asserts that the use of school credentials as job requirements serves this purpose well. It is because school credentials provide an apparently objective means for keeping a certain number of people out, even though 'learning' in schools may not be directly significant to job performance. Therfore, school credentials as job requirements are used as an objective means to legitimize the process of 'gatekeeping', i.e. of selection and exclusion, in the capitalist structure of production.

2.3.3. Educational Expansion And Economic Growth: The Debate.

a. Technical-function theory of education and productivity:

The major deficiencies of the human capital theory, contended Blaug, lay in the underlying preconceptions of the human capital chain. He argues that the apparent correlation between education and earnings is the result of an inadequately specified model. He first attacks the schooling-productivity link. The adequacy of the technical function of education as a transmitter of cognitive skills and knowledge, essential for adequacy in job performance, is unexplained (Sobel,1978:66). This criticism is echoed by Karabel and Halsey, who assert that the 'input-output model' of human capital theory has never offered insight into what is going on in the 'black-box' of education that would explain its correlation with productivity.(Karabel and Halsey,1979:16).

On the other hand, schooling could have the same effect upon an individual's earnings, as postulated by the human capital theorists, either because it is instrumental in transmitting some other background variables -- such as family background; or because it masks an intervening variable other than productivity (Sobel,1978:66). Furthermore, Blaug argues, the contention of the human capital theorists that an expansion of education would raise individual earnings has only proven that additional education raises earning power but has not demonstrated that it does so by making people more productive of goods and services (Blaug,1970:61).

Blaug observes that it is true that much work has been devoted by human capital theorists to measuring and proving the link between educational expansion and national earnings. In this perspective, international comparisons of national income, linking its rate of growth and various indicators of the expansion of education have been made. However, after a detailed review and analysis of the most important literature and studies in this field of investigation, Blaug concludes that the 'causal' relationship between educational expansion and national earnings is still hard to define. Are nations rich because their citizens are better educated or are the people better educated because they are rich? Blaug remarks that there is no simple answer to this question. It all depends on time, place and circumstances in which these variables are related. He contends that no universal relationships can be laid down between education of workers and the output of the productive process in which they participate (Blaug,1970: ch.3).

b. Technical-functionalism and economic development.

Technological-functionalism is also criticized for viewing all societies as progressing along a unilinear path of development.(El-Nahhas,1981:123). Development in the Third World countries, under the notions of technological- functionalism and the related GNP-centered strategy of development, is seen to be contingent on the technological advancement and the changes in occupational structure which parallel those of the industrially advanced countries. The acquisition and utilization of technological and industrial innovations, for the expansion of the modern sector,

are seen as the only means for economic development. However, the adoption of this path of development in most of the largely agrarian Third World economies has proved not only unsuccessful but has caused instead additional problems to the societies. The expansion of the educational programs, which are geared to provide the technical knowledge and skills for the GNP-centered development, has proved, by and large, irrelevant to the countries' needs.

c. Diploma disease: educational expansion and anti-educational schooling.

Dore (1976) contends that the expansion of the educational systems in the Third World countries, contrary to the viewpoint of the technological- functionalists, is driven not by the economic expansion but by social demand. In his book Diploma Disease, he has presented a thorough analysis of the nature and determinations of the expansion of the educational systems in the Third World countries (see also section 2.2.5). Dore describes the escalated demand for access to more education as a result of social and political pressures. As a consequence a 'diploma disease' permeates the social and educational systems in most of the Third World countries. He further argues that the linear expansion of the former colonial systems of education is all that has occurred in most of the Third World countries. This expansion, he argues, has proven largely irrelevant to the developmental needs of these countries. The expanded educational investment has helped little in producing the manpower ready and willing to contribute to the national development in these countries. And so, the diploma disease afflicting the

educational expansion in most Third World has demonstrated such expansion to be an ineffective strategy for national development.

2.3.4. Educational Expansion And Social Equality: The Debate.

a. An attack on the contest system.

The assumed link of productivity and earnings, as asserted in the human capital chain, has thus been seriously questioned. Furthermore, the conflict theorists also disagree with the functionalists on the meritocratic functions of education. They contend that even though expanded educational opportunities have been available to more people, inequality in the access to and treatment in the schools has been operating throughout the schooling years. Structural discriminations, in the form of regions and class disparities, exist in the educational system.

b. Cultural capital and sponsored mobility.

Bourdieu contends that school structures serve the latent function of reproducing inequalities. Though schools offer formally equal treatment to all, it is not a closed system. The school inputs -- the students -- are from different social and family backgrounds. They differ in cultural capital and ethos. However, it treats students as if they were socially equal. Children from lower social classes, lacking school- appropriate cultural capital, have less chance of succeeding in school. Therefore, by treating socially conditioned capacities as if they were differences in native ability,

asserted Bourdieu, ascribed inequalities are legitimated through schooling. The lower social classes are convinced by the school that they are responsible for their own destiny. The elite are allowed to justify themselves as superior individuals. Therefore, schooling functions as a means of reproduction of ascribed inequalities from generation to generation (Murphy,1979:25).

Simmons and Alexander, in their review of the literature concerning school inputs and students' congitive achievement, conclude that the determinants of students' achievement appear to be basically the same in developing and developed countries. Home background, or parental socio-economic status, generally have a stronger influence on student performance at the primary and lower secondary grades. Furthermore, mobility in the school system in many of the Third World countries is closely related to one's family background (Simmons and Alexander,1980).

Therefore, expansion of the educational system intended to equalize educational opportunity can have little meaning when educational achievement is sponsored by one's family background. Mobility in the social and economic hierarchy is of a sponsored, rather than, a contest pattern. The sponsored system has further safeguarded the function of education in social reproduction, even though the expanded educational system has provided more chances for an education to more people in any society. But the underprivileged and the lower classes continue to be highly under- represented in the educational systems of even the advanced capitalist societies.

2.4. Educational Expansion For Third World Development:The Debate And Emergence Of The NICs.

The lack of attainment of the accelerated economic growth and the failure in the narrowing of social disparities in the Third World countries, after these years of educational expansion, have discredited the human capital theory. The conflict theory of education presented an alternative explanation of the role of educational expansion in the Third World development. Unattainment of the two claims anticipated in the human capital theory is basically explained by the notion that the primary function of the educational system, in a capitalist society, is not so much to directly contribute to national economic development nor to equalize social disparities. Instead, it is geared to social reproduction and, therefore, uneven development and social inequality are the result. In the light of this explanation, the disillusionment which has resulted in the last fifteen years or so concerning the role of educational expansion in the Third World countries becomes understandable.

The arguments of the conflict theory on the relationship of the educational system and capitalist development is summarized in figure 2.2. Social reproduction, contended in the conflict theory of education, is the major function of the educational system in a capitalist society. It is achieved through its functions as a recruiter and as a gatekeeper. There are several ways in which the educational system operates as a recruiter and a gatekeeper: (i) by increasing average labor productivity; (ii) by socializing students with the ideologies required in capitalist relations of production;

(iii) by regulating and stratifying the growth of the school system; and (iv) by providing educational credentials to the school leavers. In so doing, the structure and the content of the schooling are made to correspond to the structure and demands of the social hierarchy of the capitalist society. The contradictions between capitalist accumulation and social reproduction are stabilized. However, the process of social reproduction generates and reinforces an uneven development in the capitalist society. As struggles between classes for the educational credentials are continued and intensified, the phenomenon of a 'diploma disease' develops. The diploma disease, in turn, leads to an escalated expansion of a qualification-oriented school system. The function of social reproduction, in the expanding educational system, is further buttressed by the existing system of cultural capital sponsorship embedded in the class structure. Therefore, educational expansion fails to result in an open and autonomous process of social mobility, but reinforces the existing sponsored mobility. Social reproduction is, thus, justified; capitalist expansion is enhanced; and uneven development and social inequality are the end-results of the expansion of the educational system.

However, not all the Third World countries are as 'underdeveloped'. Hoogvelt contends that there has been a differentiation in the experience of economic development in the Third World during the last two decades (Hoogvelt,1982:ch.1). A small group of Third World countries, though their number is small, has been performing outstandingly and consistently in their economic growth. Some of them have also experienced extraordinary social

transformations. They form a new category of countries in the Third World -- the newly industrializing countries (NICs). Their emergence and their outstanding development have inched into the developmental literature. Explanations of their development have been explored from different developmental points of views [12] . However, most of these explanations have stemmed from the economistic developmental theories. In this study, an attempt is made to examine the phenomenon of the NICs' development from another perspective. This study examines (i) Whether or not educational expansion has contributed to the development of the NICs? (ii) What really is the role of educational expansion in the NICs' development? (iii) Which theory -- the human capital theory or the conflict theory of education -- explains better the relationship between educational expansion and the NICs' development? (iv) Should educational expansion still be considered as an effective strategy for national development in all, or in some, Third World countries? In order to answer these questions, the following research problems will be examined:

1. What is the NICs' development? Is it the kind of development anticipated in the human capital theory?
2. Have the NICs experienced the same kind of educational expansion as the other Third World countries had? Is the difference in development a result of the difference in educational experiences or not?
3. What specifically is the relationship between educational expansion and economic development in the NICs?
4. What specifically is the relationship between educational expansion and social equality, or inequality, in the NICs?

These questions will be examined, one by one, in the following chapters. A generalized discussion on the NICs, as a group, will be presented in order to address the first two questions. The generalized discussion will be followed by a detailed case-study of a particular NIC -- Hong Kong. Though all the four prceeding questions will be examined in the case-study, emphasis will be placed on the latter two. The arguments of the two theories of education, presented in this chapter, will be used as basic guide-lines for the examination of the relationship of the educational expansion with the economic development and the social inequalities in this study. In the next chapter the first question will be examined in detail.

NOTES FOR CHAPTER II

1. Literature on the human capital theory and the significance of investment in education and human capital formation are plentiful. A comprehensive review of the literature and a detailed discussion on the human capital theory can be found in El-Nahhas, S.M.(1981). Education as capital: a critique. (Edmonton, Alberta: M.Ed. unpublished Thesis - Department of Educational Foundations, University of Alberta.)

2. In fact, this view of education for greater equity also dominated thinking at Unesco in the early 1960s. Regional conferences were held by Unesco in Karachi, Santiago and Addis Ababa, during the early 1960s. They discussed this issue and set the target dates for the provision of UPE for the countries in these regions.

3. Readers can refer to chapter three, particularly section 3.2, for a detailed and up-dated evaluation of the records of under-development in most of the Third World countries. The discussion here is only a brief review of the conventionally accepted view of the un- and under-developed situation of the Third World, highlighting the important characteristics of the unfulfilled developmental changes, up to the early 1970s, and subsequently educational expansion in the earlier decades. As discussed in chapter three, the conventionally accepted views of un- and under-development of the Third World are only a partial picture of the Third World development. The emergence of the NICs challenges this notion of un- and under-development in the Third World.

4. According to the ODC 1977, total Third World population was 2,087 million. Therefore, 770 millions of absolute poor makes up 37 per cent of the total population.

5. To add a further clarification to Toh's data and to the discussion here, it should be noted that the rate of economic growth in developing countries at this period was not disappointing. However, when corrected for population increases in these countries, the GNP per capita rose relatively slowly. Therefore, the economic gap between the Third World and the more developed countries was increasing. The economic gaps between the poor and the others, in both the rural and urban areas, in the less developed countries was increasing as well.

6. Education in most ex-colonial countries did provide an opportunity for social mobility, but that did not continue for long. Therefore, generally children from the privileged classes had benefited relatively more from the expanding educational system than those from the less privileged classess.

7. The emphasis on the import-substitution, which was attached to the GNP-centred developmental strategy, has imposed an unnecessary deficit in the foreign exchange available to the Third World countries. Under this situation of financial difficulties, the expanding educational expenditures in these countries continued to take up a large share of the national budget and added a burden to the countries' limited financial resources.

8. The problem of educated unemployment was also closely related to the development strategies employed in these countries. With an increasingly mechanized modern sector and the emergence or expansion of agricultural business, the absorptive capacity of the economic sector was comparatively lower than the productivity of the expanding educational systems in these countries.

9. These features of internal inefficiency of the educational system will be discussed with statistical data in chapter 4.

10. 'Cultural capital' basically refers to the family's financial resources, parents' educational level, better home environment, educational aspirations as inspired by parents, etc. Detailed discussion of these features will be presented in the next section.

11. Studies on the conflict theory of education are plentiful. Samuel Bowles' point of view, presented in this article, adequately represents those of the others. Furthermore, in his study, he has directly related educational expansion to the national development in the capitalist Third World countries -- a category of countries that the NICs belong to. Therefore, his views are chosen as an appropriate framework of discussion in this study.

12. A review of these explanations will be presented in chapter seven.

III. NICs' 'DEVELOPMENT' AND THIRD WORLD DEVELOPMENT.

Introduction

Since the mid-1960s, there emerged a group of countries -- the Newly Industrializing Countries (NICs) -- in which the level of growth performance in industrialization and overseas marketing has been extraordinary. In the case of smaller NICs, it is even argued that, their societies have been transformed within a short time and much of their poverty has been overcome (NPA,1981:3). Their growth and development 'miracles' are often upheld by official governmental and international circles as examples for emulation, and heralded in the business and popular press. Their success has been looked upon as an attractive model of development in the Third World. In fact, some of the other developing countries have already actively engaged in following the NICs' pattern of growth. It seems that the emergence of the NICs has marked the beginning of successful growth in the Third World and their experience has generated a new optimism for development in the less developed parts of the world within the existing global economic order.

However, this proposition has not been universally accepted; in fact many have doubted that the nature of the NICs' economic growth and the suitability of their model of development is good for the rest of the underdeveloped world. It is intended in this chapter to review, discuss, and assess the economic growth of the NICs; to compare their experiences in national development with those in the other Third World countries. In the discussion of the NICs'

'development' two, basic questions will be asked: (i) Are the NICs more 'developed' than the other Third World countries? (ii) To what extent has their economic success affected the other aspects of development in their societies? To answer these questions the discussion below will be structured in the following order: (i) the successful economic performance of the NICs will be reviewed; (ii) the challenges of the NICs' economic growth to the Third World un- and/or underdevelopment will be discussed; and (iii) the level of development of the NICs will be assessed.

3.1. The Emergence Of The NICs And The Differentiation In The Third World Countries.

3.1.1. NICs: the countries.

Since the early 1960s [1], a small group of Third World nations has emerged as significant exporters of manufactures in the world markets. These nations were named the "Newly Industrializing Countries (NICs)." The emergence of the NICs has received much attention in the development literature, and has met with radically different interpretations (Barone,1983; Barret,1982; Bienefeld,1981; Browett,1985; Caporaso,1981; Frank,1982; Hoogvelt,1982; Landsberg,1979; OECD,1979; National Planning Association, 1981)[2].

There is still no universally accepted definition of the criteria for the classification of a NIC, and therefore no agreement on which countries should be included in the group. Eleven countries are included in the NICs' group in the latest OECD classification of countries in the world. The eleven NICs are: South Korea, Taiwan, Hong Kong, Singapore -- the so-called 'Gang of Four' in East Asia;

Argentina, Brazil, Mexico in Latin America; and Greece, Portugal, Spain and Yugoslavia in Europe (OECD,1979:47; Todaro,1985:23).

The NICs form a highly heterogeneous group in respect of their major characteristics (Table 3.1). Their populations range from over 2.5 million (Singapore) to 126.8 million (Brazil); their area ranges from one thousand square kilometers (Hong Kong and Singapore) to 8.5 million square kilometers (Brazil); extensive mineral and agricultural endowments (Brazil, Mexico) contrasts markedly with limited natural resource wealth (Hong Kong, Singapore, Korea and Taiwan); the shares of agriculture, industry, services in the economy vary considerably; GNP per capita of the richest NICs (Singapore with US$ 5,910 per capita in 1982) is three times that of the poorest (Korea with US$ 910 per capita in 1982) (OECD,1979:47).

Among these eleven NICs, there is a significant dichotomy. One group is comparatively small in area, resource- and land- poor, and densely populated. It includes South Korea, Taiwan, Hong Kong and Singapore -- the East Asian NICs. Geographically they form a separate group located at the rim of the Pacific basin [3]. Culturally, they stem from the same larger cultural area which has been greatly influenced by the ancient Chinese traditions. Three of them are inhabited by ethnic Chinese and the fourth case, that is, in South Korea the population is of a closely related culture (NPA,1981:11). Economically, their development in export industries has been very intensive, and is being undertaken purposefully as a means of economic survival. They have also made the most spectacular advances in economic growth, among all NICs, inspite of limited

Table 3.1: Structural Characteristics of the NICs (1982)

	(1) Population (mill.)	(2) Area (1000 sq km)	(3)[a] Population density (per/sq km)	(4) GNP per capita ($)
Hong Kong	5.2	1	5,200	5,340
Singapore	2.5	1	2,500	5,910
S.Korea	39.3	98	401	1,910
Taiwan	19.2[b]	36[c]	533	2,503[b]
Argentina	28.4	2,767	10	2,520
Brazil	126.8	8,512	15	2,240
Mexico	73.1	1,973	37	2,270
Greece	9.8	132	74	4,290
Portugal	10.1	92	110	2,450
Spain	37.9	505	75	5,430
Yugoslavia	22.6	256	88	2,800

	(5) Distribution of GNP (%)			
	Agriculture	Industry	(Manufacturing)	Services
Hong Kong[c]	2	34	n.a.	64
Singapore	1	37	26	62
S.Korea	16	39	28	45
Taiwan[c]	12	45	n.a.	43
Argentina	n.a.	n.a.	n.a.	n.a.
Brazil[c]	8	39	n.a.	53
Mexico	7	38	21	55
Greece	19	29	18	52
Portugal	12	44	35	44
Spain	6	34	22	60
Yugoslavia	13	45	32	42

Source: OECD,1979:Table 21; Todaro:1985:Table A 2.2; World Bank, World Development Report 1984. Annex tables 1 and 3.

Notes: a.Data calculated from figures in this table.
b.Data are in the year 1984, and are from Todaro (1985:Table A 2.2).
c.Data are in the year 1976, and are from OECD (1979:table 21).

natural resources. The average annual growth rates of GNP per capita between 1960-1982 were above 6.5 per cent, while those in the other NICs were less than 6.0 per cent in the same period (see Table 3.5). The other seven countries form another group. They tend to be large in population and in area, more varied in economic policies, and to have had a longer period of industrialization. In this study, discussion will be concentrated on the East Asian NICs and the latter group will be less emphasized.

3.1.2. NICs' economic growth: the Facts.[4]

Despite the diversity of the NICs, three common characteristics that distinguish them as a group of successful economic performers from the rest of the Third World nations are: (i) the rapid expansion of industrial production and the rapid penetration of the world market of manufactures; (ii) the rising share of industrial employment; and (iii) the increase in real GNP per capita relative to the AICs.

a. <u>Expansion of industrial output and growth in the share of world exports of manufactures</u>.

Table 3.2 shows the geographical distribution of world industrial production from the early 1960s to the late 1970s. The share of the NICs has increased from 6.34 per cent in 1963 to about 10.34 per cent in 1977 while all the AICs (except Japan) declined in their share, and for the other LDCs, as a group, it increased only marginally. Furthermore, since the early 1960s, the NICs' share in world exports of manufactures grew faster than their share in world

industrial output (Table 3.3). The increase of the NICs' share in world exports of manufactures rose from 3.22 per cent in 1963

Table 3.2. Geographical distribution of world industrial production [a] (%).

Countries	1963	1973	1977
United States	40.25	36.59	36.90
Japan	5.48	9.74	9.14
Germany	9.69	9.19	8.85
France	6.30	6.25	6.15
United Kingdom	6.46	4.78	4.16
Italy	3.44	3.29	3.33
Canada	3.01	3.08	3.08
All NICs	6.34	8.69	10.34
Hong Kong	0.08	0.18	n.a.
Korea	0.11	0.32	0.69
Taiwan	0.11	0.34	0.46
Singapore	0.05	0.08	0.10
Argentina	0.94	1.09	1.06
Brazil	1.57	2.10	n.a.
Mexico	1.04	1.30	1.45
Spain	0.88	1.37	1.56
Portugal	0.23	0.30	0.32
Greece	0.19	0.30	0.33
Yugoslavia	1.14	1.31	1.62
Other AICs [b]	10.99	9.83	9.29
Other LDCs	8.04	8.56	8.74
World [a]	100.00	100.00	100.00
World (1970 = 100)	66.00	121.00	129.00

Source: The growth of world industry, and Monthly Bulletin of Statistics, United Nations; IMF Statistics: Secretariat estimates; adapted from OECD,1979:Table 1.

Notes: a. Excluding the Eastern bloc.
b. All other OECD countries plus South Africa and Israel..

Table 3.3. Geographical distribution of world exports of manufactures (%)

Countries	1963	1973	1976
United States	17.24	12.58	13.55
Japan	5.98	9.92	11.38
Germany	15.53	16.98	15.81
United Kingdom	11.14	7.00	6.59
Italy	4.73	5.30	5.49
Canada	2.61	4.16	3.32
Other OECD [a]	15.65	17.63	17.71
All OECD [a]	79.87	80.83	81.26
All NICs	3.22	7.92	8.79
Hong Kong	0.76	1.05	1.15
Korea	0.05	0.78	1.20
Taiwan	0.16	1.04	1.23
Singapore	0.38	0.46	0.52
Argentina	0.01	0.21	0.17
Brazil	0.05	0.35	0.41
Mexico	0.17	0.64	0.51
Spain	0.28	0.92	1.07
Portugal	0.30	0.35	0.21
Greece	0.04	0.15	0.22
Yugoslavia	0.40	0.55	0.60
Other LDCs	2.70	2.34	1.55
Eastern Bloc	13.35	10.00	9.65
World	100.00	100.00	100.00

Source: GATT; adapted from OECD,1979:Table 2.
Note: a.Excluding OECD NICs.

to 8.79 per cent in 1976. In addition, the NICs' share in world imports also rose from 7.9 per cent in 1963 to 9.4 per cent in 1973, and declined a little bit to 9.1 per cent in 1976. These demonstrate that the NICs, since the 1960s, have successfully expanded their industrial output, and have emerged as significant competitors in the world markets of manufactures, and have established their places in the world trade markets.

b. Rising share of industrial employment.

It is argued, in the OECD 1979 study, that an expanding industrial employment is one feature of the initial stage of industrial development. Table 3.4 shows the distributional share of

Table 3.4: Distribution of Labor Force in Different Economic Sectors (%)

	(1) Agriculture		(2) Industry		(3) Services		(4) [a] Growth rate (60-80)		
	1960	1980	1960	1980	1960	1980	Ag.	In.	Ser.
Low-income Countries	77	72	9	13	14	15	-5	4	1
Middle-income Countries	62	46	15	21	23	34	-16	6	11
Oil-Exporters	62	46	13	19	25	35	-16	6	10
Industrial Countries	18	6	38	38	44	56	-12	0	12
East European Countries	42	18	30	44	28	39	-24	14	11
East Asian NICs[a]	27	13	28	42	45	46	-14	14	1
Hong Kong	8	3	52	57	40	40	-5	5	0
Singapore	8	2	23	39	69	59	-6	16	-10
S.Korea	66	34	9	29	25	37	-32	20	12
Taiwan	na	na	na	na	na	na	na	na	na
Latin American NICs [a]	42	26	24	26	34	48	-16	2	14
Argentina	20	13	36	28	44	59	-7	-8	15
Brazil	52	30	15	24	33	46	-22	9	13
Mexico	55	36	20	26	25	38	-19	6	13
European NICs [a]	51	27	25	35	24	38	-24	10	14
Greece	56	37	20	28	24	35	-19	8	11
Portugal	44	28	29	35	27	37	-16	6	10
Spain	42	14	31	40	27	46	-28	9	19
Yugoslavia	63	29	18	35	19	36	-34	17	17

Source: World Bank, World Development Report 1984. Annex Table 21.

Note: a. Figures are calculated from data collected in this table.

the labor force in different groups of countries in the world in 1960 and 1980. There has been a global or secular decrease in the agricultural share in the labor force and a corresponding increase in the industrial and in the services shares for all of the country groups. However, among all these groups, the NICs (except for the Latin American NICs) demonstrate a relatively faster rise in their industrial share in their national total employment. The East Asian NICs, had an even faster increase of 14 per cent within the two decades, and while in the OECD NICs were 10 percent. Increases in industrial employment in the capitalist industrialized countries and in the other LDCs were below 7 per cent in the same period. Though the industrial share of the total national employment in the Latin American NICs increased only 2 per cent, the share in the service sector grew by 14 per cent, and the same has happened in the OECD NICs within the two decades. These outstanding rates of increase in the service sector in these two groups of NICs are ahead of that in the industrial market economies and that in the East European countries.

c. Increase in GNP per capita.

Another feature of the NICs' successful performance in economic growth is their rapid growth in GNP per capita. Table 3.5 presents the comparison of the NICs' GNP per capita and the average annual growth rate with those in the other groups of countries in the world. The NICs as a group have experienced a more rapid average annual

growth rate of GNP per capita than all the other countries in the world (except the oil-exporters). The

Table 3.5. GNP (Gross National Production) per capita (1960-82)

	U.S. Dollars (1982)	Average annual Growth rate (%) (1960-1982)
Low-income countries	280	3.0
Middle-income countries	1,520	3.6
High-income oil-exporters	14,820	5.6
Industrial countries	11,070	3.3
East European nonmarket countries	n.a.	n.a.
All NICs [a]	3,424	5.1
East Asian NICs [a]	3,916	6.9
Hong Kong	5,340	7.0
Singapore	5,910	7.4
S.Korea	1,910	6.6
Taiwan [b]	2,503	6.6
Latin American NICs [a]	2,343	3.4
Argentina	2,520	1.6
Brazil	2,240	4.8
Mexico	2,270	3.7
European NICs [a]	3,743	4.7
Greece	4,290	5.2
Portugal	2,450	4.8
Spain	5,430	4.0
Yugoslavia	2,800	4.9

Source: World Bank, World Development Report 1984, Annex Table 1; Todaro (1985:table A.2.2.)
Notes: a. Figures are calculated from data collected in this table.
b. Data on Taiwan are from Todaro (1985:Table A2.2).

East Asian NICs have performed most outstandingly in the GNP per capita growth rate within these two decades. The average growth rate of the group is 6.9 per cent, and which is more than twice as much as that in the low-income economies and is even larger than that in the rich oil-exporters. Though their absolute GNP per capita falls

behind those of the oil-exporters and the industrial market economies, they fare well above the other countries in the less developed parts of the world. Moreover, the GNP per capita in Hong Kong, Singapore and Spain (US$ 5,340, US$ 5,910 and US$ 5,430 respectively) are either ahead of or are catching up very closely with those in the countries at the lower end of the AICs group.

In sum, these three aspects of economic growth have been advanced as evidence of the NICs' progress on the road of industrial development. It is asserted that in this intial phase of industrial development, there is usually a fast expansion of total exports with a growing share of manufactures. The rapid growth of domestic and foreign demand for industrial goods in general, and labor-intensive manufactures in particular, would lead to a sharp increase in the share of industry in total output and in total employment. Externally, their successful economic performance has enabled the NICs to enter the world markets of manufactures as significant competitors. With the significant levels of their participation in the world markets and exports, they have also taken an important role in the structural transformation of the global economy. Internally, the rapid and sustained rise in the GNP per capita seems to demonstrate a striking improvement in the national wealth.

3.1.3. NICs' economic growth and the differentiation in the Third World development.

Hoogvelt indicates that during the 1950s and the 1960s there was one common conception concerning the plight of the so-called 'developing' countries of Asia, Latin America and Africa. The

implication was that whatever forces in the global economy, be they economic, social or political, they would affect these countries more or less similarly and equally. They were, thus, conceptualized and classified under a unitary category as 'Third World'. However, there has been a diversification in the developmental experience among these countries and this diversification was intensified and was made more apparent during the second UN Development Decade (1970-80). The emergence of the NICs is a very obvious evidence of the differentiation. Recent experience has shown that not every part of the less developed world is stagnated in its development, though some, which are named low-income countries [5], have been left poorer than they were two decades before. The vastly heterogeneous middle-income countries, as a group, are improving economically but at a somewhat slower rate. Another group is the capital-surplus oil exporters, which are now richer than the developed countries as measured by their 'income per capita'. The NICs, unlike the oil exporters distinguished by their 'precious' endowment, separate themselves from the rest of the Third World by their rapid industrialization and successful economic performance (Hoogvelt,1982:1-2). The economic success of the NICs tranformed them from objects of charity to threats to the AICs. And unlike the other LDCs, they no longer are seen as poor, helpless, oppressed/backward, but as competitors for jobs and markets in the world economy (Hoogvelt,1982:26). It appears to some people that the NICs are the forerunners in the waves of Third World development.

3.2. NICs' Level Of Development: Towards An Assessment.

3.2.1. NICs' economic growth performance and economic development.

'Development' is one of those few ambiguous concepts in social and economic thought that has been used in a variety of contexts. In the late 1950s and the 1960s, the concept of 'development' was primarily the synonym of economic growth. Rostow's 'stages of economic growth', as Fagerlind and Saha contend, was the most widely known and the most influential theory in the developmental thought at that time. According to Rostow's theory, there are five linear stages of economic growth through which all societies must pass through in order to progress from underdevelopment to development. The five stages are: (i) the traditional stage; (ii) the stage of pre-conditions for economic take-off; (iii) the take-off; (iv) the drive to maturity; and (v) the stage of high mass consumption. The 'take-off' stage is the 'watershed' for growth, whereby the resistance and obstacles to growth are overcome and growth itself then becomes the normal condition.

Inherently, Rostow's economic growth theory is Western-oriented and is based on the assumption that industrialization and modernization are the prerequisits for economic growth. One of the implications of Rostow's theory for Third World developmental policies is the implementation of the GNP-centered and the trickle-down development strategies. Under these strategies of development, the 'center of developmental gravity' of the economies is oriented to the modern industrial sector; and, all other areas of development are subservient to it. It is supposed that economic

development are subservient to it. It is supposed that economic growth from this modern sector would trickle-down to all segments and sectors of the society and then development in a broad sense could be said to occur. It is also assumed that there are no alternatives to this linear path of development except stagnation (Fagerlind and Saha,1982:65)

GNP per capita and its average annual growth rate are the most commonly used indicators for the measurement of a country's economic growth performance. Despite their weaknesses, GNP per capita remains the most important single indicator of a country's ranking in the hierarchy of economies in the world, and its average annual growth rate remains the most important single measure of a country's economic performance through time (Hoogvelt,1982:16,215- 216). Furthermore, when industrialization is seen as the fundamental element of economic growth, as in the trickle-down theory, the following economic indicators are used for measuring a country's performance in economic development: (i) the increase in industrial production; (ii) the proportional distribution of the primary, secondary and tertiary sectors in the economy; (iii) the size and distribution of the labor force in different sectors (Fagerlind and Saha, 1982:74). Using these conventional indicators of development, the discussion in the preceeding section of this chapter has demonstrated how the NICs have performed very successfully, in the last twenty years, in industrialization and have developed economically. With these economic indicators, presented in section 3.1.2., and when 'development' is equated with economic growth, one

may conclude that 'development' has been realized in the NICs in the last twenty years.

3.2.2. NICs' 'development': beyond simple economics.

However, in the early 1970s, the concept of 'development' as equated to economic growth was soon found to be too narrow a definition. After over a decade of expansion of the modern-industrial sector, though most of the LDCs had attained the UN growth target of a 6 per cent GNP annual growth rate set in the first UN Decade of Development, the levels of living and the well-being of the masses of people in the Third World remained unchanged (Todaro,1977:61). A critical reexamination of this narrow view of development was spurred on by this disturbing fact. Economic growth was criticized as representing only one kind of development. Moreover, it was argued that the high level of economic growth was quite compatible with a deterioration of living conditions.

A much broader, people-oriented conception of development began to be widely accepted. In this redefined concept, the basic objective of development was to improve the quality of life of, not just some, but all people. Though economic growth was still viewed as being of fundamental importance, greater emphasis was placed on more equitable distribution. Only with this emphasis, the economists argued, could healthy economic growth be attained and sustained. This new notion rejected the old concept that economic and social development were distinct and that the former must precede the latter. Instead, it was

the low levels of the living standards which resulted from the backwardness in the Third World social and economic development. He also provides illustrative data to demonstrate their existence (Todaro,1985:28-35). In the following, an attempt shall be made to evaluate the NICs' level of social and economic development in terms of these five aspects. Todaro's data and description are used, but those concerning the NICs in general, and the East Asian NICs in particular, are identified and highlighted. Additiional data will also be provided to clarify certain discussions. These data would then be compared with those of the developed countries, and the other developing countries as reported in Todaro's account. However, one should bear in mind that since the data used are national and international aggregates, they often contain substantial errors of measurement, and in some cases are not strictly comparable due to the exchange rate variations. However, they do present at least a summary indication of relative levels of living in different nations. This generalized discussion will be supported by a detailed case-study of Hong Kong in the later chapters.

Todaro asserts that the general levels of living for the majority of the people in the Third World nations tend to be very low in relation to those in rich nations and compared to those of small elite groups within their own societies. The manifestations of these low levels of living are: (i) low level of national income and its growth rate; (ii) distributional inequality; (iii) great extent of poverty; (iv) poor health conditions; and (v) limited or no education. In the following, the general levels of living of the

people in the NICs will be evaluated by comparing them with those in the other countries of the world under these five topics.

a. Per capita national incomes and relative growth rates of national and per capita incomes.

Todaro notes that the total national product of all the nations of the world, by 1980, was more than U.S. $12,500 billion, and of which more than $9,750 billion originated in the economically developed countries while less than $2,750 billion were generated from the less developed nations. That is, 78 per cent of the world's total income is produced by less than one-fourth of the world's people. On the income side, the Third World, with almost 76 per cent of the world's population, survives on less than 27 per cent of the world's income. Table 3.6 shows the per capita national incomes in the East Asian NICs and those in the other groups of countries. The collective average per capita incomes of the developing countries in 1982 was $750 which is less than one-twelfth of the average of $9,190 of the developed countries. Todaro also contends that many of the Third World nations have experienced a slower GNP growth, such as the 1.1 per cent growth which was found in the poorest countries between 1960 and 1982. However, the breakdown of this collective Third World per capita incomes (columns 2 & 3 in table 3.6) demonstrates the diversity of the level of per capita incomes and their rate of growth among the countries within this category. It is true that the majority of the LDCs -- 28 low-income countries and 33 lower middle-income countries out of the total 99 less developed countries; are bearing up with a very low level of national incomes and slower

Table 3.6. Per Capita National Incomes in East Asian NICs and Other Country Groups [a] of the World (1960-1984)

	Population		GNP Per Capita	
	(1) (mid-84) (mill.)	(2)[b] of world (%)	(3) 1982 ($)	(4) Growth rate (60-82) (%)
Developing Countries	3,596.0	75.5	750[c]	2.8[c]
(of which: all NICs)	392.0	8.2	3,424	5.1
Low-income Countries			280	3.0
Middle-income Countries			1,520	3.6
Oil exporters			14,820	5.6
Developed Countries	1,166.0	24.5	9,190[c]	2.6[c]
World	4,762.0	100.0	2,800[c]	2.6[c]
East Asian NICs	69.0	1.5	3,915	6.9
Hong Kong	5.4	--	5,340	7.0
Singapore	2.5	--	5,910	7.4
S.Korea	42.5	--	1,910	6.6
Taiwan[c]	19.2	--	2,503	6.6

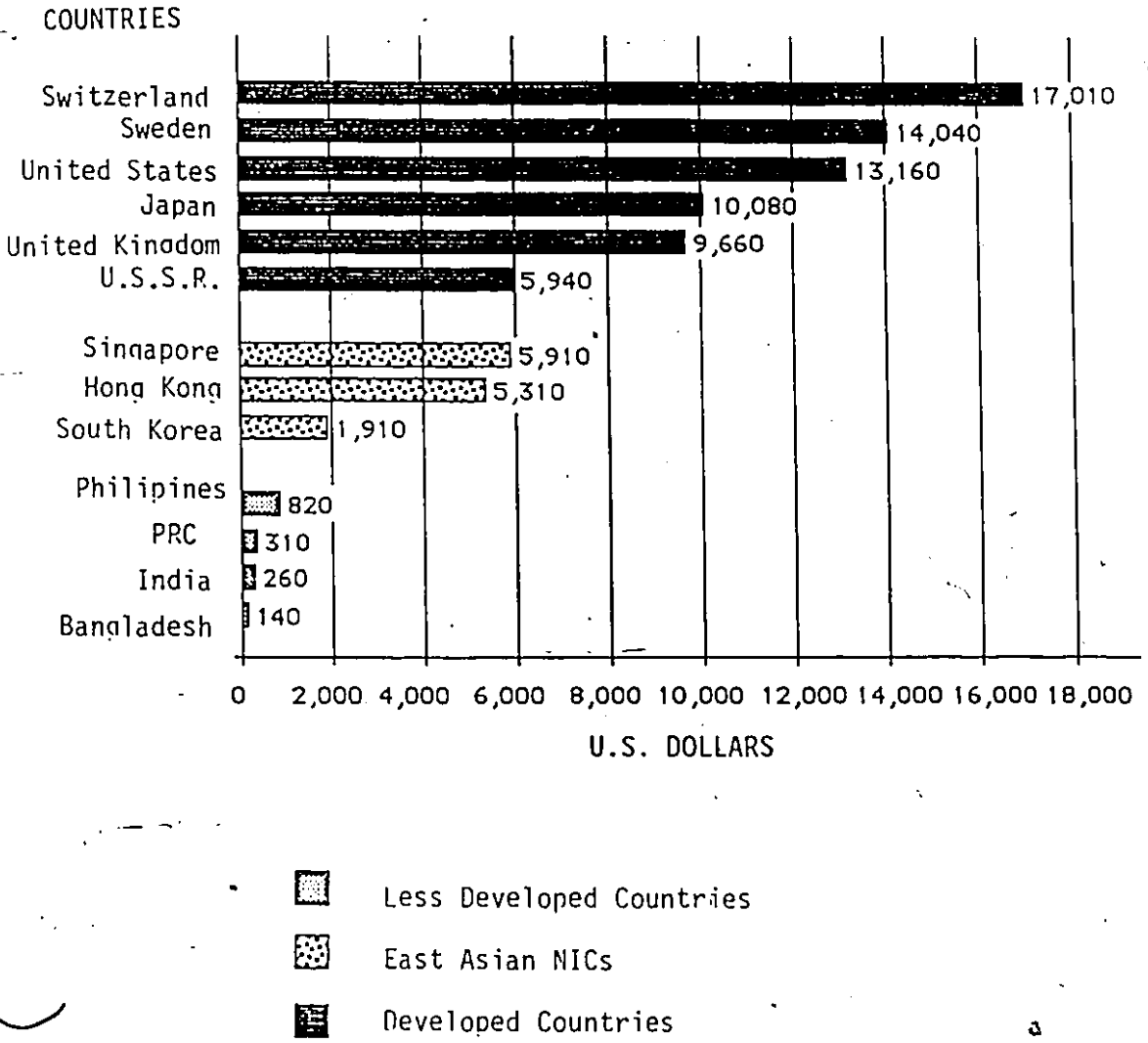
Source: Columns (1) & (2) from Todaro, 1985:table A2.2.
Columns (3) & (4) from World Development Report 1984. Annex table 1.

Note: a. Grouping of countries in Todaro's table and in World Bank report are different. World Bank includes a total of 126 countries and these are grouped under 34 low-income countries, 60 middle-income countries, 5 high-income oil exporters, 19 industrial market countries, and 8 East European nonmarket countries. Todaro includes 172 countries which are subdivided into 40 low-income countries, 38 lower and middle-income countries, 40 upper middle-income countries and 54 high-income groups. They are also concluded as 143 developing countries and 29 developed countries. In all the tables in this study, World Bank's classification is used when countries are grouped by income levels; and Todaro's grouping is used when they are generalized into the broad groups of developed and developing countries. Todaro includes data on Taiwan in his table but excludes those on the People's Republic of China, while the opposite is found in the World Bank statistics. Therefore, data concerning Taiwan shown in the tables of this study are basically from Todaro unless otherwise stated. Data on the NICs as a group, and on the East Asian NICs are identified from the sources and calculated by the writer for the purpose of comparison.

b. Figures are calculated from data collected in this table.
c. Data are from Todaro,1985:table A 2.2.

growth rates. However, there are some countries like the five oil-exporters receiving an average of $14,820 per capita national income and having 3.6 per cent growth rate. In this respect, they are richer than the developed nations in the world and are enjoying a relatively rapid GNP per capita growth rate. The NICs, which do not have the good fortune of the precious national endowment that the oil-exporters have, and though their average level of per capita GNP is not as amazing as for this latter group, they experience very rapid GNP per capita growth. Their GNP per capita ($3,424) is over four times that in the LDCs' average ($750) and their growth rate (4.8 per cent) is about twice as fast as those in the LDCs (2.8 per cent) as well. It is even more spectacular in the East Asian NICs where the average GNP growth is 6.9 per cent which is over two times of that in the LDCs and that in the AICs. As discussed earlier, some NICs like Hong Kong and Singapore are catching up with some of the AICs in their level of national incomes. However, in spite of the relatively higher level of national income and more rapid rate of GNP growth the NICs have compared with the other less developed nations in the Third World (except for the oil-exporters), the income gap between them and AICs is still very wide (see Figure 3.1). They still lag behind most of the developed countries in their national incomes.

Figure 3.1. GNP Per Capita Income Gap Between Selected AICs, NICs & LDCs (1982).



Source: Information obtained from World Bank, World Development Reprot (1984):Annex Table 1; drawn by Sau-HA Wong.
Note: PRC stands for the People's Republic of China.

b. Distribution of national income.

The wide economic disparity between the world's rich and poor, Todaro states, does not exist between countries only but also within individual countries. He also contends that, though some degree of inequality is found in all nations, larger income disparities tend to occur in less developed nations than in developed nations. Furthermore, there is no obvious relationship or correlation, he argues, between levels of per capita income and degrees of income inequality.

Alhuwalia has classified most of the world's countries into three categries of levels of inequalities in income distribution. Eight of the eleven NICs are included. However, there is no consistent pattern of income inequality found among them. The Gini Ratio in Taiwan in 1964 was 0.32, in South Korea in 1970 was 0.36, in Greece in 1957 was 0.37, in Spain in 1965 was 0.38, and in Yugoslavia in 1968 was 0.33. They are classified in the group of countries with low inequality. Argentina had a Gini Ratio of 0.42 in 1961, and it is classified as a country with moderate inequality. However, the Gini Ratio found in Brazil in 1970 was 0.61, and in Mexico in 1968 was 0.58. They are grouped as the countries with high inequality (Todaro,1985:Table 5.5).

Furthermore, Table 3.7 presents the percentage share of household income in seven NICs in the 1970s. As can be seen, Yugoslavia stands out as the country with the lowest disparities in the distribution of household incomes. However, total household

incomes, in the other NICs, was more unevenly distributed. Generally, the lowest 60 per cent of the countries' households shared

Table 3.7. Percentage share of household incomes by percentile group of households in selected NICs.

Country	Year	Lowest 20 %	Second 20 %	Third 20 %	Fourth 20 %	Highest 20 %
Brazil	1972	2.0	5.0	9.4	17.0	66.6
Mexico	1977	2.9	7.0	12.0	20.4	57.7
Argentina	1970	4.4	9.7	14.1	21.5	50.3
Hong Kong	1980	5.4	10.8	15.2	21.6	47.0
South Korea	1976	5.7	11.2	15.4	22.4	45.3
Spain	1974	6.0	11.8	16.9	23.1	42.2
Yugoslavia	1970	6.6	12.1	18.7	23.9	38.7

Source: World Bank, World Development Report(1984), Annex Table 28.

less than 35 per cent of the countries' total income; while the top 20 per cent of their households took up more than 40 per cent of the total. Especially, in the Latin American NICs, the highest inequality was found. The proportion of household incomes shared by the lowest 60 per cent and the 20 per cent of the households respectively were 28.1 per cent and 50.3 per cent in Argentina, 21.9 per cent and 57.7 per cent in Mexico, and 16.4 per cent and 66.6 per cent in Brazil. The situation in South East Asian NICs and the European NICs seems comparatively better. The proportional share of the lowest 60 per cent and the top 20 per cent of households in the total income in Hong Kong was 31.4 per cent and 47.0 per cent, in South Korea was 32.3 per cent and 45.3 per cent; and in Spain was 34.7 per cent and

42.2 per cent. Therefore, there is no universal pattern of income disparities that can be noted for all the NICs taken as a group. But rather, it is observed that these countries can be classified into three groups according to their levels of income inequalities as described by Alhuwalia. The Latin American NICs can be described as the countries with the highest inequalities among the NICs, while the East-Asian NICs are those with intermediate inequalities and the European NICs are those with the lowest inequalities.

c. Extent of poverty

Todaro further comments on the extent of poverty in the Third World nations. He contends that the degree and extent of poverty in any country depends on two factors: (i) the average level of national income and (ii) the degree of inequality in its distribution. Using the data of 35 developing countries presented in the well-known study by Ahluwalia, Carter, and Chenery, he concludes that almost 40 per cent of the Third World populations were surviving at absolute poverty levels. In terms of total numbers, over 1046 million Asians, 74 million Latin Americans, and 171 million Africans from the sample are barely achieving minimum subsistence incomes (Todaro,1985:Table 2.4). However, when examining the data more closely (Table 3.8), all the NICs (Argentina, Brazil, Mexico, South Korea and Taiwan) that are included, are among the best performers, in their regions, with less than ten per cent of the total population below the poverty line (except the 10 per cent in Mexico). This suggests that they are above the other less developed nations. However, there are still some

Table 3.8. Population below the poverty line in 21 LDCs in Latin America and in Asia (1983)

Country	Per capita GNP 1981 US$	Population in poverty (%)
Latin America (all countries)	2,063	19
Chile	2,770	9
Colombia	1,380	14
Guatemala	1,140	10
Peru	1,170	15
Venezuela	4,220	5
Argentina	2,560	3
Brazil	2,220	8
Mexico	2,250	10
Asia (all countries except Japan)	968	40
Bangladesh	140	60
Burma	190	56
India	260	46
Indonesia	530	62
Iran	n.a.	8
Malaysia	1,840	8
Pakistan	350	34
Philippines	790	29
Sri Lanka	300	10
Thailand	770	23
Turkey	1,540	11
South Korea	1,700	6
Taiwan	2,360	4

Source: Adapted from Todaro,1985:Table 2.4 page 31.

diversities found among them. For instance, when comparing Mexico with South Korea, we discover that Mexico though having a higher per capita GNP and also a higher income disparity in 1981, had a considerably greater percentage of its population below the poverty line than did Korea (10 per cent compared with 6 per cent). Therefore, it seems that the higher average level of national incomes in the NICs may improve the situation of generalized poverty but the degree of

inequality in its distribution of the national wealth affects the extent of this improvement.

d. Health

Todaro contends that many people in the Third World nations are still fighting a constant battle against malnutrition, disease, and ill health to-day (see Table 3.9). He indicates that the life-expectancy in 1984 averages approximately 57 years among the Third World countries and 72 years in developed nations. Infant mortality rates average about 86 per 1,000 live births in the less developed countries and 18 per 1,000 live births in the developed countries. However, life expectancy in the NICs is 70 years and infant mortality is 28 per 1000 live births. Furthermore, the levels of the East Asian NICs for life expectancy is 71 which is very close to that of the AICs' level and for the level in infant mortality is 16 which is better than that in the AICs. However, the average population per physican in 1980 in the NICs was 775 and the average daily calories supply per capita in 1981 was 127 per cent of the requirement, which was much better than those in the less developed nations but was behind those in the developed nations. Therefore, a longer life expectancy and lesser deficiency in essential calories, relative to the other less developed countries are found in the NICs, but the medical care in these countries is still far from adequate.

Table 3.9. Health Conditions in East Asian NICs and Other Countries of the World

	(1) Life Expectancy at birth (Year) (1984)	(2) Infant Mortality per 1000 live births (1984)	(3) Popu-lation per physican (1980)	(4) Daily Calories supply (1981) (%/person)
Developing Countries	57	86	5,332 [a]	107 [a]
(of which: all NICs [b]	70	28	775	127
Developed Countries	72	18	493 [a]	132 [a]
World	60	69	4,295	112
East Asian NICs [a]	71	16	1,267	129
Hong Kong	73	10	1,210	129
Singapore	71	11	1,150	133
S.Korea	66	34	1,440	126
Taiwan	72	9	n.a.	n.a.

Source: Columns (1) & (2) from Todaro,1985:table A 2.2.
Columns (3) & (4) from World Bank, World Development Report 1984: Annex Table 24.
Notes: a. Figures are calculated from data provided in World Bank, World Development Report 1984: Annex Table 24.
b. Figures are calculated from data collected in this table.

e. Education [6]

The efforts of providing primary school educational opportunities has probably been the most significant of all LDC developmental strategies. Table 3.10 shows the basic indicators of education in the different groups of countries. Despite the impressive quantitative growth in school enrolment (especially at the primary level), their literacy levels, enrolment at the secondary and

Table 3.10. Education in East Asian NICs and Other Countries of the World

	(1) Literacy (1984) (%)	(2) Per capita public educational expenditures (1984) (US$)	(3) [a] Enrolment by level (% of age group) (1981)		
			pri-mary	secon-dary	ter-tiary
Developing Countries	55	27	98	39	8
(of which: all NICs)[b]	84	86	107	67	16
Developed Countries	99	428	102	89	32
World	66	123	99	50	14
East Asian NICs [b]	85	75	106	72	9
Hong Kong	90	na	106	65	10
Singapore	75	108	104	65	8
S.Korea	93	52	107	85	18
Taiwan	82	66	n.a.	n.a.	n.a.

Source: Columns (1) & (2) from Todaro,1985:table A.2.2.
Columns (3) & (4) from World Bank, World Development Report 1984, Annex table 25.

Note: a. Figures on the developing countries and the developed countries are caculated from data provided in the World Bank table; enrolments indicated here are enrolment ratios for the stated levels of education. Enrolment ratios, indicated in this table and in the other tables in this study, are derived by dividing the total enrolment for this level of education regardless of age by the population of the age group which according to the national regulations, should be enroled at this level. These enrolment ratios are 'adjusted' enrolment ratios in which the population groups used in deriving these ratios for a particular region have been obtained by taking into account the organizational structure of education of each country in a region. The Third level of education, is a standard duration of 5 years following the end of the second level. All ratios are expressed as percentages and may be greater than 100 because of late entry, repetition etc.

b. Figures are calculated from data collected in this table.

tertiary levels, and per capita public education expenditure are strikingly low compared with those of the developed nations. However, the educational level (as shown in the literacy rate) in the NICs (84 per cent) and the East Asian NICs (85 per cent) are much better than that of the LDCs (55 per cent). Their enrolment at the primary level is even ahead of that in the AICs, and the enrolment at the secondary level, though behind the AICs, is far ahead of that in the LDCs. However, per capita public educational expenditure and enrolment at the tertiery level are very far behind those in the AICs, though better than those in the LDCs. The details of the educational expansion of the NICs will be reviewed in Chapter four. However, for the time being one may conclude that the NICs are at a better level of education compared to the other developing countries in terms of the literacy rate and school enrolment.

Summarizing the discussion so far, we can list the following different characteristics of the NICs when comparing them with the other developing nations:

1. Relatively higher levels and more rapid growth rates of national income.
2. Relatively higher levels and very outstanding rates of income per capita growth.
3. Variations in level of distributional equality of the national income: some have high inequality while others have low distributional inequality.
4. Relatively low proportion of the population is suffering from absolute poverty, ill health and malnutrition. Relatively low infant mortality rates.
5. In education, relatively better levels of literacy and school enrolment at the primary and secondary levels.

In sum, it seems that economic growth in the NICs has, to a great extent, released the material constraints on life-sustenance for the people but distributional equality is not necessarily ensured by this relaxation [7].

3.2.3. NICs' 'development': beyond quantatitive measures.

However, beyond this 'balanced' concept of social and economic development, there exists another broader perspective in the definition of development in which both the quantitative and the qualitative dimensions [8] are emphasized. Todaro points out that 'development' may be broadly conceptualized as a sustained elevation of an entire society and social system towards a 'better' or 'more humane' life (Todaro,1977:62). He further lists the three core 'values', defined by Professor Goulet and others, as the conceptual basis and practical guideline for understanding the 'inner' meaning of development. These core values are: (i) life-sustenance -- the provision of basic necessities, within which economic growth is a necessary condition and only with them would the realization of the human potential be possible; (ii) self-esteem -- a sense of worth and self-respect at the individual and social levels, and a sense of not being used as a tool by others for their own ends; and (iii) freedom from servitude -- where freedom is understood in a more fundamental sense as emancipation from alienating material conditions of life so as to increase the range of human choices, for both the society and the individual, and to minimize the external constraints in the pursuit of some social goal which is called 'development' (Todaro,

1977:62-63). In this broadly conceptualized definition, economic growth is rejected as the ends of development but is accepted as an important means or the basic necessity for the attainment of the ends.

For the evaluation of a country's level of 'real' development, Todaro asks the following three questions:

1. Have general levels of living expanded within a nation to the extent that absolute poverty, the degree of inequality of income distribution, the level of employment and the nature and equality of educational, health and other social and cultural services improved?

2. Has economic progress enhanced individual and group esteem both internally vis-a-vis one another and externally vis-a-vis other nations and regions?

3. Finally, has economic progress expanded the range of human choices and freed people from external dependence and internal servitude to other men and institutions, or has it merely substituted one form of dependence for another?

Todaro clarifies that if the answer to each of these is 'yes', then the country concerned has manifested 'real' development, but if only the first question is answered 'affirmatively' and the other two are in the negative, then it can be considered as 'economically more developed' and may remain 'underdeveloped' in a more fundamental sense (Todaro,1977:64). According to this definition, then, the economic growth and the advancement in levels of living in the NICs, during the last two decades, can only qualify them as advancing in 'economic development'. However, whether the economic growth has enhanced individual and group esteem internally and externally; and whether it has freed the societies and their members from external dependence, or it has substituted one form of dependence for another -- are questions which can not be answered in the affirmative. Before a more unambiguous definition of the NICs' development can be concluded, further examination of these qualitative dimensions of development is required. Furthermore, it does not seem that a

serious evaluation of the assertion that 'the NICs growth path is the model of Third World development' [9] can be made until then.

3.3. Conclusion.

In the assessment of the NICs development presented in this chapter, it was found that economic growth in these countries has been outstanding, rapid, and consistent. Increases in GNP and GNP per capita have resulted from the expansion of the industrial sector, especially the manufactured productions. The expansion of the industrial sector has also induced a rise in the share of industrial employment in the total workforce. It is not only that the economic growth has been outstanding, the average levels of living and the well-being of the masses in these countries are better than those in the average Third World countries. However, despite all these improvements, social inequality remains and equality in the distribution of economic benefits has not been attained. Furthermore, when taking into account the qualitative dimensions of development, it seems that, with the available statistics presented in this chapter, an unambigious evalution of the NICs' development is difficult to be made. Nevertheless, if one has to answer the question -- whether the NICs have attained the goals of national development anticipated in the human capital theory, mentioned in the previous chapter, and those engendered in their drive for national development; the answer would be "yes" and "no". Economic growth in the NICs has been rapid and outstanding; but social inequality and economic disparities persist in these societies.

NOTES FOR CHAPTER III

1. There are diverse comments on the time period of the emergence of the NICs. The early 1960s is mentioned by OECD, (1979); and some other references mention the mid-1960s as the approximate time. However, no reference states the period after the mid-1960s as their emergence time. In fact, different NICs emerged at different times and the suggested period is only a generalization.

2. Further references for comprehensive discussion on NICs are the following: Balassa,Bela(1981),Newly Industrializing Countries in the World Economy. (New York: Pergamon Press); Browett,J.G.(1982), 'Out of the dependency perspectives,' Journal of Contempory Asia. v.12 n.2(1982):145-157; Fajnzyler,F.(1981), 'Some reflections on South-East Asian export industrialization,'Cepal Review.v.15(1981):111- 132; Frobel,F.,J.Heinrichs, and O.Kreye (1978),'The new international division of labor,' Social Science Information. v.17 p.1(1978):123-142; Frobel,F., J.Heinrichs, and O.Kreye (1980), The New International Division of Labor, (Cambridge: Cambridge University Press); Hamilton,C.(1983), 'Capitalist Industrialization in the Four Little Tigers of East Asia,' chapter 10 in P.Limequeco and B.McFarlane (eds), Neo-Marxist Theories of Development. (London: Croom Helm); McMullen,N.(1982), The Newly Industrializing Countries:adjusting to success. (London: British-American Committee); Nayyar,D.(1978), 'Transnational corporations and manufactured exports from poor countries,' The Economic Journal. v.88 n.1(1978):59-84; Shinohara,M.(1983), 'More NICs in time,' Far Eastern Economic Review. 28 April,1983,p.66-67; Turner,L.(1982), The Newly Industrializing Countries, Trade and Adjustment. (London: Allen & Unwin).

3. The East Asian NICs, as a geographical unit, have an important role in the functional division of the Pacific Rim. (The notion of functional division or the international division of labor will be discussed in detail in section 2.3.) Crough and Wheelwright (1980) classify the functional division of the Pacific Rim into three parts: (a) raw material supplier (Canada, Australia, New Zealand), (b) manufacturing assembly (the East Asian NICs, Malaysia, Philippines), and (c) control (United States, Japan) (Browett,1985:799).

4. The NICs' outstanding economic growth has been acknowledged by both the academic left and academic right, despite their differences in the interpretations of the underlying processes for the NICs performance. The account presented here is basically based on OECD (1979:section II) study, unless otherwise stated. Discussions can be found in other references: Landsberg,1979 and Hoogvelt,1982:ch 2 (from the left); and NPA,1981 (from the right).

5. The realization of the differentiation of the Third World has resulted in a refined classification of the developing countries.

Under the World Bank classification, which will be used in this study, the countries of the world are grouped as: low-income countries, middle-income countries, industrialised countries, capital-surplus oil exporters, and centrally planned economies. For the definitions and details of the classification please refer to Hoogvelt,1982:17-34.

6. Details of educational expansion in the Third World and in the NICs in the post-war years and their consequences will be reviewed in chapter four.

7. The issue of economic growth and distributional inequality in the NICs will be elaborated on with detailed data, in the case-study of Hong Kong in chapter six.

8. Further references to the discussion of the qualitive dimension of 'development' are: Professor Goulet as discussed in Todaro,1977:62-64; Furtado,1977; Curle,1970: Introduction.

9. So far quantitative elements of development are mentioned. They can be reflected by statistical records. Qualitative dimensions, such as the enhancement of self-esteem and freedom from servitude, are difficult to be measured statistically. (In this study, discussion whether on the level of development in the NICs in general, or of that in Hong Kong in particular, statistical data are used to illustrate the quantitative dimension.) Attempts will be made to evaluate the qualitative dimension of the NICs' development in the case-study of Hong Kong and in the concluding chapter.

IV. POST-WAR EDUCATIONAL EXPANSION IN THE NICs AND THE OTHER THIRD WORLD COUNTRIES [1]

Introduction.

The last chapter was devoted to the discussion of the growth experience of the NICs, and to the examination of how they differ from the rest of the Third World in their developmental performance. In this chapter, attention will be turned to examining and comparing the post-war educational developments experienced by the former with those by the latter. The patterns and trends of educational expansion of the NICs and that of the other Third World countries are compared. First is the rapid quantitative expansion at all levels of education; second is the progressive shift in emphasis from primary to secondary and tertiary levels of education; and third is the linear expansion of the imported educational programs and the resulting educational inefficiency. Statistics on these aspects of educational development will be presented under the following three categories of countries: (i) the NICs, (ii) the developing countries, and (iii) the developed countries. The focus here is to identify the similarities and differences in educational development between the NICs and the other Third World countries.

4.1. Rapid Quantitative Expansion Of Educational Opportunities.

There has been a tremendous acceleration in the provision of educational services during the last two decades in the Third World. On the demand side, the 'manpower planning' needs and the aspirations

of the people, placed strong pressure for the increase of educational provision. On the supply side, fueled by the high hopes and convictions, rising educational expenditure has been a national strategy for development. In the early 1960s, nearly all the developing countries in Asia, Africa and Latin America had committed themselves to goals of expanding their educational systems. In the Unesco regional conferences held in Karachi, Addis Ababa and Santiago in the early 1960s, the deliberations and recommendations for the provision of universal primary education (UPE) and expansion of the other levels of education in the shortest possible time were made. The target date sets for the attainment of these goals for the Asian and African regions was 1980, and for the Latin American states was 1970. And so began the educational explosion. The explosion manifested itself in the rapid rate with which both the educational services have expanded and the educational expenditures escalated.

4.1.1. Enrolment Increases.

Table 4.1 shows the enrolment increases in the different groups of countries in the world. Between 1960 and 1980, the total enrolment in the three main levels of education in the developing nations increased nearly three-fold. It rose from 139 millions in 1960 to 411 millions in 1980. Within twenty years, enrolment increased 150.2 per cent in the first level, 435.9 per cent in the second level and 665.5 per cent in the third level. The NICs, as a group, share a similar pattern of enrolment increase as in the Third

Table 4.1. Enrolment [a] Increase by level of Education and by Country Groups (1960-1980)

		Enrolment in thousands			
	Year	Total	First Level	Second Level	Third Level
Developed Countries	1960	184,305	124,535	50,681	9,089
	1980	233,363	116,364	87,218	29,782
	% increase	36.3	-9.6	72.1	227.7
	Average[b] increase/yr	1.3	-0.4	3.6	11.4
Developing Countries	1960	139,282	118,952	18,245	2,085
	1980	411,389	297,647	97,783	15,960
	% increase	195.3	150.2	435.9	665.5
	Average increase/yr	9.7	7.5	21.8	33.3
All NICs[c]	1960	34,212	28,564	4,898	750
	1980	86,127	59,857	21,403	4,848
	% increase	151.7	109.6	337.0	546.4
	Average increase/yr	7.6	5.5	16.9	27.3

Source: Unesco Statistical Yearbooks 1972:Table 2.1; 1983:Table 2.2.; and Appendix Table I.1 in this study.

Notes: a. Enrolment figures are estimated figures recorded in the Unesco Statistical Yearbooks.
b. % increase and average annual increase are calculations from figures provided from these tables;
c. Data on NICs is a summary of the Appendix Table I.1. in this study. Aggregate data on all NICs, presented in the tables in this chapter, are summaries of the statistics of the data collected and calculated in the tables in Appendix I.

World countries [2]. Total enrolment at the three levels rose from 34 millions to 86 millions in the same period. However, the enrolment in the NICs expanded at a relatively slower rate than that in the other developing countries. Average annual expansion of the first, second and third levels was 109.6 per cent, 337.0 per cent and 546.4 per cent respectively. However, both the educational systems in the NICs

and in the Third World countries have expanded at a much faster rate than that in the developed countries. The average annual increase of the total enrolment in the NICs was 7.6 per cent , in the Third World countries was 9.7 per cent, but in the developed countries was only 1.3 per cent in the last two decades.

4.1.2. Expansion in public educational expenditure

Formal education is now the largest 'industry' and the 'greatest consumer of public revenues' in many developing countries. These countries have invested vast sums of money in education. According to the Unesco statistics (Table 4.2), developing nations as a group increased their public educational expenditure 927.9 per cent from 1965 to 1980. That was about twice as fast as the rate in the developed countries. However, despite this sizable expenditure, the Third World countries were spending only $37 per capita on public education in 1980, as opposed to the $457 per capita spent in the developed countries in the same year. Total public expenditure on education in the Third World countries took up 4.0 per cent of the GNP in 1980, while it took up only 2.9 per cent in 1965. However, in the developed countries the share of educational expenditure in the GNP was 6.1 per cent in 1980 and was 5.1 in 1965.

In the NICs, the average rate of increase in educational expenditure resembles the rapid rate of that in the Third World countries. It rose 383.3 per cent in the same period. The average per capita educational expenditure was $54.3 in 1980. Compared to

Table 4.2. Estimated Public Expenditure on Education by Country Groups[a] (1965-1980) (U.S.dollars)

	Year	(millions)	of GNP (%)	per capita ($)
Developed Countries	1965	87,993	5.1	86
	1980	531,271	6.1	457
	% increase	503.8	1.9	431.4
Developing Countries	1965	7,772	2.9	5
	1980	79,893	4.0	37
	% increase	927.9	37.9	640.0
All NICs[b]	1965	1,738	2.1	10.5
	1980	8,393	2.9	54.3
	% increase	383.3	0.8	417.1

Source: Unesco Statistical Yearbook, (1983):Table 2.12; figures on all NICs are from Appendix Table I.5.

Notes:a. The country grouping in the Unesco tables and the following tables in the chapter are as follows: (i) Developed countries: All European countries, USSR, USA, Canada, Japan, Israel, Australia, New Zealand and South Africa; (ii) Developing Countries: Rest of the world including the NICs; (iii) NICs: The eleven countries mentioned in chapter two excluding Taiwan which data were not included in UN statistics around the mid-1970s.

b. Data on NICs here is a summary of the Tables I.2, I.3, I.4, and I.5. See also note 3 for discussion on these tables; figures on Argentina are excluded due to a possible error in the statistics available (see note a in Appendix Table I.3 for explanation).

that of the developed countries, it was very low. However, it was about one and a half that of the average of the developing countries. The share of educational expenditure in the GNP, was only 2.9 per cent in 1980. It was lower than that of the rest of the Third World [3]. In sum, the NICs, as a group, has been expanding the educational expenditure at a less rapid rate compared to the other Third World countries. And yet, they have been spending more money

per capita on education than the average Third World countries. However, the increased educational expenditures have been taking up a smaller proportion of their GNP than those in the other countries in both the developed and developing worlds.

4.2. Progressive Shift In Emphasis From Primary To Secondary And Tertiary Levels Of Education

The hegemony of the human capital interpretations in the economic value of education for development soon became the handmaiden of the GNP-centered strategy and the trickle-down theory of development. The orientations and objectives of national development in most of the Third World countries, under these developmental theories, were geared to modernization and industrial advancement similar to those in the industrially developed countries. With the center of developmental gravity located in the modern sector of the economy, production techniques resembling those in the industrially advanced countries had to be used. This created a need for manpower with the same type of education and training as provided in the industrialized countries. The occupational structures and educational systems of the industrially developed countries were, therefore, being imported as models for projecting the trained manpower needs and for the planning of educational development. This resulted in a progressive shift in the emphasis from UPE to secondary and tertiary levels of education in order to produce the middle and higher level manpower for the modern sector. The development of the primary education was neglected. The emphasis of providing fundamental education for all had shifted to educating and training a

limited group of modern-sector manpower. The initial plan for a ground-up pyramid of a mass educational system had been distorted.

The early World Bank loan policy to the developing countries indicated an emphasis on the development of the second and the third levels of education. The policy stated that lending for education would not be available for primary education or for liberal arts colleges, but be restricted to engineering, technical managerial or other vocational education (Psacharopoulos and Woodhall,1985:5). Between 1963 and 1971, World Bank lending allocated to primary, intermediate and higher education was in the proportion of 5:72:23 (Williams,1976:94).

4.2.1. Disproportionate rate of increase in enrolment

The shift of emphasis in developing the second and third levels of education is also indicated in the disproportionate rate of enrolment increase in the different levels (Table 4.1). The numerical or absolute increase in student enrolment in the developing countries, from 1960 to 1980, was no doubt, greatest at the first level. However, the percentage increase was most marked at the second and the third levels. The percentage increase in the first level was 150.2 per cent, while those in the second and third levels were 435.9 per cent and 665.5 per cent respectively. The average annual rate of increase in the first level was 7.5, while it was 21.8 per cent and 33.3 per cent in the second and third levels respectively. That is about three times and four and a half times the rate of increase in the first level. Nevertheless, enrolment in

the first level still accounted for nearly 80 per cent of the total developing countries' total school enrolment in 1980 (Table 4.3).

As in the Third World countries, first level enrolment in the NICs took up the largest part of the expansion, while the second and the third levels shared the greatest proportionate increases. The percentage increase, in the same period, was 109.6 per cent, 337.0 per cent and 546.4 per cent in the first , second and third levels respectively. The average annual increase for the three levels was 5.5 per cent, 16.9 per cent and 27.3 per cent respectively (Table 4.1). However, despite the similar disproportionate rates of

Table 4.3. Percentage Distribution of Educational Budgets and Enrolments in NICs and other LDCs by regions [a]

	First Level		Second Level		Third Level	
	Budget	Enrolment	Budget	Enrolment	Budget	Enrolment
LDCs						
Africa[b]	49	88.4	34	10.9	13	0.7
Asia[c]	43	70.3	30	26.2	18	3.5
Arab States[d]	40	74.3	36	22.5	20	3.2
Latin America	52	80.9	26	15.1	17	4.0
Mean	48	76.5	30	20.7	17	2.8
All NICs[e]	46	61.9	26	32.3	18	5.8

Source: Simmons,1981:Table 2, page 30; and Appendix Tables I.6 and I.7 in this study.

Notes a. Figures in LDCs are in the years around 1973.
b. Excluding Arab States. Percentage of budget to primary education is the average of 'Eastern' and 'Western' African regions. Budget based on a sample that ihcludes Sudan.
c. Excluding Arab States.

increases in enrolment in the second and third levels, the percentage increases in all levels are relatively lower in the NICs than those in the developing countries. Furthermore, the percentage distribution of student enrolment (Table 4.3) by educational levels was relatively more balanced than that in the average Third World countries. The percentage distribution at the first , second and third levels was 61.9 per cent, 32.3 per cent and 5.8 per cent respectively, while that of the Third World countries as a group was 76.5 per cent, 20.7 per cent and 2.8 per cent.

4.2.2. Disproportionate share of educational budgets.

Simmons illustrates the disproportinate rate of expansion in the educational levels by comparing the share of public educational expenditures and the share of enrolment at each level. The data in Table 4.3 show that while the mean enrolment in the primary level, in all the less developing regions, was 76.5 per cent of the total school enrolment, it received less than half of the educational budget. However, the percentage share of enrolment in the secondary and higher levels were 20.7 per cent and 2.8 per cent respectively and they received 30 per cent and 17 per cent of the budget respectively. The disproportionate share of public educational expenditures is also found in the NICs. The ratio of the percentage share in budget of the three levels in the NICs in 1980 was 45.59:26.3:18.3; while the ratio of the percentage of the enrolment in the three levels was 61.9:32.3:5.8. Thus in the NICs too, a

disproportionately large share of the educational budget is taken up by the second and third levels.

4.3. Linear Expansion Of The Imported Educational Systems.

Coombs contends that, starting in the 1950s and the early 1960s with a 'pocket edition' of an imported colonial educational system that was never designed to meet their needs and circumstances, many of the Third World countries (former colonies) seem without exception, to have clung to their inherited systems when the movement of educational expansion first started. They apparently chose to retain the colonial models for several reasons. On the one hand, they were pressed by the targets of rapid educational expansion. On the other hand, there were no better time-tested alternatives available nor was there time to design and experiment with new models. Therefore, they committed themselves to a daring faith in these inherited systems (Coombs,1985:70) [4]. Furthermore, the demand of the semi-skilled and skilled labor, in the expanding modern sector, for the process of national development has urged for a further adoption and expansion of educational systems imported from the industrial countries.

However, the Western type of academic education concentrates on mental and theoretical exercises. Vocational education is also oriented towards training for production in the industrial sector. They allow very little time for the teaching of knowledge and skills necessary for the survival and improvement of the living conditions in the rural environment. And yet, 80 per cent of the children in the Third World countries live and work in the rural areas.

Education of this kind is not only alien to their daily life experience, but is also irrelevant to the major developmental needs of the majority of the Third World population.

Educational programs based on the imported models are not only academic or theoretical but also elitist in nature. They are geared to producing only a limited number of highly educated at the top of the educational pyramid. Highly selective and a series of increasingly fine-meshed academic screens are used to select the 'best' who are then crowned top positions in the society. The rest are then discarded as failures (Coombs,1985:109). And so, the expanded educational programs have been examination-oriented. They have been geared mainly to prepare students to move up to the next rung of the educational ladder. However, in most of the Third World countries, not more than one per cent of those who initially entered primary schools will arrive at university (Bacchus,1981:218).

The education offered in the Third World countries has been almost entirely oriented towards preparation for work in the modern urban sectors. The programs taught are not only being criticized as irrelevant and ineffective to the basic social development, but they have also been blamed for greatly distorting the students' aspirations. Bright and ambitious young people have been drained away from the countryside into the cities. A dualist system, with an elitist small urban/modern sector and a poor populous rural/traditional sector, resembling that in the pre-independence times, has been further perpetuated. The expansion of the 'irrelevant' academic type of education has been reinforced by the persistent popular demand from the population (Bacchus,1981b:219).

The irrelevance and the inefficiency of the imported education are evidenced in (i) the failure to achieve targets of UPE; (ii) the increase in the number of illiterates; and (iii) the high wastage rates within the educational systems in most of the Third World countries.

4.3.1. Unattained UPE.

It is argued by some writers that the shift in emphasis in the development of the second and third levels of education had greatly impeded the attainment of the initial goal of UPE. Most of the Third World countries, it is noted, were far from the target of UPE at the end of the 1970s and large sections of their population did not obtain a full cycle of primary education (Chowdhury,1983: 45). However, in terms of enrolment ratios of the total population, an increased proportion of the Third World population have been served with educational opportunities since 1960 (~~Table~~ 4.4). The gross enrolment ratio for all levels rose from 29.1 to 46.2 per cent in the two decades; from 60.2 per cent to 85.9 per cent in the first level; from 12.7 per cent to 31.2 per cent in the second level; and from 2.0 per cent to 7.4 per cent in the third level. However, despite these increases, the educational enrolment ratios for the Third World countries were much lower than those in the developed countries.

The rapid increase in enrolment ratios is also found in the NICs. However, the level of enrolment ratios in the NICs, as a group, have been comparatively higher than those in the average developing countries since 1960. In 1980, the combined enrolment

ratio in the first and second levels, in the NICs, was 86.9 per cent, which was about two times that in the Third World countries, and was higher than that of the developed countries. Enrolment ratios at the first, second and third levels in the NICs, in the same year, were 107.8 per cent [5], 63.2 per cent and 15.3 per

Table 4.4. Gross Enrolment Ratios [a] by Education Level and by Country Groups (1960-1980)

	Year	All Levels	First Level	Second Level	Third Level
Developed Countries	1960	65.1	105.9	54.8	12.8
	1980	73.8	106.6	78.3	30.0
Developing Countries	1960	29.1	60.2	12.7	2.0
	1980	46.2	85.9	31.2	7.4
All NICs	1960	66.7[b]	94.0	26.9	5.1
	1980	86.9	107.8	63.2	15.3

Source: Unesco Statistical Yearbook,(1982):Table 2.10; Appendix Table I.8.in this study.
Notes: a.This table presents adjusted gross enrolment ratios by level of education. See note following Table 3.10.
b.First and Second levels only.

cent respectively. All these are higher than those in the Third World countries. Furthermore, enrolment ratios at the second and third levels are about double those in the Third World countries. Unlike the other Third World countries, in the NICs the most rapidly rising enrolment ratio, from 1960 to 1980, was not at the first level but at the second level. The enrolment ratio at the third level has also increased at a faster rate than that of the developing countries. More people in the NICs can have the chance to continue education beyond the first level. Furthermore, the percentage

distribution of enrolment across the three levels has been less extreme than that in the Third World countries. On the whole, educational systems in the NICs have been enroling a comparatively higher proportion of the population at all levels than the other developing nations.

4.3.2. Illiteracy.

Table 4.5. Illiterate population (aged 15+) of Total Population in the NICs (around 1960 to 1985)

	Year	Illiterate population ('000)	Percentage illiterate (%)
Hong Kong	1960	534	29.6
	1985	507	11.9
Singapore	1957	413	50.2
	1985	265	13.9
S.Korea	1960	4,359	29.4
	1985	n.a.	n.a.
Argentina	1960	1,189	8.6
	1985	934	4.5
Brazil	1960 [a]	16,856	39.0
	1985	19,085	22.3
Mexico	1960	6,742	34.6
	1985	4,400	9.7
Greece	1961	1,205	19.6
	1985	579	7.7
Portugal	1960	2,397	38.1
	1981	n.a.	20.6
Spain	1960	2,939	13.3
	1985	1,665	5.6
Yugoslavia	1961	2,985	23.5
	1985	1,563	8.8
All NICs	1960 [b]	39,619	28.6
	1985	31,261	11.3

Source: Unesco Statistical Yearbooks, (1976):Table 1.3; (1985):Table 1.3.
Notes: a. Age group 13+. b.Years around 1960.

According to Todaro's account, the adult (persons aged 15 and over) illiteracy rate in the total Third World population has fallen from 60 per cent in 1960 to 51 per cent in 1985. However, the number of adult illiterates has risen over the same period by 70 millions (Todaro,1985:329-330). It reached an estimated total of over 900 million by 1985. The data in Table 4.5 show a similar drop in the percentage of adult illiteracy in the NICs. The average illiteracy rate in the NICs dropped from 28.6 per cent to 11.3 per cent in the same period. However, unlike the other Third World countries, the number of illiterates in the NICs did not rise but reduced from 39.6 millions to 32.7 millions. Furthermore, the level of literacy has been much higher than that of the average developing nations in the same period. Except in Brazil and Portugal, over 85 per cent of the adult population in the NICs was literate in 1985.

4.3.3. Wastage -- drop-outs and repeaters

Despite the rapid expansion of the educational systems in the Third World nations, the wastage rate in the educational systems has been very high. The wastage in education was caused by a large number of repeaters and heavy drop-out rates. According to the Unesco's 1980 study, the median level of repetition in the primary level, around 1977/78, was 16.6 per cent in Africa, 11.2 per cent in Latin America, and 9.4 per cent in Asia and Oceania. It was estimated when the study was done, that between 12 per cent and 14 per cent of the enroled primary school students were repeaters. The rate of repetition seems a little lower in the secondary level than

in the primary level. The median level of repetition in the general secondary education, in the same period, was 10.1 per cent in Africa, 6.1 per cent in Latin America, 7.2 per cent in Asia and Oceania (Unesco,1980:1-2,4-5).

In the NICs, levels of repetition at the primary level were very diverse. The repetition percentage at the primary level, around 1980, was relatively low (less than 10 per cent) in the East Asian NICs and the European NICs (except Portugal) (Table 4.6). The percentage of repeaters in these

Table 4.6. Percentage of Repeaters in Primary and Secondary Education in the NICs (around 1980)

Country	Year	First Level	Year	Second Level
Hong Kong	1980	4	1980	7
Singapore	1980	7	1978	5
South Korea	1981	0	1970	0
Argentina	1976	10	1975	6
Brazil	1980	20	1978	7
Mexico	1979	10	1980	2
Greece	1980	1	1978	6
Portugal	1977	17	1977	20
Spain	1980	6	1979	12
Yugoslavia	1980	2	1980	3

Source: Unesco Statistical Yearbooks,(1982):Tables 3.6, 3.9; (1985):Table 3.6.

countries was lower than that of the Third World countries reported in Unesco's 1980 study. However, the percentage of repeaters at the primary level in the Latin American NICs was relatively high, and that of Brazil was higher than the median of the other Third World countries. At the secondary level, Portugal had the highest

percentage of repeaters (20 per cent), and Spain had the second highest (12 per cent). They both exceeded the median value for the developing countries. However, the percentages of Korea, Mexico, and Yugoslavia were close to that of the median value of the Third World nations. Therefore, it is difficult to identify a general pattern for the degree of the repetition rates in the NICs at both the first and second levels.

Drop-out rates in both the primary and secondary levels were high in most of the Third World countries. The average survival rate to grade 4 was only 61 per cent for the 89 developing countries studied in Unesco's 1980 study. In Asian and Oceania, and in Latin America these were 62 per cent and 57 per cent respectively (Unesco,1980:3-6). For the situation in the NICs, except in Brazil, the drop-out rates at the primary level were very low (Table 4.7.a). The average survival to grade 4 for the 8 NICs was 92.1 per cent for cohorts starting school around 1976/77. The international comparison of drop-out in general secondary education is very difficult. The difficulty is caused by the large variety in educational structures found throughout the world; and the difficulty of distinguishing between apparent drop-out due to transfer to streams of secondary education and real drop-out. However, the Unesco's 1980 study estimated that less than three quarters of the 1976/77 cohorts would reach the final grade in the first cycle of general secondary education in the developing countries. However, the situation in the NICs, reviewed in Table 4.7.b, indicates a much better survival rate. For example, four out of the seven NICs had over 80 per cent of their students survive until the third grade in the general secondary

Table 4.7.a. Survival in Primary Education for Cohorts starting School Around 1965/66, 70/71 and 76/77 in Selected NICs.

	Starting	Proportion reaching grade I	II	III	IV	V	VI	VII	VIII
Hong Kong	1965	1000	775	775	767	703	638		
	1976	1000	960	973	968	928	879		
Singapore	1971	1000	1000	1000	986	975	957		
	1977	1000	997	992	982	956	911		
S.Korea	1965	1000	953	932	923	903	890		
	1977	1000	979	973	970	964	960		
Argentina	1965	1000	879	828	776	721	661	609	
	1975	1000	946	917	867	810	750	696	
Brazil	1966	1000	513	439	356				
	1973	1000	543	462	394	350	304	291	280
Mexico	1965	1000	758	653	552	483	446		
	1975	1000	855	786	729	682	648		
Greece	1965	1000	984	980	970	956	930		
	1975	1000	985	985	983	982	977		
Portugal	1965	1000	972	932	875				
	1974	1000	963	963	879				
Yugoslavia	1965	1000	976	965	952				
	1975	1000	992	988	988				

Source: Unesco, Office of Statistics (1980), Wastage in Primary and General Secondary Education, Annex I, Table 3.

Table 4.7.b. Survival in General Secondary Education for Cohorts Starting School Around 67/77 in Selected NICs.

	Struc-ture	Cohort Starting	Proportion reaching Grade I	II	III	IV	V	VI
Singapore	4+2	1977	1000	978	618	564	167	156
Argentina	3+2	1974	1000	921	869	839	790	
Brazil	3	1972	1000	726	558			
Mexico	3+3	1976	1000	854	760	427	331	235
Greece	3+3	1975	1000	938	884	821	750	711
Portugal	3+2	1976	1000	879	879	566	566	

Source: Unesco, Office of Statistics (1980), Wastage in Primary and General Secondary Education, Annex I Table 5.

education. Only Brazil's survival rate was 55.8 per cent which was the lowest in the NICs.

In sum, the NICs differed a great deal among themselves in the repetition rates in the first and second levels. However, generally, their drop-out rates in both the first and second levels were much lower than those in the developing countries.

4.4. Conclusion.

The findings in the above comparison of the statistical profiles in educational expansions in the NICs and the average Third World countries are summed up in the following:

1. The NICs, like the other Third World countries, have been expanding their educational systems at a rapid rate. The quantitative expansion is reviewed in their rapid expansion in educational expenditures and in the enrolment of students at all levels.

2. The disproportionate expansion with greater emphasis on the second and the third levels is one of the characteristics in the educational expansion in the NICs.

3. However, unlike the average Third World countries, increases in gross educational expenditure have not led to decreases in per capita educational expenditure, nor a higher share in the GNP. Instead, the per capita educational expenditure in the NICs has risen in the last two decades, which was at a higher level than the average of the Third World countries in 1980. The share of educational expenditure in the GNP has been comparatively lower than that in the average Third World countries.

4. Despite the uneven rate of expansion at the different levels of education, the percentage distribution of enrolment was relatively more even than the other Third World countries.

5. The NICs have higher enrolment ratios at all three levels than the other Third World countries. A higher proportion of the population can have a chance to strive for education at both the first and the second levels. However, the chance to attain higher education is still very slim.

6. The illiteracy rates and the number of illiterates, in the NICs, have dropped rapidly and they have attained a much higher level of literacy rates than the other Third World countries.

7. Despite the diversity among the NICs in the repetitional rate, the drop-out rates among them were much lower than that in the average Third World Countries.

In a nutshell, even though the NICs have been expanding their educational systems in a similar fashion as the average Third World countries, they have out-performed the other Third World countries in the level of per capita educational expenditure; the enrolment ratio at all levels of education; the percentage of literates and the number of literates of the total population; and have a lower wastage rate.

Are these differences in educational development responsible for the differences in national development between the NICs and the other Third World countries? To what extent has the educational development in the NICs contributed to economic and social development in their societies? What is, really, the relationship between educational expansion and economic and social development in the NICs? Furthermore, as mentioned above, the diversity among the NICs in educational expansion is great. The generalized picture presented above has concealed some of the specific features of developments in both the educational systems and society in these countries. Threrfore, a detailed case-study of a particular NIC - Hong Kong - will be provided in the following chapters. The relationship between the educational expansion and the development in this city will be examined in detail.

NOTES FOR CHAPTER IV

1. Basically this chapter is a comparison of the educational expansion in the NICs and the other Third World countries. Accounts of the situation in the Third World in the literature will be reviewed. Then they will be compared and contrasted with the features in the educational expansion in the NICs. Statistics gathered mainly from Unesco statistical yearbooks of various years' editions will be used in the comparison. However, as mentioned in chapter three, the readers should be reminded that errors in gross statistics like these are great. Nevertheless, general patterns and characteristics for the purpose of comparison can be reviewed in them. A detailed case-study of a particular NIC -- Hong Kong, will be presented to support this generalized discussion.

2. The focus of discussion in this chapter is on the aggregate pattern of educational expansion of the NICs as a group. Therefore, collective data of the NICs are presented in the tables in this chapter. They are summaries of the statistics on the eleven individual NICs. The detailed information for these individual countries is presented in Appendix I. Appendix table I.1 presents the pattern of enrolment increase in the individual NICs. Except for the situation in Yugoslavia, the general pattern of educational growth in the NICs was similar to that of the Third World countries. In Yugoslavia, the enrolment increase is higher at the second level, while there was a decrease in enrolment in the first level. The pattern of percentage distribution of student enrolment in different levels among the NICs is also quite uniform. Brazil and Yugoslavia are two countries with slight variations. Brazil's pattern resembles closer to that of the average developing countries. Yugoslavia had a higher proportion of enrolment in the second level instead of the first level in 1980.

3. However, the data in appendix table I.2 show that there has been great diversity among the NICs. Generally, the South East Asian NICs together with Mexico and Portugal have been expanding their educational expenditure at a very rapid rate. Within 15 years, they have raised the expenditure to more than 1000 per cent. In the other NICs, except in Greece, negative expansions in educational expenditure occurred. Furthermore, the per capita educational expenditure also differs among the NICs. None of their per capita educational expenditure is close to that spent in the developed countries. However, in 1980, the South East Asian NICs, and Portugal were spending over $100 per captia on public education; Mexico and Greece were spending somewhere near a hundred dollars per capita; and the rest of the NICs were spending a very small amount on per capita educational expenditure.

4. However, one should note that the educational systems in the colonies were at best only pale images of their counterparts in the colonizing countries. Coombs has assumed the close resemblance between the two. Nevetheless, the inherited colonial educational systems were usually elitist systems irrelevant to the developmental needs of the countries concerned and the majority of the populations in these countries.

5. Gross enrolment ratios include overaged and underaged students. Therefore, it is difficult to determine whether full enrolment of the primary age children at the primary level is attained even if the enrolment ratio is 100 per cent. However, the less than 100 per cent enrolment ratio demonstrates a definite unattainment of UPE in the Third World countries. And yet, the 107.8 per cent of enrolment ratio at the primary level in the NICs does not necessarily indicate full attainment of the primary age group at that level.

V. EDUCATIONAL EXPANSION AND ECONOMIC GROWTH IN HONG KONG.

Introduction

In the last three and a half decades, Hong Kong has displayed an outstanding developmental pattern. Her successful economic growth and rapid social transforma- tion have been acclaimed, alongside the other NICs, as the developmental 'miracle' of the twentieth century. At the same time, educational expansion during this period has been very rapid and impressive in Hong Kong. In this chapter, an attempt will be made to examine the relationship between the expansion of Hong Kong's educational system and its post-war economic development. The discussion in this chapter will proceed in the following order: (i) an account of the social transformation in Hong Kong will be presented as background information to enrich the readers' understanding of the discussion in this chapter; (ii) an overview of the post-war economic development in Hong Kong will be provided as well as an assessment of its growth performance as a NIC; and (iii) an examination of the role of the expanding educational system in its economic expansion in the post-war years will be made.

5.1. Old Hong Kong And Modern Hong Kong: A Note On The General Background [1].

5.1.1. From a fishing port to a cosmopolitan city.

In a very generalized fashion, the history of Hong Kong is marked by three landmark events. The annexation of Hong Kong by the

British, in the mid-19th century, turned the tiny and sparsely populated fishing port into a British colony, beginning its function as a trading centre and as an entrepot port. Then the post World War II political changes in mainland China provoked and started a period of 'export-industrialization' in Hong Kong. The 'export-industrialization' was a strategy adopted by Hong Kong for its economic survival and it has led to the modern Hong Kong of to-day. The declaration of the revision of Hong Kong to China in 1997 by the Sino-British Joint Declaration, signed in December 1984, has also turned a new page in the social-economic-political development in Hong Kong[2].

Since 1842, Hong Kong has been under the British regime. The acquisition of the colony took place in three stages: (i) Hong Kong Island from the 1842 Treaty of Nanking which terminated the Opium War and began the humiliating century of 'Unequal Treaties' for China; (ii) Kowloon peninsula from the First Convention of Peking in 1860; and (iii) the New Territories from a ninety-nine year lease under the Second Convention of Peking in 1898 (Chan and Kirst,1985:49).

Progress in the various fields of development in Hong Kong was relatively slow before World War II [3]. On the arrival of the British, about one and a half centuries ago, Hong Kong had a small population of some 5,500 people. Then just prior to World War II, it boasted a population of over 1.5 million and was an important entrepot in the South China Sea. It was then a commercial city confined to the main island, with the southern tip of Kowloon peninsula as the outer-fringe. The rest of Kowloon, the New Territories and the outer islands, constituted the rural zone.

However, now in the mid-1980s, Hong Kong is a cosmopolitan city with a high-density central city, a band of industrial and commercial satellites, and an urbanized countryside economically integrated to the central city and its satellites. This central city-satellites -urbanized rural zone structure of Hong Kong is comparable to the metropolitan communities in the industrialized world (King and Lee,1981:x). Furthermore during the period between 1950s to 1970s, much had changed profoundly affecting the living and working conditions of the people. From 1951 to 1975, the total electrical consumption has increased from 354 million to 6,424 million kilowatt-hours. The number of registered motor vehicles increased from 15 thousand to 188 thousand in the same period. Employment in manufacturing industries also increased from 94 thousand to 679 thousand employees. The GDP per capita (at 1964 constant price) increased from HK$ 1,784 in 1960 to HK$ 3,978 in 1973 (Lee,1982:7).

5.1.2. Geography and the people.

Hong Kong is a collective name given to a territorial complex comprising Hong Kong Island, the Kowloon peninsula, and the New Territories (including 235 adjacent islands) (Appendix II). In its land area of 1,060 square kilometres, Hong Kong is now supporting a population over 5.5 millions. The population density in the urban centres is at present higher than 25,400 per square kilometre, placing urban Hong Kong among the most densely populated places of the world. Some studies show that the congestion of Mongkok area, a very densely populated district in Hong Kong, reached the level of

155,000 persons per square kilometre in the late 1970s. This condition applied to both the central city and many newly developed satellites (King and Lee,1981:xi). Not only is Hong Kong tiny and densely populated, but the rugged terrain has left no room for agricultural development. It has no natural resources except an excellent harbor, a favourable international location, and its people.

Hong Kong is a city of immigrants. Though the overcrowdedness of Hong Kong may be frightening to many, its modernity and freedom have attracted many refugees and immigrants, particularly from China. The influx of refugees from China is the major source of the rapid population growth besides the natural increase. However, the flow of immigrants into Hong Kong, has never been steady or smooth, but largely reflected the existing political temperature in China. At the start of World War II, Hong Kong's population was some 1,600,000. By the end of the Japanese occupation, it dropped to about 600,000. Yet immediately following the communist take-over in the late 1940s to the early 1950s, and in the early 1960s following the end of the 'Great Leap Forward' the largest number of refugees entered Hong Kong. It was estimated that about 1,285,000 people came between September 1945 and December 1949, and about 140,000 during 1962. The refugees continued to pour in. It is estimated that some 20,000 of them entered Hong Kong illegally every year in the early 1970s. Following an overall relaxation in policy by the Chinese government in the late 1970s, another huge influx of illegal in-migrants came. In the year 1979 alone, it is estimated, around one hundred thousand people successfully passed the border and escaped the Hong Kong

government's catch (Cheng,1982:42). Hence, despite the dropping rate of natural population increase -- it dropped from 2.5 per cent in the early 1960s to 1.3 per cent in the late 1970s (Cheng,1982:43) -- the post-war population in Hong Kong has been growing steadily. The total population in Hong Kong has increased from slightly over 500,000 in 1945 to 5.5 million in the mid-1980s. That is an over ten-fold increase in three and half decades.

The inflow of refugees and the increase of population have been bringing both economic fortunes and social problems to the society. The increased population pressure has continuously resulted in an increasing demand for the provision of social services such as housing, health, welfare and education. The lag in the provision of these services has been the major problem affecting the daily lives of the people in Hong Kong. On the other hand, the large and continuously growing population has been providing an unlimited supply of cheap labor to the economic and industrial development in Hong Kong.

Though 98 per cent of Hong Kong's population is Chinese in origin, it is not as homogeneous as it might seem. About half of the people were born in Hong Kong and have been more exposed to the Western life style and ideas. The others, either of the older generation or of the group of new in-migrants from China, are not so westernized. Two per cent of the population is of non-Chinese origin. It includes people from Britain, India, America, Australia, Portugal, Pakistan, the Philippines, Singapore, Canada, Japan, Indonesia, and West Germany, etc. Cantonese and English are the two official languages in Hong Kong, but Cantonese is basically used

among the majority. Furthermore, among the Chinese, variations can be found in their dialects, customs, styles of living, political orientations, ideological identifications (running in a continuum from those to the extreme right supporting the Nationalist regime in Taiwan to those to the extreme left supporting the Communist regime in mainland China). Fortunately, Hong Kong has been exempted from some other kinds of divisions -- like religious conflicts, territorial rivalries, centre-periphery competition and the struggle for power between modernizing elites and traditional authorties -- which have been dividing most of the Third World countries. However, there is also the staggering disparity between the rich and the poor in Hong Kong [4]. Though these cleavages are potentials for generating class conflicts and industrial hostilities, residents with different political inclinations and of different sociocultural and economic groups have so far been able to live peacefully together. This has probably contributed significantly to the 'miraculous' development in Hong Kong in the last two decades or so.

It is becoming rarer to find in the Third World countries today, that rapid economic growth which is accompanied by political stability. The high level of economic inequality among various socioeconomic groups, rapid urbanization, and the momentous rural-urban migration are common phenonmena connected to economic development in most of the Third World countries. These phenonmena are conducive to group conflicts, sociocultural breakdown, and political instabilities. In order to harmonize economic growth and political order, many developing countries have taken the 'difficult path' of pursuing economic growth at the expense of political

participation. Political revolts and violence have often resulted in these regimes. For example, in South Korea, one of the most successful economically growing NICs, political unrest and violence have become quite common over the last two decades. In the recent past, political unrest and violence have been reported as 'the dark side of the miracle' [5]. However, it appears that Hong Kong is immune from this 'dark side' in its 'miraclous' economic development.

In a sense, Hong Kong has experienced a relatively high level of political stability [6]. Nevertheless, one cannot find, in Hong Kong, an integrated political system with a high level of political and moral consensus, nor is a popular level participation allowed in the colonial government. Moreover, Hong Kong possesses all the elements sufficient enough to destabilize the society. And yet, so far political stability has been maintained under the colonial government adhering to the now outmoded economic laissez-faire model and social non-interventionism in Hong Kong (Lau,1982:4).

5.1.3. The economy.

Economically, Hong Kong has taken the route of export-oriented industrialization as a means of economic survival since the early 1950s. It is one of the most spectacularly advancing NICs. The GNP per capital has grown at a rate of 6.9 per cent per annum from 1960 to 1982. In 1982, its GNP per capita reached US$ 5,340. Unlike many Third World countries, Hong Kong is virtually an urbanized city-state. Ninety-one per cent of the total population are urban dwellers. Furthermore, only a minute proportion of the labor force

is working in the primary sector. There was only eight per cent of the total work force employed in the primary sector in 1960, and the percentage dropped to three per cent in 1980. However, the percentage of workers in the industrial sector was 52 per cent in 1960 and 57 per cent in 1980; those of the service sector were 40 per cent in both years (World Bank,1984:annex Table 21). The primary sector contributed only 20 per cent to the GNP in 1976, while those of the industrial and service sectors contributed 34 per cent and 64 per cent respectively (OECD,1979:table 21).

To many, the economic success of Hong Kong owes much to the fact that it has a free-market economy. It has often been described as one of the world's last strongholds of the nineteenth century free-trading laissez-faire economies. The government adopted a non-interventionalist policy in its relationship with the economy [7]. Like governments in other free-trading economies, the Hong Kong government circumscribes its role to the provision of economic infrastructure [8]; and the creation of a better economic climate for private entreprise (Cheng,1982:33). It would not try to set priorities on development or to provide protection or subsidies for its industries. It allows a free hand for the businessmen to develop industries and to trade under their direct and intimate knowledge (Lin and Ho,1981:77). Liberals, like Rabushka in his book Hong Kong: A Study in Economic Freedom (1979), praise Hong Kong's economy as the world's freest economy with the threefold virtues of a market-economy, minimum intervention and a free port (Harris,1981: 36).

However, non-interventionism is not without short- comings. Social injustice, relatively inadequate social welfare provisions, short-sighted development, and suffering of economic 'stormy water' which should have been prevented by the government's actions, are most commonly criticized as the short-comings of the laissez-faire economic policy of the Hong Kong government (Cheng,1982:30). Furthermore, 'free' economy, in fact, has led to a highly 'competitive' situation. The 'invisible hand' is evident but so is the 'survival of the fittest'. In Hong Kong, people must compete for goods, jobs, a place to live, an education, services and virtually everything in their daily lives. For the 'survivors' life can be good indeed. Especially for the millionaire factory owners or the successful business taipans, Hong Kong does manifest the best economic system. However, the vast majority of the people of Hong Kong have to contend with their not so pleasant and often precarious lot. Competition and the notion of 'the survival of the fittest' are the essense of life for the people in Hong Kong (Harris, 1981:37).

5.1.4. Hong Kong in the mid-1980s: The distinquishing characteristics.

This twentieth century 'miracle' was never thought of by the early colonizers. Perhaps one could describe the rapid and successful growth of modern Hong Kong as a mockery to the contemporary jaundiced views concerning the values of the newly annexed colony. Contemporary comments on Hong Kong's prospects were negative. An early Treasurer of the colony, Robert Martin, commented,

> ...[Hong Kong is a] small, barren, unhealthy valueless island, the expenditure on which outstripped revenue by a ratio of some ten to one.

He further maintained that

> ...the decomposing granite and disintegrating sandstone emitted a foetid odour productive of disease, the harbour was being filled up by silt...and the conditions that contributed to the commerical prosperity of Singapore were entirely absent in Hong Kong.
>
> ...[there is] no justification for the British government spending one shilling on Hong Kong (Hong Kong, GIS,1986:1-2).

And yet, in mid-1984, the Financial Secretary, Sir John Bremridge, the eighteenth successor to the pessimistic Martin and 140 years after his negative statements, announced that in the preceding decade Hong Kong's GDP had grown by an average of eight per cent a year. His forecast was that in a decade's time its per capita GDP 'could with a bit of luck be of the same order as that in the United Kingdom'. He further summarized the post-war achievements of Hong Kong as the following:

1. Hong Kong is the financial capital center of Asia, and the world's third most important banking and financial centre, trailing only London and New York;
2. Hong Kong is the world's largest exporter of garments, toys, radios and watches;
3. Hong Kong is among the world's top 20 trading countries and territories, it has the world's third busiest container port and the third busiest cargo operation;
4. Hong Kong is also the world's third biggest gold market, and a leader in the diamond trade;
5. Of the world's top 50 banking groups, 44 are represented in Hong Kong and the territory's own big bank, the Hong Kong and Shanghai Banking Corporation, is among the world's top 20 banks -- and the biggest based outside the major industrialized countries of Europe, North America and Japan (Hong Kong, GIS, 1986:2).

Nowadays, on arrival in Hong Kong, a visitor may be dazzled by the dynamism and prosperity of this tiny territory. Looking down from the famous Victoria Peak one can see the most extraordinary skyline in Asia. Hurrying along the busy streets are people jostling one another to get to somewhere -- whether rushing to the innumerable factories that employ this massive popu- lation, or shopping in stores filled with all sorts of goods coming from all over the world or produced in Hong Kong, or catching one of the busy yet fast running transportation means to get to another busy spot to do business.

The uniqueness of the society of Hong Kong can be summarized in the following ways. It is a densely populated Chinese society which has been under the British colonial government for over a century. The rapid economic growth of the city has been suprisingly accompanied by political stability. Rapid social transformation has led to the modern industrialized cosmopolitan Hong Kong. Hong Kong is virtually an industrial urbanized city-state where the generalized agrarian characteristics of the Third World are not applicable to its society. The government's non- interventionism and laissez-faire policies may have led to the rapid economic success of the city, but it has also resulted in a highly competitive society where chances only go to the 'fittest'.

5.2. Hong Kong As A NIC: Postwar Industrial and Economic Growth

To a large extent, the early pessimists' observations, though not their predictions, on the developmental potential of the colony were correct. Hong Kong is tiny and rugged leaving no room for

agricultural development. It was sparsely populated then, though not to-day, and has virtually no natural resources. It could not even feed itself from the early colonial days until the present. Basic food stuffs and consumer goods for subsistance survival have to be imported. Perhaps unique in the world, Hong Kong even has to import water from mainland China, otherwise supplies would run out in a dry spell. And yet, this tiny misfortuned territory has turned itself into a star in the history of the Third World's economic development.

Hong Kong has no other means but trade to rely on for its existence. Its economy is an export-propelled economy founded on a narrow industrial base with light industries. Approximately 90 per cent of its manufactured goods are exported. Increase in exports is a pre-requisite for any increase in the domestic activities of production which provide employment for a large portion of its work force. The increase in exports also generates vital foreign exchange earnings which pay for the required imports of raw materials, foodstuffs, and industrial machinery; and form the source of local capital formation, consumption and taxation; and provide revenue for the provision of social services and, peace and order. In other words, until now, though there are other important economic activities like entrepot trade and the growing financial services, manufacturing for exports is Hong Kong's 'engine' for economic growth. Its level of domestic output, income and employment depends on the state of its export trade. Its growth and prosperity, in turn, rest upon the growth in its industrial and manufacturing sectors (Cheng,1982:2-4; Lin land Ho,1981:68).

5.2.1. A chronology of Hong Kong's economic development [9].

a. Early entrepot trade.

During its first hundred years under British rule, Hong Kong turned from a fishing port into an entrepot and functioned primarily as a key connecting link between China and other countries in Asia, Europe and America. The growth of Hong Kong's entrepot trade was halted by the Japanese occupation, during World War II, which lasted from December 1941 to August 1945. World War II brought economic turmoil to Hong Kong. The population had declined to 600,000 by 1945; entrepot trade had shrunk to zero; industry was at a standstill; houses were destroyed; schooling was almost entirely suspended. Furthermore, it seemed that reconstruction of war-battered Hong Kong was not easy to achieve. Not only that complex network of external entrepot relationships had been destroyed, but there was also a lack in skilled managers, workers, and the capital for re-establishment. However, it did not take long for the colony to recover. Two major events occurred which ultimately altered the course of economic development in Hong Kong. The first was the outbreak of civil war in mainland China in 1948-49; the second was the outbreak of the Korean war.

b. The Chinese civil war -- an input of economic factors.

During 1948-49, when civil war broke out in China, a massive refugee influx to Hong Kong began. It is estimated that about three quarters of a million people entered the colony during 1949-50. By

the end of 1950, Hong Kong's population had swollen to 2,360,000. Among these refugees were hundreds of capitalists mainly from Shanghai, and from some other cities, who left their factories and moved to Hong Kong to establish new business enterprises. There also came a large number of landowners, politicians, bankers, engineers, professors, skilled and unskilled workers, who fled China in anticipation of the communist regime. This flight of capital, labor, and entrepreneurship continued after the actual communist take over of China and lasted into the 1950s. Some estimated that the flow of capital during 1949-50, had jumped to at least HK$ one billion. As the majority of the Shanghainese capitalists, who came to Hong Kong at that time, were experienced manufacturers; they began to invest in and develop industries, especially in cotten textile factories. Thereby, an immediate expansion of the textile industry spreadheaded the post-war industrialization in Hong Kong. The great number of young, industrious and disciplined laborers, who came also as refugees, have provided an almost unlimited supply of labor for industrial development.

c. The Korean War and Hong Kong's export-oriented industrialization.

Just as Hong Kong was recovering from its war-torn economy, the Korean War broke out. Subsequently, the United States placed embargoes on the importation of all goods of Chinese origin as did the United Nations on the export of essential materials and strategic goods to China. Hong Kong's entrepot trade collapsed overnight, and its major source of income was eliminated. Being deprived of its

traditional means of livelihood and swollen with the huge influx of refugees, Hong Kong faced the great problem of providing food, shelter and jobs for its population. Hong Kong was forced to reassess its economic prospects. 'Export-industrialism' was the new economic frontier Hong Kong adopted for its economic survival. Unlike some other less developed countries, where land and natural resources are plentiful, Hong Kong possesses little land and almost no natural resources to speak of. Neither an expansion of the primary sector nor the import-substitution strategy would be successful for Hong Kong's economic development. 'Export-oriented industrialization' was the only new economic frontier opened, and Hong Kong had to adopt it for its economic survival.

During this period, Hong Kong was already richly endowed in physical and commercial infrastructure inherited from one hundred years of entrepot activities -- i.e. banking, shipping, insurance, and warehousing. Being also endowed with a good geographical location, which conveniently linked the East and the West on the major world trade routes; together with the capital, labor, and entrepreneurship received from China during this period; and with the inherited infrastructure, all these together have created an economic structure highly conducive to development of the export-industrialization in Hong Kong.

d. Industrialization and Diversification.

Throughout the 1950s and the 1960s, manufacturing industry and the exports of its products were the cornerstones of Hong Kong's

economy. In 1954-55, the manufacturing industry contributed approximately one third towards the GDP and this percentage has remained more or less constant. By 1971, Hong Kong's manufacturing industry's contribution towards her GDP stood at 34.9 per cent (Chow,1977:87). Although the textile industry has been dominating the manufacturing industry since the inception of industrialization in Hong Kong, diversification from its dominance took place in the early 1960s. In the mid-1950s, textiles were Hong Kong's main export items, which accounted for 33 per cent of the colony's total exports. However, by the end of the 1950s, the rising South-East Asian NICs -- South Korea, Taiwan, and Singapore -- became close competitors in the international markets. The rising tide of protectionism in Hong Kong's export markets has imposed increasingly harsh terms on its textile exports [10]. Hong Kong's industrialists, being pragmatic in outlook, and having an almost instinctive grasp of economic reality, were quick to adjust the economy to restore its external competitiveness. The second economic frontier that was adopted for Hong Kong's economic survival, in the early 1960s, was industrial diversification [11] . Other industries (Table 5.1) like clothing, electronics, and watches have gained importance in their proportional share in Hong Kong's manufactured exports. In 1959, the share of textile exports dropped to 18.14 per cent, while that of clothing was 34.75 per cent. The decrease of textile exports continued and reached 7.27 per cent in 1979, while clothing exports increased to 36.00 per cent in the same year. Industries like electronics and watches rose from a humble start, 2.48 per cent and 0.14 per cent

Table 5.1. Export composition of Hong Kong's domestically manufactured products 1959, 1969, 1979.

Product group	1959	1969	1979
Textiles	18.14	10.71	7.27
Clothing	34.75	36.39	36.00
Electricals/Electronics	1.53	10.06	15.66
(Electronics)	--	(6.96)	(9.87)
Precision Instruments	0.61	1.74	9.35
(Watches and Clocks)	(0.22)	(1.03)	(7.79)
Toys and Dolls	3.90	8.43	7.47
Plastics Products	3.59	3.99	1.91
Sundry Metal Products	5.26	2.78	2.75
Handbags	0.70	1.36	2.19
Footwear	4.78	2.80	0.93
All Other Manufactures	26.74	21.74	16.47
Textiles and Clothing	52.89	47.10	43.27
Top Three of the Year	58.15	57.16	61.10

Sources: Computed from Census and Statistics Department, Hong Kong Trade Statistics, and Hong Kong Review of Overseas Trade, Hong Kong: Government Printer, various years; adapted from Lin and Ho, 1981: Appendix Table A-2.

respectively in 1961, to nearly 10 per cent and eight per cent at the end of the twenty years. A second wave of diversification came around the mid-1970s, when the economy was attacked by the world recession and the oil price crisis. This time, the economic base was diversified into the steadily expanding financial and service sectors (Hong Kong,GIS,1986: 3). Now, in the mid-1980s, Hong Kong has emerged as a banking center, busy world trader, and a diversified manufacturer.

5.2.2. Economic Growth Performance Since 1947.

a. Increase in GNP and GNP per capita.

Hong Kong has experienced rapid growth since the end of World War II. However, the growth has not been continuous. The overall rapid growth has been interrupted by negative recessions. Table 5.2 presents the changes in GNP in Hong Kong since the end of World War II [12]. In the late 1940s, the recovering economy of Hong Kong was growing at an extremely fast rate. The GNP growth rate was 14.33 per cent, 19.78 per cent, and 13.44 per cent in 1947/48, 1948/49, and 1949/50 respectively. The fast rates of growth were the result of the exodus of capital, labor, and entrepreneurship from China. In the early 1950s, the outbreak of the Korean War and the subsequent embargoes led to a negative rate of growth to the economy. However, starting from the mid-1950s, the economy experienced very fast rates of growth, when the colony shifted from an entrepot to a manufacturing centre. The average annual growth rate from 1954/55 to 1957/58 was 8.77 per cent. In the late 1950s, a recession in the economy was caused by the imposition of the Lancashire Pact and the GATT long-term treaty.

In the early 1960s, further industrialization, the move to industrial diversification, and the concurrent Vietnam boom, all together generated a fast rate of growth to the economy of Hong Kong. The average annual growth rate of GNP from 1961/62 to 1964/65 was 11.96 per cent, and that from 1965/66 to 1968/69 slowed down to 8.30

Table 5.2. GNP figures of Hong Kong 1947-1980.

Year	GNP in constant prices [a]	Compound annual growth rate		Average annual growth rate [b]
1947	2,330			
1948	2,664	14.33	>	
1949	3,191	19.78	>	
1950	3,620	13.44	>	15.85
1951	3,430	-5.25	>	
1952	3,157	-7.96	>	
1953	3,274	3.71	>	
1954	3,593	9.74	>	0.06
1955	4,088	13.78	>	
1956	4,354	6.51	>	
1957	4,680	7.49	>	
1958	5,022	7.31	>	8.77
1959	5,066	0.88		
1960	6,555	29.39		
1961	6,648	1.42		
1962	7,329	10.24	>	
1963	8,087	10.34	>	
1964	8,822	9.09	>	
1965	10,423	18.15	>	11.96
1966	11,110	6.59	>	
1967	12,071	8.65	>	
1968	12,523	3.74	>	
1969	14,305	14.23	>	8.30
1970	15,199	6.25	>	
1971	15,674	6.25	>	
1972	16,826	7.27	>	
1973	19,131	13.70	>	8.37
1974	19,279	0.77		
1975	35,349	2.20		
1976	42,005	18.80	>	
1977	46,281	10.20	>	
1978	51,008	10.20	>	
1979	55,419	8.60	>	
1980	60.409	9.00	>	11.36

Sources: Chow (1977), Economic growth and income distribution in Hong Kong, Table 2.3; Youngson (1982), Hong Kong economic growth and policy, page 8.

Notes: a. Data from 1947 to 1974 are from Chow's account and 1966 GNP price=100; data from 1975 to 1980 are Youngson's account and 1973 GNP price=100.

b. Average annual growth rate of selected periods are calculated so as to highlight the growth pattern of Hong Kong's economy.

per cent. The reduced rate of growth in the later half of the 1960s, could be attributed to the 1965 banking crisis and the 1966 and 1967 riots in Hong Kong, when business activities, investors' confidence, and government expenditures were all adversely affected. The growth rate of the economy accelerated again from 1969/70 to 1972/73, as the economy returned to normal. The average annual growth rate was 8.37 per cent during this period.

Being greatly affected by the world recession and the oil price crisis in the early 1970s, Hong Kong's economy could only sustain a very slight rate of growth. The growth rates from 1973/74 to 1974/75 were 0.77 per cent and 2.2 per cent respectively. However, in 1976, the growth rate jumped to 18.8 per cent and the fast growth continued until the end of the decade, though with a slight drop in the last two years. The strong rebound could be explained by the second diversification of the economy into the fields of finance and services after the oil price recession.

In other words, the rapid growth of the economy in Hong Kong has been very vulnerable to external factors. The several slow-downs were the reflections of the imposition of unfavorable factors: the political changes in mainland China in the late 1940s; the effects of the international embargoes in the early 1950s; the imposition of the protectionism in the late 1950s; the impact of the world recession and the oil prices crisis in the early 1970s. Only once in the mid-1960s, internal disturbances led to a very slight slow down in the economic growth. However, in each of these unfavorable situations, new economic frontiers were sought and adopted in Hong Kong to fit itself into the global system for its economic survival.

The overall economic growth in the 1960s and the 1970s were especially outstanding. Its total GDP has risen at an average compound annual rate of 16.0 per cent at current market prices, and at about 10.0 per cent in constant prices.

In terms of per capita, the average compound growth rate in the 1960s and the 1970s was 13.2 per cent and 7.13 per cent respectively. It exceeded not only the average of all developing countries (which was 2.8 per cent in constant price from 1960 to 1982), but also exceeded that of the developed countries (which was 2.6 per cent in constant price in the same period). (see Tables 3.6 and 3.7) By 1979, the per capita GNP in Hong Kong had reached HK$ 17,825 (i.e. US$ 3,561), making Hong Kong the third wealthiest territory in Asia only after Japan and Singapore. Its GDP per capita is also comparable to that of the poorer countries in the industrially developed countries (Lin and Ho,1981:74).

b. Expansion of production and exports in manufactures.

Some manufacturing industries, mostly related to port activitism had been established in Hong Kong before World War II. Not until the outbreak of the Korean War, did the real impetus to the development of Hong Kong's manufacturing industry take place. Conditions had been favorable at the beginning of Hong Kong's industrialization. The total registered and recorded manufacturing establishments increased from 961 in 1947 to 25,250 in 1977. That is a twenty-six fold increase during the twenty-seven years (Chow,1977:72 and 75). The production in the expanding manufacturing sector has been remarkable. In the period of 1957 to 1979, Hong Kong's manufacturing

production for exports increased at an average compound rate of 11.3 per cent per annum in real terms. That is roughly twice the growth rate of world trade. Hong Kong's exports per head of population also expanded more than fourteen-fold; their value rose from HK$ 1,104 in 1959 to HK$ 15,497 in 1979 (Lin and Ho,1981:73-74).

Furthermore, its share in the world industrial production and in the world exports of manufactures (see table 3.2 and 3.3) increased 0.13 per cent and 0.39 respectively, in the early 1960s and the late 1970s. The percentage increases seem small, but when taken into consideration the size of Hong Kong's economy in the international markets, they are significant. Moreover, steady increases in Hong Kong's share in the world markets during the global recession at that time have been an outstanding feature of its economic growth .

In fact, by the early 1960s, Hong Kong had become the largest supplier of manufactures among the less developed countries. It was also one of the 20 leading exporting countries in the world by that time. It has been among the top ten in terms of exports per capita since the late 1960s (excluding the OPEC). Exports per capita expanded more than fourteen-fold. The per capita exports in 1978, which were HK$ 11,694 (US$ 2,493), was over 50 per cent higher than that of Britain, about three times the Japanese, and quadruple the United States' average. Furthermore, its manufactured exports per capita for the working population is one of the highest in the world (Lin and Ho,1981:70).

c. Rising share of manufacturing employment.

The expansion of the manufacturing industry in Hong Kong has been accompanied by an increase of the manufacturing employment. Manufacturing employment, in most developing countries has a minority status, seldom composing as much as 20 per cent of the total workforce. Hong Kong's manufacturing industries have been the prime movers of its economic activity, and is the most important contributory factor to employment creation in Hong Kong. Employment in the registered and recorded manufacturing establishments grew from 47,356 in 1947 to 870,898 in 1979 (Chow,1977:75; Lin and Ho,1981:74). In 1980, the ratio distribution of the labor force in agriculture, industry and services was 3:57:40 (Table 3.1). Manufacturing employment accounted for 43 per cent of Hong Kong's total labor force in 1961; 47.0 per cent in 1971, and 41.2 per cent in 1981 (see Table 5.4).

The growth of manufacturing industries, together with the development of other econmic sectors, brought about a large enough increase for job creation to absorb the expanding labor force. Since the early sixties, Hong Kong has been approaching full employment. Open unemployment, as recorded in the 1961 census report, including first-job seekers was 1.7 per cent; excluding those job seekers, it was only 1.3 per cent. According to the 1981 census report, the proportion of unemployment in the labor force was 4.5 per cent in 1971 and 4.0 in 1981. In spite of the increase from 1961 to 1971, and there is a slight decline from 1971 to 1981, it is important to note that these figures are very low among the developing countries.

In sum, Hong Kong has performed successfully in its economic growth and has experienced a rapid industrialization like the other NICs. 'Export-industrialism' is the prime mover of its economic development in the post war years and its domestic industrial output has increased rapidly during the same period. Furthermore, its share in the world industrial production and in the world exports of manufactures have grown at a fast rate. Such an expansion in the industrial production has enabled a rising share of the industrial employment in the total labor force and has led to rapid growth of the GNP per capita. The unemployment rate in Hong Kong has been very low since the early 1960s. Furthermore, Hong Kong has also been transformed rapidly from a tiny backward fishing port to a trading center depending on entrepot trade, and to a modern cosmopolitan industrial city-state.

There are two distinctive features which distinquish Hong Kong's course of economic development:

1. The growth of Hong Kong's economy has been vulnerable to external factors, and the course has been interrupted by externally imposed barriers. However, these barriers were responded to by the entreprenuers by their new economic frontiers -- export-industrialism, inter- and intra- industrial diversifications -- and which, in turn, have induced further economic growth to the economy.

2. Throughout the course of Hong Kong's economic development -- from the inception of the textiles industry in the late 1940s and the 1950s; to the diversification into the manufacturing of electronics, clothing, watches and other light industries since the early 1960s; and to the diversification into the financial and commercial sectors in the late 1970s -- low-skilled laborers and low-level white collar workers were required as the prime movers that supported the growing economy.

5.3. Educational Expansion As A Recruiter In Hong Kong's Post-War Economic Development.

According to the human capital proponents, educational expansion plays an important role in bringing about economic growth. They contend that the rapid technological advancement and industrial innovations, since the end of World War II, have called for an upgrading of the educational level of the labor force. Based on the presumed link of schooling to productivity, they assert that by expanding and improving the educational services the manpower requirements would be met and subsequently economic growth would be accelerated.

However, the conflict theorists claim that educational expansion in the post-war years is not an inevitable neccessity induced by the advancement in technology. They argue that the major function of educational expansion, in the capitalist society, is to reproduce social relations in the capitalist mode of production. Social disparities are being reproduced and legitimized through expanding educational opportunities. Concerning the function of the educational system in economic development, the conflict theorists do not deny the economic value of educational investment in an expanding capitalist society. However, they assert that, the major economic contribution of an expanding educational system in capitalist society is to recruit the correct number of 'right' persons to the work force. They admit that through schooling knowledge and skills are learned. Though academic knowledge and skills often are not directly transferable to the capitalist workplace, they are essential for the competence in, and the learning of, the direct productive skills.

Moreover, by regulating the quantitative growth of the school system according to the expansion of the hierarchical divison of the labor force, the educational system would help in recruiting the required manpower for the economic expansion (see also the discussion in section 2.3.3.). In this section, an attempt will be made to analyze the role of educational expansion in Hong Kong in its post-war economic development. It is intended to examine which theory of education explains better the situation in Hong Kong.

5.3.1. Economic growth and occupation structure in Hong Kong [13].

Human capital proponents advocate that, since the end of World War II there has been rapid technological advancement. This advancement has led to fundamental changes in the occupational structure in the industrialized countries. Industrial innovations, in this period, have also led to a demand for a tremendous skills upgrading of the labor force. Many jobs now require more knowledge and skills and the number of technical and professional jobs has also increased. Therefore, the expansion and improvement of education are functionally necessary for the production of the required manpower. For the less developed countries, it has been argued that, in order to accelerate industrialization and produce rapid economic growth along with modernization of other inputs like capital, production technology, etc., the skilled manpower shortages have to be met. Expansion of the educational system has been treated as a prerequisite to meet this shortage.

In Hong Kong, at the inception of rapid industrialization, in the late 1940s and the early 1950s, textiles manufacturing took up the major part of the domestic production. Low-skilled laborers were required in the labor intensive textile manufacturing at that time. Upgraded skills and knowledge of the labor force did not seem to be the prerequisites to the economic expansion in Hong Kong during this initial period. Instead, a large but cheap and low-skilled labor force was required for the rapidly expanding textiles industries.

In the early 1960s, industrial diversification was adopted as the second frontier for economic survival in Hong Kong. But the push towards diversification only led to the expansion of low-skilled labor intensive industries. Manufacturing of clothing, plastic toys, and the assembly of electronics and watches emerged as the new industries of importance in Hong Kong. Dalglish contends that, only recently has Hong Kong experienced a more advanced technological revolution and has begun to move into the realms of high technology. However, she adds, as a note of caution, that the majority of Hong Kong's labor force still have only such skills as are necessary for only low technology manufacturing industries (Dalglish,1984: 350).

Table 5.3 and table 5.4 show the distribution of the working population by industry and by occupation from 1961 to 1981. Throughout the twenty years, there have been some changes in both the econmic and occupational structures. Manufacturing industries have been employing the largest proportion of the labor force although there was a slight drop of close to 2 per cent in its share in the total workforce. Economic activities related to tourism -- wholesale and retail trades, restaurants and hotels -- rank second in the share

Table 5.3. Distribution of Working Population by Industry:1961, 1971, 1981 (%)

Industry	1961	1971	1981
Argriculture and fishing	7.3	3.9	2.0
Mining and quarrying	0.7	0.3	0.1
Manufacturing	43.0	47.0	41.2
Electricity, gas and water	1.1	0.6	0.6
Construction	4.9	5.4	7.7
Wholsale and retail trade, restaurants and hotels	14.4	16.2	19.2
Transport, storage and communication	7.3	7.4	7.5
Financing, insurance, real estate and business services	1.6	2.7	4.8
Services	18.3	15.0	15.6
Unclassifiable	1.4	1.5	1.3
Total	100.0	100.0	100.0

Source: Hong Kong, Census and Statistics Department (1981), Hong Kong 1981 Census Main Report, Table II.11.

of the total employed work force in 1981 while they ranked third in this respect in 1961. In other words, the proportion of workers engaged in this section grew by nearly 5 per cent. Third, the services sector shrunk in size by about three per cent in the same period. On the other hand, the biggest relative jump in the share of the working population was in the employment sector encomposing

Table 5.4. Occupational Distribution of Working Population 1961, 1971, 1981 (%)

Occupation	1961	1971	1981
Professional, technical and related workers	5.1	5.2	6.0
Administrative and managerial workers	3.1	2.4	2.7
Clerical and related workers	5.8	8.3	12.2
Sales workers	13.7	10.6	10.3
Service workers	15.1	14.8	15.6
Agricultural workers and fisherfolk	7.4	3.8	2.1
Production and related workers, transport equipment operators and laborers	48.7	52.3	50.4
Armed forces and unclassifiable	1.1	2.6	0.7
Total	100.0	100.0	100.0

Source: Hong Kong, Census and Statistics Department (1981), Hong Kong 1981 Census Main Report, Table II.12.

finance, insurance, real estate and business services. It rose from 1.6 per cent to 4.8 per cent during the two decades, i.e. it grew to three times its size in 1961. An examination of the changes in the occupational distribution of the labor force of Hong Kong during the same periods (Table 5.4) also reveals some interesting trends. First, the share of the technical and professional workers in the employed labor force grew from 5.1 per cent to 6.0 per cent -- a relatively small increase over a twenty years span. While the share of the administrative and managerial workers dropped slightly,

shrinking from 3.1 per cent to 2.7 per cent. Second, the greatest gain in the relative share of the employed labor force is found for the clerical and related occupations. It has a little more than doubled, growing from 5.8 per cent in 1961 to 12.2 per cent in 1981. Overall it seems that the proportion of workers employed in relatively low-skilled industries or engaged in occupational pursuits requiring low levels of cognitive skills and therefore relatively low levels of formal education has, if anything, grown slightly larger in 1981 (50.4 per cent) from what it was in 1961 (48.7 per cent).

In sum, despite the rapid economic growth in Hong Kong during these post-war years, there has been very little, if any, growth or increment in the average skill levels of the working force in Hong Kong. The un-skilled or low-skilled laborers have remained the major segment of the working population notwithstanding the rapidly expanding share of industrial production in the GNP and in the growing economy. Rapid technological advancement, fast upgrading of the labor force, and an increased number of technical and professional jobs have not characterized Hong Kong's growing economy in recent decades. Contrary to the human capital theorists' model of technological- industrial growth, technological advancement and the subsequent changes in the occcupational structure as posited by it did not occur in Hong Kong's expanding economy. Instead, the persistence of the massive presence of manufacturing laborers engaged in industrial production and related activities has been typical of its' economic development.

5.3.2. Regulated educational expansion as a recruiter.

a. Quantitative expansion: enrolment increase (Table 5.5).

Rapid and enormous expansion of the educational system has taken place in Hong Kong in the post-war years. From 1946 to 1981, the

Table 5.5. Enrolment changes in Hong Kong 1946-1981

		Full-time enrolment ('000s)			
Year	Total	Kinder-garten	Pri-mary	Secon-dary	Post-secondary
1946[a]	60.0	n.a.	5.4	6.0	n.a.
1951	172.5	n.a.	136.7	29.5	6.3
1961	577.9	35.7	441.8	95.4	5.0
1971	1,146.9	141.5	739.9	250.9	14.6
1981	1,240.9	213.5	539.5	456.2	31.7
		Enrolment increase ('000s) [b]			
46-81	1,180.9	--	485.5	450.2	--
51-81	1,068.4	--	402.8	426.7	25.4
61-81	663.0	177.8	97.7	360.8	26.7
		Enrolment increase (%) [b]			
46-51	187.5	--	153.2	391.7	--
51-61	235.0	--	223.2	223.4	20.6
61-71	98.5	296.4	67.5	163.0	192.0
71-81	8.2	50.9	-27.1	81.8	117.1
46-81	1,968.2	--	899.1	7,503.3	--
51-81	619.4	--	291.6	1,446.4	403.2
61-81	114.7	498.0	22.1	378.2	534.0

Sources: Hong Kong, Education Department Annual Report(1951-52), Figure V; Hong Kong, Census and Statistics Department (1969), Hong Kong Statistics 1947-67, Table 11.2; Hong Kong, Census and Statistics Department (1981), Hong Kong 1981 Census Main Report, Table 3.7.

Notes: a. Enrolment data in 1946 are estimated figures and they include evening enrolment.
b. Numerical and percentage increases in enrolment are calculated from data collected in this table.

total enrolment in the three main levels of education in Hong Kong increased approximately 20 times. The total school population was 60 thousand in 1946, 172.5 thousand in 1951, 577.9 thousand in 1961, 1,146.9 thousand in 1971, and 1,240.9 thousand in 1981. The percentage increase during the post-war years is 1968.2 per cent. When breaking down the gross percentage increase into different decades, the increases of the late 1940s, the 1950s, the 1960s, and the 1970s are 187.5 per cent, 235.0 per cent, 98.5 per cent and 8.2 per cent respectively. The greatest jump in school population was found in the 1950s, after the strong upward growth in the late 1940s. Expansion of the educational system slowed down relatively in the 1960s and the 1970s. The percentage increase in Hong Kong in these two decades is 114.7 per cent and those in the developed countries and the developing countries were 26.7 per cent and 197.3 per cent respectively (see Table 4.1). Therefore, the expansion of Hong Kong's educational enrolments was rapid relative to that in the developed countries but relatively slow when compared to that of the developing countries has been very rapid.

b. Expansion at different levels and the manpower needs. (Tables 5.5, 5.6, and 5.7).

Table 5.6 shows the population increases during these periods. The population increased at a dramatic rate from 1946 to 1951. The influx of refugees and the post-war baby boom led to a sharp increase of 245.0 per cent in the five year period. Particularly, the increase in the proportion of young people of school age was dramatic and it had created a great social demand for schooling. Furthermore,

there was also a continuous demand of supply of disciplined and literate laborers to support the growing industries in Hong Kong. Following the end of World War II, therefore, for the educational system the so called 'numbers battle' began. As recorded in the 1953 Hong Kong Annual Report,

> The foremost priority of the educational development in the 1950s was to provide more and better primary education for the large number who would not go beyond that stage (page 89).

The objective of the massification of the educational system, at this time, was not to expand provision beyond the primary level. Expansion of the school system was to produce a mass of workers with

Table 5.6. Population Growth in Hong Kong (1946-81)

Year	Total ('000)	(%) Increase [a]	Pop. under 15 (%)
1946	600	--	n.a.
1951	2,070	245.0	n.a.
1961	3,129	51.2	40.8
1971	3,936	25.8	35.8
1981	4,986	26.7	24.8

Sources: Hong Kong Educational Department Annual Report 1951/52, p.8; Hong Kong Statistics 1947-1967, Table 2.2; Hong Kong 1981 Census Main Report, Table 1.2.
Note: a. Calculated from data collected in this table.

a primary level of education so as to meet the expanding manpower needs of the manufacturing sector. Secondary and post-secondary education were still limited to the privileged minority. Primary places increased from 54 thousands in 1946 to 441.8 thousands in 1961 (Table 5.5). In 1961, the enrolment ratio [14] at the primary level

reached 88.4 per cent, while that of the secondary and post-secondary levels were 26.4 per cent and 2.5 per cent respectively (Table 5.7).

Expansion at the secondary level has been very rapid throughout the post-war years. The average annual growth rates of enrolment at this level were 391.7 per cent, 223.4 per cent, 163.0 per cent, and 81.8 per cent in the late 1940s, the 1950s, the 1960s, and the 1970s respectively (Table 5.5). The relatively rapid rate of growth in the late 1940s and during the 1950s represents a departure from the policies of the pre-war elitist system where provision at this level was very limited. Starting from a small number of six thousand students in 1946, the enrolment at this level reached 95.4 thousand in 1961. Later on the secondary level enrolments almost doubled in size in the 1960s and the 1970s (Table 5.5). However, the enrolment ratio at this level although far from satisfactary compared to that at the primary level, has been improving. It was only 26.4 per cent in 1961, 36.9 per cent in 1971, and 63.4 per cent in 1981 (Table 5.7). The disparity between the relatively high level of primary enrolment ratio and the relatively low level of secondary enrolment ratio indicates that there has been a large proportion of the primary graduates not being provided a chance for secondary education. These primary graduates, who were denied the chance of secondary education, were streamed straight into the job market for low-level workers in the expanding industries in Hong Kong.

Since the mid-1970s, Hong Kong has adopted a second frontier for economic survival. The economy has been gradually diversified into the financial and commercial sectors. There has been an increase in the demand for low-level white collar manpower. Moreover, the

continuing development of Hong Kong's industrialization, in the latter half of the 1970s has created, a strong demand for craftsmen

Table 5.7. Enrolment Ratios [a] by Level of Education in Hong Kong and in LDCs in 1961, 1971, 1981

	Population ('000s)			
Hong Kong	6-24	6-11	12-19	20-24
1961	1,063.7	500.0	361.0	202.7
1971	1,661.8	645.6	679.7	336.5
1981	1,813.4	509.8	719.8	583.8
	Enrolment Ratios (%)			
	All Level[b]	Pri-mary	Secon-dary	Post-secondary
1961	51.0	88.4	26.4	2.5
1971	60.5	114.6	36.9	4.3
1981	56.7	105.8	63.4	5.4
LDCs				
1960	29.1	60.2	12.7	2.0
1980	46.2	85.9	31.2	7.4

Sources: Population data age-groups: (i) 6-11 and 16-19 are from Hong Kong Education Department Annual Report(s) 1961 p.6, 1971 p.21 and 1981 p.66 for respective years; (ii) 20-24 are from Hong Kong Statistics 1947-1967, Table 2.6 for 1961, Hong Kong Population and Housing Census 1971, Table 1 for 1971, Hong Kong 1981 Census Basic Report p.6 for 1981.

Notes: a. Enrolment ratios in Hong Kong are the ratio of the population total of different age groups collected in this table over the enrolment total of the respective levels of education collected in Table 5.5; those in LDCs are from Table 4.4 in this study.

b. Excluding kindergarten.

and technicians in various sub-sectors. The demand for these middle-range laborers, in turn, has induced a demand for the expansion of vocational and technical education. An increased social demand for the provision of education at the secondary level has also

resulted from the massification of education at the primary level. As a result of this combination of factors -- related market and social demand, universal education was extended to the junior secondary level in 1978, and the enrolment ratio at the secondary level reached 63.4 per cent in 1981. Also, a scheme for the diversification of the senior secondary education into the vocational and technical routes was developed in 1978 and has been implemented since.

However, the Education Action Group of Hong Kong (EAG,1981), comments that the pattern of educational expansion in Hong Kong is designed to feed the schooled products into the developing economy in Hong Kong. The group contends that the government is financially capable of providing two more years of subsidized secondary education to all in the appropriate age group. It points out that the government has already acquired billions of Hong Kong dollars in surplus [15], yet expenditure on education in the government budget has decreased from 21.1 per cent in 1976/77 to 14.7 per cent in 1980. Furthermore, the group notes that the diversification of senior secondary education was only intended by the government to stream students to the less preferred vocational education so as to produce the lower-level trained manpower to meet the needs of the economy. Upon the completion of the junior secondary education, the junior secondary graduates are selected and allocated to the different routes of senior secondary education according to their results in the JSEA. Those with poorer results would be allocated to the technical and vocational education, while those who obtain better results are fed into the more preferred academic route. The survey

done by the EAG indicates that many teachers feel that those who fail the JSEA may not neccessarily be the most suitable for technical and pre-vocational education or apprentice training, and those who pass the JSEA are not necessarily most suitable for a more academic education (Hong Kong,EAG,1981:6-7). The recent diversification of the educational system of Hong Kong, thus, means that most of those who are schooled at the primary and junior secondary levels are channelled into the labor market, while only a very small minority are selected for post-secondary education. At the same time, a new generation of trained craftsmen and low-level technicians were produced through the expansion of vocational and technical education in the late 1970s.

The expansion at the post-secondary level has been limited and slow throughout the post-war years in Hong Kong. As high level jobs in the occupational hierarchy are relatively few, high level education is preserved for a privileged few. The enrolment ratio at the post-secondary level in 1981 was only 5.4 per cent, which was even lower than the 7.4 per cent level in the Third World countries. The numerical increase at this level has been the lowest although the rate of expansion of enrolments in the 1960s and the 1970s was quite high (see Tables 5.5 and 5.7). Furthermore, Table 5.8 indicates that the government has spent disproportionately more to educate students at the higher levels of education, especially in the universities and in the polytechnics. In 1981/82, the per student capital expenditure and per student recurrent expenditure spent in schools and colleges were HK$ 307 and HK$ 2,292 respectively; while those spent in the universities and the polytechics were HK$ 7,946 and HK$ 37,638

respectively. In other words, it took seven times the capital expenditure and eighteen times the recurrent expenditure spent on students in schools and college to support education of students in

Table 5.8. Government Expenditure on Education in Hong Kong by level of education 1966/67, 1981/82

Year	Level of Education	Total ($ million)	% GDP	$ per student
Capital Expenditure				
1966/67	School and College	45.413		52
	University	16.531		3,885
	Total	61.944	0.15	71
1981/82	School and College	375.510		307
	U. and Polytechic	173.847		7,946
	Total	549.357	0.41	442
Recurrent Expenditure				
1966/67	School and College	889.004		1,026
	University	129.458		30,425
	Total	1,018.462	2.24	1,170
1981/82	School and College	2,800.455		2,292
	U. and Polytechnic	823.441		37,638
	Total	3,623.896	2.68	2,914

Source: Hong Kong, Visiting Panel (1982), A perspective on Education in Hong Kong, Appendix Table VIII.
Note: All dollars shown are 1981/82 constant Hong Kong dollars.

the universities and the polytechnics. However, as discussed above, the provision of educational institutions in the universities and the polytechnics is low and opportunities to get into these institutions are limited. Very often, children from the higher socio-economic classes, after the shifting and sorting process in the school years [16], could survive to this level. Therefore, it seems that the

highly financed university and polytechnic education in Hong Kong is to serve a small minority of the already privileged, and the educational credentials they obtained in these prestige educational institutions would qualify them to the limited high level jobs in the labor market.

c. Educational efficiency and educational attainment of the labor force.

Nevertheless, when comparing the average Third World countries, educational expansion in Hong Kong out-performs the former in several ways. Gross enrolment ratios in Hong Kong have been higher than those in the average Third World countries at the first and second levels since 1961 (Table 5.7). The enrolment ratio at the primary level in Hong Kong was 88.4 per cent in 1961 and rose to 105.8 per cent [17] in 1981, while the average in the Third World countries were 60.2 per cent and 85.9 per cent in the respective years. At the secondary level, it was 26.4 per cent in 1961 and 63.4 per cent in 1981 in Hong Kong. Those in the other Third World countries were 12.7 per cent and 31.2 per cent. However, the enrolment ratios at the post-secondary level in Hong Kong were lower than those of the Third World countries.

Growth of the public educational expenditure has been proceeding at a much faster rate than in Third World countries. This has remained at a fairly high level in spite of Hong Kong's relatively slower rate of growth in enrolment during the last two decades. The data presented in Table 5.9 indicates that the

Table 5.9. Estimated Public Educational Expenditure in Hong Kong, LDCs and DCs (1965-80)

Public Ed. Expenditure	Hong Kong	LDCs	DCs
% Increase (65-80)	1,358.0	927.9	503.8
% of GNP (1980)	2.5	4.0	6.1
Per Inhabitant (1980) (US$)	133.0	37.0	457.0

Sources: Table 4.2 and Appendix Table I.5 in this study.

percentage increase in public educational expenditure from 1960 to 1980 in Hong Kong was 1,358.0 per cent and that in the Third World countries was 927.9 per cent only. The per inhabitant educational expenditure was US$ 133.0 in 1980 in Hong Kong, as opposed to the US$ 37 in the other Third World countries. Hong Kong has spent only 2.5 per cent of her GNP on public education, while the other Third World countries and the developed countries have had to allocate up 4.0 per cent and 6.1 per cent of their GNP respectively [18].

The number of illiterates in Hong Kong decreased in absolute terms by 24,000 from 1960 to 1985, and the illiteracy rate in 1985 was only 11.9 per cent; while in the other Third World countries, the number of illiterates has increased by 70 millions in the same period and the illiteracy rate was 51.0 per cent in 1985 (see Table 4.5). Moreover, Table 5.10 shows the retention rate in Hong Kong improved rapidly from 1965 onwards. Table 5.10.a. shows the actual and projected retention rates of grade cohorts for both sexes from Primary one (P.1) to Form seven (F.7) in public and private schools. Table 5.10.b shows the retention rate of the normal age groups in P.1 to F.4. It is found that in 1980, 101.7 per cent of those entered

P.1 in 1977 were retented in grade 4, or 82.6 per cent of the normal age group who entered P.1 in the same year were attending grade 4. However, it was recorded in the Unesco study that the average

Table 5.10. Retention Rate of Grade and Normal Age Cohorts in Hong Kong from P.1 to F.7 (1965-81)

a. Actual and Estimated Retention Rates of Grade Cohorts for both Sexes from P.1 to F.7 in Public and Private Schools.

	Retention per 1000 pupils who entered Primary 1													
School year pupils entered P.1	P.1	P.2	P.3	P.4	P.5	P.6	F.1	F.2	F.3	F.4	F.5	F.6	F.7	F.3 (Year attending F.3
1965	1000	805	812	788	729	645	494	423	364	319	293	95	39	364(73)
1967	1000	854	862	838	798	724	559	494	450	394	382	125	47	450(75)
1969	1000	892	905	892	859	795	627	580	546	500	470	139	61	546(77)
1971	1000	927	946	948	936	861	789	755	711	622	605	197	89	711(79)
1973	1000	951	958	954	918	873	916	850	771	692	685	223	103	771(81)
1975	1000	951	963	970	946	909	964	929	848	760	753	245	115	848(83)
1977	1000	974	1006	1017	984	949	1009	975	889	819	811	264	124	889(85)
1979	1000	1001	1013	1013	980	949	1012	979	896	838	832	270	128	896(87)
1981	1000	989	998	999	968	940	1004	974	894	852	849	276	132	894(89)

b. Actual Retention Rates of Grade and Age Cohorts for both Sexes from P.1 to F.4 in Public and Private Schools

	Retention per 1000 pupils who entered Primary 1									
Children aged 6 entering P.1 in school year	P.1	P.2	P.3	P.4	P.5	P.6	F.1	F.2	F.3	F.4
1971	1000	826	770	720	697	634	597	564	509	425
1973	1000	858	805	769	724	704	707	651		
1975	1000	872	825	792	747	720				
1977	1000	900	863	826						
1979	1000	919								

Source: Drawn from Hong Kong Education Department Sources, adapted from Hong Kong, Panel of Visitors (1982), A perspective on education in Hong Kong, Appendix Table IV.

survival rate to grade 4 in 1980 in the developing countries was 61.0 per cent only (Unesco,1980:3-6). The retention rate at the secondary level in Hong Kong has also improved. The actual retention rate of F.3 students rose from 36.4 per cent in 1973 to 77.1 per cent 1981 (Table 5.10.a) [19].

In sum, like the other Third World countries, Hong Kong has experienced an educational explosion during the post-war period. The expansion has proved to be more efficient than that in the other developing countries. Enrolment ratios at the first and second levels have been relatively higher than those in the Third World countries. Increases in public educational expansion and per capita educational expenditure are relatively high. These features of Hong Kong's educational system indicate that the people in Hong Kong have had a better chance to obtain a better financed education at primary and secondary levels. Universal primary education was made compulsory in 1971 and the universalization of provision of education was extended to the junior secondary level in 1978. The educational atttainment of the Hong Kong population is also relatively higher. The literacy rate in Hong Kong is comparable to that in the developed countries.

The expanded educational opportunities have led to an improvement in the educational attainment of the labor force in Hong Kong. Table 5.11 shows the educational attainment of the labor force in 1961, 1971 and 1981. In 1961, 52.7 per cent of the labor force had attained primary education only, while in 1981, more than half of the workforce have obtained secondary and/or post-secondary levels of education (44.7 per cent at the secondary/matriculation level and

7.8 per cent at post-secondary level). Perhaps it cannot be denied that the increased educational attainment of

Table 5.11. Distribution of Working Population by Educational Attainment 1961, 1971, 1981 (percentage)

Educational Attainment	1961	1971	1981
No schooling/Kindergarten	20.1	16.2	10.7
Primary	52.7	50.7	36.8
Secondary/Matriculation	22.9	28.0	44.7
Post-secondary/University	4.3	5.1	7.8
Total	100.0	100.0	100.0

Source: Hong Kong, Census and Statistics Department (1981), Hong Kong 1981 Census Main Raport, Table II.10.

Hong Kong's labor force has had some positive impact on the economic growth of the colony. The learned basic scientific knowledge, communication skills, and mathematical abilities might have enhanced the performance of the labor force. These might also have enhanced the flexibility and ability of workers to learn new skills that are directly related to their job performance. As a result, the average productivity of the labor force might have been improved.

Quantitative expansion of the school system has been so structured as to produce the required manpower for the dynamic occupational structure of Hong Kong. The expanding econmy of Hong Kong has been based on the labor-intensive industries. The demand for low-skilled manufacturing laborers has been predominant throughout the three decades. Therefore, emphasis has been put on expanding the primary level of education and a larger number of primary level education workers were produced to meet the demand for

low-level workers in the job market. In 1961 and 1971, over 50 per cent of the labor force in Hong Kong had attained primary level of education only. Only recently, a strong demand for low-skilled white collar workers, trained craftsmen and technicians had developed in the economy. Subsequent expansion of the educational system at junior secondary levels and in the vocational education has been undertaken to meet manpower needs. Highly trained technicians and professionals are least in demand, and so provision of post-secondary education has been very limited throughout the three decades.

Hence, educational expansion in Hong Kong has been carefully regulated to benefit its economic development in two ways: (i) to improve the average productivity of the labor force; (ii) to recruit the correct number of the 'right' persons to meet the manpower needs of the expanding economy. In other words, the role of the educational system in Hong Kong has been more as a recruiter of manpower for the capitalist expansion in its economy than as a transmitter of specific technological skills and knowledge to its labor force. The strategy of educational expansion, followed in Hong Kong, therefore, has not substantially increased the proportion of workers in its labor force with high levels of technical, managerial or professional skills and qualifications. As a result, the capacity for technological innovations for an industrial expansion in the high technology areas beyond the level of fabrication of manufactured components remains highly limited.

5.4. Conclusions.

The analysis of the social and economic development in Hong Kong presented in this chapter has led to the following conclusions. Hong Kong, along with the other NICs, has experienced a 'miraclous' economic growth during the post-war period. Its rate of economic growth and industrialization has been outstanding. It has also experienced a rapid social transformation. It has been transformed from a tiny fishing port to an important manufactures exporter and an international financial center. It is now an industrialized cosmopolitan city-state, and is the third wealthiest in Asia after Japan and Singapore. Indeed, contrary to the conventional records of the un-and under-development of the Third World countries, Hong Kong has distinquished itself within the category by its outstanding performance in economic and social development. However, the growth of Hong Kong's economy has been very vulnerable to external factors, which have been interrupting and as well as influencing the direction of economic development during the post-war years. Furthermore, Hong Kong's expanding economy has been based on labor intensive manufacturing industries and low-skilled industrial laborers have been the prime movers of its expansion. Educational expansion in Hong Kong, during the post-war years, as in the other Third World countries, has been rapid and outstanding. However, educational expansion in Hong Kong, unlike those in the other Third World countries, has been more efficient in improving the level of educational attainment of its population. It has been found that, neither the expanded economy of Hong Kong has increased its demand

for high level workers nor the educational system has produced graduates at the higher levels of education. The expanded educational system of Hong Kong might have benefited its economic development in two ways: (i) expanded educational opportunities to the population, raised the average level of educational attainment of the labor force and, thus, improved the average productivity of the workforce; (ii) the regulated quantitative growth of the school system, with emphasis on the primary and the junior secondary levels, proved adequate in producing and recruiting the minimally educated to meet the demand for the low-skilled laborers and the low-level white-collar workers to support the expanding economy. Therefore, the expanded educational system in Hong Kong has contributed to its economic development, during the last three decades, producing and recruiting the required capitalist workforce for its expanding economy.

NOTES FOR CHAPTER V

1. It is beyond the scope of this chapter to report in detail the changes and development in the social, economic and political systems of Hong Kong. References to these changes can be found in the following. A comprehensive account of the social, economic, and political development in Hong Kong in the post-war years, until the end of the 60s, is done by Hopkins, Keith (ed) (1971), Hong Kong: The Industrial Colony, (Hong Kong: Oxford University Press). More recent works of similar nature are: Cheng Tong Yung (1982), The Economy of Hong Kong . (Hong Kong : Far East Publications); Hutcheon, R. (1980), Hong Kong: Yesterday and Today - A Personal View. (Hong Kong: South China Morning Post); King, Ambrose Y.C. and Lee Rance P.L.(eds) (1981), Social Life and Development in Hong Kong. (Hong Kong: The Chinese University Press); Lin, Tzong-Bian, et al (eds) (1979), Hong Kong: Economic, Social and Political Studies in Development. (Hambury: a publication of the institute of Asian Affairs).

2. In fact, there have been disturbances in the social, economic and political structures of Hong Kong since the early 1980s, when 'the issue of 1997' was put on the table for the Sino-British discussion. However, these disturbances have been fluctuating, and within such a short time it is difficult to speculate on the implications of the issues for the society in Hong Kong. The discussion of the implications of this political change on the future of Hong Kong is valuable in itself but falls beyond the scope of this study. The focus of attention in this study is on the role of education in the NICs' development. Furthermore, the description of old Hong Kong and modern Hong Kong in this section concentrates on the contrast between the pre-war and post-war situations. It is intended to present a picture of the rapid changes within these two periods and help the readers to appriciate the success of Hong Kong's development.

3. A detailed account of the social, economic, and political development in Hong Kong before World War II can be found in G.B. Endacott, A History of Hong Kong, 2nd ed. (Hong Kong: Oxford University Press, 1964).

4. Income disparity and social disparity in Hong Kong will be discussed in detail in section 6.1.

The Dark Side of the Miracle' -- is a TV (CBC) documentary program about the confrontation between the people and the government in South Korea. Political unrest and violence were not uncommon in this NIC in recent years. The Journal report, June 17, 1987.

6. Lau Siu Kai's 1982 publication -- Society and Politics in Hong Kong -- is a detailed analysis of the political structure and development in Hong Kong. A summary of his argument of the

'minimally- integrated social-political system' -- a coexistence of a bureaucratic polity and a Chinese society, as the basis of Hong Kong's political stability is found in chapter one of his book. Lau mentions two features that demonstrates the relatively stable political situations in Hong Kong. First is the remarkable record of its political institutions longevity. He states,

> ...[in Hong Kong] the constitution is basically and formally the same as when Britain first annexed the territory in 1843, with all power concentrated in the hands of the governor and the bureaucracy. All the unofficial members of the Executive and Legislative Councils are still nominated, not elected, and officials still control a majority of the votes in the Legislative Council. None of the unofficials are associated with government departments of the colonial secretariat in a quasi-ministerial role. With regard to personnel, the emphasis on seniority in colonial service promotions ensures that heads of departments reach their positions at a mature age and then mostly serve until retirement. No senior official has ever been prematurely retired as a result of public pressure (Miners,1975:26 quoted in Lau,1982:1).

Second, conflicts and violence, though did occur in 1956,1966 and 1967, they were relatively small in scale and their political reverberations were minimal. Except for the last one, they were primarily social conflicts not directed specifically against the government. In the case of the 1967 riot, it was not spontaneously generated out of the hostility to the government, but in essense was a spin-off from the Proletarian Cultural Revolution in China. Neither the leftists nor their sympathizers, who participated in the political campaign, intended to overturn the colonial government (Lau,1982:1-2). Perhaps the political stability amidst the economic growth in Hong Kong is an amazing side of this economic 'miracle'.

7. This is only a brief description of Hong Kong's non-interventionism, highlighting the importance of policies that enhance the economic success of the economy of Hong Kong. Rabushka (1979) provides a succinct and vivid account on the topic. For comprehensive information on the government's economic policy see James Riedel, 'Government in the Economy of Hong Kong', Economic Record, v.XLVIII (March 1972):58-75; and Cheng Tong Yung (1982), The Economy of Hong Kong. (Hong Kong: Far East Publications).

8. Some important components of the infrastructure such as the power supply and the telephone service are still entrusted to private hands. The government does provide roads and fresh water, and operates the port and airport.

9. A chronology of Hong Kong's economic development is a brief account of the major trends and changes in the economic growth. Development recorded before the 1960s is a summary of Chow's

account (Chow,1977: 52-61); from 1960 on, is the review of Lin and Ho's description (1981:70) and of Hong Kong Annual Report 1986, section one of chapter one.

10. By the end of the 1950s, the imposition of the Lancashire Pact and the GATT Long Term Textile Agreement placed restrictions and quotas on Hong Kong textiles exports. The Lancashire Pact was imposed in 1959 by the British. This was a voluntary agreement by which ceilings were placed on the quantity of textiles shipped to the British market. In 1961, the United States also imposed 'voluntary restraints' on the exports of cotton textiles when the GATT Long Term Textile Agreement was signed in Geneva. Other countries, such as Canada, Norway, West Germany and Australia soon followed suit with similar restraints. These restrictions and quotas imposed on Hong Kong by the developed nations slowed down the continuous growth of the Hong Kong textile industry (Chow,1977:65-66).

11. Lin and Ho (1981) has a detailed description and analysis on the industrial diversification of Hong Kong.

12. Data pertaining to economic growth in Hong Kong prior to the 1960s are more or less completely absent. There is, in fact, a scarcity of published economic statistics, and a total absence of national income accounts. Despite repeated urgings and protests from the academic circles, the government maintained its unfavorable attitude towards the provision of many essential statistics. Since 1971, GNP figures and other economic data were made known. Chow's data, which are used for the discussion in this chapter, from 1946 to 1974 rely basically on the economic data in the two full censuses conducted in 1961 and 1971, the bi-censuses of 1966 and other private studies on Hong Kong's economy over the same period. For details of his data sources, see notes and explanations in his study (Chow,1977:62). Data on the growth rate after 1974, are from Youngson (1982:8).

13. In this part, the analysis of the manpower needs throughout the course of Hong Kong's industria- lization is presented. For details of the development and the features in the economy see discussion in section 5.2.

14 The enrolment ratio is the proportion of total enrolment of that level compared to the total population of the appropriate age group. The ratio is not an accurate reflection of the proportion of proper age group who are enroled in that level of education. There are always repeaters and overaged or underaged students enroled in the different levels of education. Therefore, sometimes enrolment ratio may reach beyond 100 per cent. However, higher enrolment ratio can only indirectly imply a higher proportion of the normal age children enroled in that level.

15. According to Cheng (1982:287) the Hong Kong government has an accumulated reserve in Britain of around HK$ 16,036 millions, in the fiscal year 1981/82, respresenting almost half of an annual government revenue.

16. Influences of socioeconomic background and the process of shifting and sorting on educational attainment for students in Hong Kong's education system will be discussed in chapter six.

17. The enrolment ratio exceeds 100 per cent because of overaged and underaged students enroled in that level of education.

18. Comparison here is on public educational expenditures. However, private educational expenditure has not been included. In Hong Kong, the private sector took up a great share of the total educational expenditure. Therefore, if the cost on the private educational expenditure is counted, the percentage share of total education expenditure on the GNP would be much higher.

19. Reliable and detailed data on the retention rates in the Third World countries are not available, therefore only the retention rates in Hong Kong and those in the other developing countries at the primary level are compared.

VI. EDUCATIONAL EXPANSION AND SOCIAL INEQUALITIES IN HONG KONG

Introduction

Rapid industrialization and the fast growing economy are what make Hong Kong distinctive from the rest of the countries in both the economically more developed and less developed parts of the world. Economic success in Hong Kong has also been accompanied by a rapid transformation in the life-styles of the people and the overall standard of living in Hong Kong has also been improved. However, despite all these glamorous developments, life is not charming for everyone in Hong Kong. Skyrocketing costs-of-living, perpetuating income disparities and hardset social inequalities have, in fact, excluded the majority of the masses from enjoying their share of the colony's developmental success in which they have taken a major part. In this chapter, an attempt will be made to review the social development in Hong Kong and to examine its relationship with the growing educational system of the colony. The discussion in this chapter will be structured in following order: (i) a review of the post-war social development in Hong Kong; (ii) a brief account of the educational development in Hong Kong; and (iii) an analysis of the relationship of the expanding educational system with the social inequalities in Hong Kong.

6.1. Post-War Social Development In Hong Kong.

6.1.1. Socio-economic development: a statistical profile.

Table 6.1 is a summary of the basic indicators of the level of socio-economic development of Hong Kong around the early 1980s. These indicators follow closely the five aspects of the quality of living in a society discussed in section 3.2.2. Hong Kong's national productivity ranks third in Asia after Japan and Singapore. Though its GNP per capita, in 1982, was US$ 5,340 which is still far away from the average of the developed countries (US$ 9,190), it is well above that of the average Third World countries (US$ 750). Hong Kong has a far more rapid growth rate in GNP per capita than the average of the other two groups.

The natural population growth rate is 11 per thousand, which is also the intermediate between those of the average Third World countries and of the developed countries. However, the death rate in Hong Kong is low, compared to the other two groups of countries. Life expectancy at birth in Hong Kong was 73 years in 1984, and that is above that in the less developed countries and is comparable to that in the developed countries. These reflect an adequate provision in nutrition, public hygiene, and medical care for the people. The birth rate in Hong Kong has declined greatly, and is lower than those in the other two groups of countries. This can be explained by the improved accessibility of and the people's positive attitude in adopting the knowledge and the practice of birth control.

Table 6.1. Basic Indicators of Level of Socio-economic Development in Hong Kong

	Hong Kong	LDCs	DCs
a.National Incomes			
GNP per capita (1982)(US$)	5,340	750	9,190
Average annual increase(1960-82)(%)	7.0	2.8	2.6
b.Population growth (1984)			
Birth rate per 1,000	16	33	15
Death rate per 1,000	5	12	10
Natural increase/1,000	11	21	5
Working pop. (15-64)(%)	66	56	66
c.Urbanization (1984)			
Urban pop. (% of pop.)	91	45	78[a]
d.Distribution of labor force in (%)(1984)[a]			
Agriculture	3	55	6
Industry	57	18	38
Services	40	28	56
e.Health conditions			
Life expectancy at birth (1984)	73	57	72
Infant mortality per 1,000 (1984)	10	86	18
Population per physican (1980)	1,210	5,332	493
Daily calories supply (1981) (% required/person)	129	107	132
f.Education			
Literacy rate (%)(1984)	90	55	99
g.Income distribution (% share of household increase by percentile group of households)(1981)			
Lowest 20 per cent	5.4	n.a.	n.a.
Second quintile	10.8	n.a.	n.a.
Third quintile	15.2	n.a.	n.a.
Fourth quintile	21.6	n.a.	n.a.
Highest 20 per cent	47.0	n.a.	n.a.

Sources: Columns (a), (e), (f) and (g) are from Tables 3.5, 3.9, 3.10 and 3.7 of this study respectively; columns (b), (c), and (d) are from World Bank, World Development Report 1984, Annex Table 21.

Notes: a.Excluding centrally planned economies.

Furthermore, the dependency ratio of Hong Kong's population is relatively low compared to that in the average Third World countries.

The health conditions in Hong Kong are comparatively better than those in the other developing countries. Besides having a high life expectancy, the rate of infant mortality is low too. Infant mortality in Hong Kong in 1984, was only 10 per thousand, but the average was 86 per thousand in the less developed countries, and 18 per thousand in the developed countries. Population per physican was 1,210 and the percentage of daily calories supply per person was 129 per cent in Hong Kong. In the less developed countries there was one physican per 5,332 people and the daily calaries supply per person was 107 per cent. The levels of educational attainment are also relatively better than those in the average Third World countries. The literacy rate in Hong Kong was 90 per cent in 1984, while that in the less developed countries was 55 per cent only.

As in the other Third World countries, and also in the other NICs, inequality in income distribution in Hong Kong is very apparent. In 1981, eighty per cent of the households shared only 53 per cent of the national income. The highest 20 per cent of the households shared nearly half of the total national income. Furthermore, the overall share of income of the highest 10 per cent of the households was equal to that of the lowest 60 per cent of the households.

In sum, compared with the other developing countries, Hong Kong has a relatively higher level and more rapid growth rate in national income; relatively higher level and very outstanding growth rate of income per capita; a relatively low proportion of the population suffering from ill health or malnutrition; relatively high life expectancy and low infant mortality rate; and relatively better

levels of literacy. But, a higher level of income disparity is apparent in Hong Kong as in most of the Third World countries. However, this is only a very general statistical profile of the socioeconomic development in Hong Kong. In the following, an attempt is made to present a more detailed description of the effects of economic growth on the socioeconomic development in Hong Kong.

6.1.2. Economic growth and socioeconomic disparities.

a. Decrease in absolute poverty and increase in real labor income.

Chow (1977) asserts that the export-oriented developmental strategy employed in Hong Kong in the post-war years has been extremely successful in combating poverty. From 1957 to 1974, he states, the compound annual rate of real GNP growth was 8.7 per cent; while the compound annual growth rate of the income of the bottom 20 per cent of the households in Hong Kong was 10.6 per cent. He points out that, though the portion of households below the poverty line increased from 49 per cent in 1964 to 52 per cent in 1966; since 1966 the percentage of these households declined steadily and declined to 23 per cent in 1971 and 19 per cent in 1974 (Chow,1977: 647-649). He also argues that the rapid economic growth of the colony, in the mid-1960s and the 1970s, was such that its labor market situation no longer resembled the earlier labor-surplus model. Real and substantial increases in industrial workers' wages accompanied the rapid economic growth, even though powerful trade unions were absent. The real wages of the industrial workers increased at a rate of 58 per cent per annum, while that of the GNP growth was 9.0 per cent in

the 1960s. Chow argues that the rapid economic growth has not only improved the real income of the majority of the people, but has also benefited the poorest households. As a consequence, he asserts, the standards of living of the masses in Hong Kong have substantially improved (Chow,1977:399-401).

b. Improved standard of living and changes in pattern of consumption.

Cheng (1982) has also presented some more specific information concerning the improved overall standard of living of the Hong Kong people during the 1970s. For instance, the proportion of family budget spent on food stuffs declined while that spent on housing increased; the pattern of food consumption has shifted from rice to quality foods -- meat, fish and fruit; importation of clothing per capita has increased; opportunities for obtaining a secondary education have almost doubled; one out of three persons had a telephone in 1981; 46 per 100 owned a private vehicle; an increase of 545 per cent of the people had taken overseas holidays in the 1970s. However, Cheng makes it clear that a price has been paid for all these improvements. The cost of living increased almost 605 per cent from 1971 to 1981. A model household with five persons spent HK$ 846 monthly in 1971, but in 1981 HK$ 4,110 had to be spent to maintain the same living standard (Cheng,1982:93-99).

c. Disparities in income distribution.

In addition to the rising cost of living, income disparity has produced an even harder life for the disadvantaged poor. During the

early 1950s, great inequality was found in the distribution of income in Hong Kong. The bulk of the population was living on a wage not exceeding HK$ 300 per month per household. Ninety five per cent of the total population were getting not more than about 60 per cent of the national 'cake'. The remaining 40 per cent of the 'cake' was taken up by the minority 5 per cent of the total population (Chow,1977:166). After a decade of growth, in the early 1960s, the disparity was still there (Table 6.2). In 1963, the per centage share of the household incomes received by the bottom 60 per cent of the total households was only 25.5 per cent, while those of the top 20 per cent and top 10 per cent of the total households were 56.7 per cent and 42.2 per cent respectively. In 1971, a very slight improvement was found. The bottom 60 per cent of the households received 29.1 per cent of the total household income, while the top 20 per cent and the top 10 per cent of the total households received 52.6 per cent and 37.4 per cent of the total income respectively. In 1981, the bottom three quintiles of the total households shared 31.4 per cent of the total household income, while the top quintile and the top 10 per cent of the total housholds took up 47 per cent and 31.3 per cent of the total income respectively. The Gini-ratio [1] though dropped from 0.5 in 1961 to 0.45 in 1971, it raised to 0.46 in 1981. When checking the percentage distribution of household incomes in 1976 and 1981 (Table 6.2.b), the income share of the low and middle income groups fell from 5.51 per cent to 4.44 per cent and from 45.94 per cent to 44.43 per cent respectively from 1976 to 1981. Therefore, it may be the case that the economic growth in Hong Kong has raised the absolute level of income of the poor, and has

successfully combated the problem of absolute poverty. However, this structural upward shift of income has not only been accompanied by an increase in the cost of living, but also failed to induce a narrowing of the income disparities. The general pattern of income disparities in Hong Kong conforms to that of most of the developing countries.

Table 6.2. Distribution of Household Incomes by percentile of households in Hong Kong 1963, 1971, 1976, and 1981.

a. Income distribution by quintiles

	(% share of total household income)		
Household Quintiles	(1) 1963	(2) 1971	(3) 1981
I	4.4	5.3	5.4
II	8.9	10.1	10.8
III	12.2	13.7	15.2
(III)[a]	(25.5)	(29.1)	(31.4)
IV	17.8	18.3	21.6
V	56.7	52.6	47.0
(top 10 %)	42.2	37.4	31.1
Gini-Ratio	0.50	0.45	0.46[b]

b. Income distribution by percentiles

	1976	1981[b]
Lowest 20 %	5.51	4.44
Middle 60 %	45.94	44.43
Top 20 %	48.55	51.13
Gini-Ratio	0.425	0.460

Sources: Columns (1) and (2) are from Chow, 1977: Tables D.9 and G.3; column (3) is from World Bank, World Development Report 1984, Annex Table 21; (b) is from Cheng, 1982: Table 6.3.

Notes: a. Figures are the culmulative share of household income of the bottom three quintiles.

b. Data are from Cheng's record, they are slightly different from those of the World Bank's figures. Cheng's data are calculated by him from the data of censuses and by censuses.

d. Disparities in wealth distribution.

Furthermore, disparities in labor income embrace only a small part of the problem of income disparity. The most potent cause of unequal distribution is the inequality derived from the inheritance of income bearing property or wealth. Chow admits that in his calculation of the income distribution in post-war Hong Kong, the element of distribution of wealth is neglected (Chow,1977:657). This form of income can be enormous; however, statistics on the distribution of wealth in Hong Kong are not available. The only available data, the estate duty, are not adequate. In 1978, the number of 18,840 adults who died, 365 (1.7per cent) had estates large enough (i.e. over HK$ 400,000) to be subject to the duty assessment (Cheng,1982:86). However, these figures reflect only the wealth of those who are dead but not those who are living; and with no foreign exchange controls in Hong Kong, some may transfer most of their assets overseas before they die. Furthermore, there is evidence that there has not been too much redistribution of wealth in Hong Kong. The government has increasingly raised the exemption level as well as lowering the highest rate of estate duty. Other forms of redistribution of wealth -- such as the dividend tax, capital gains tax, property tax on owner-occupied housing or buildings owned by corporations are totally absent.

The major reason for the absence of policies for the redistribution of wealth seems obvious. Such measures would conflict with the interests of those in power. The legislative and executive council members are appointed, not elected, and often they are rich.

Therefore, to introduce any legislation for such redistribution would be detrimental to themselves or their firms. And so, in order to keep the status quo, changes that would constitute a redistribution of wealth are quite unlikely (Chow,1977:657-658).

e. Wealth and social inequality.

Wealth can 'buy' for oneself a place in the elite class in Hong Kong. A wealthy man 'buys' himself into various social positions by participating in a wide range of charitable and welfare organizations in Hong Kong. By doing so, he catches the public eye and makes himself a Chinese leader in the eyes of the expatriates. He may be invited to take up a number of non-salaried positions and membership in certain committees formed to present the viewpoints of the Chinese community. These positions can carry with them considerable power and prestige. The most prestigious memberships, to which he may be invited to, are the positions in the Legislative and Executive Councils (Cheng,1982:356). Therefore, it becomes very difficult to separate the voices of government from the voices of wealthy businessmen, since, normally they are those being chosen and appointed as unofficial members on the two councils (Harris,1981:94). Furthermore, the power and status of this group are reinforced and safeguarded through their wealth. Being sponsored by one's wealthy family, one has a better chance to acquire a good education, and the ability to speak English, and the opportunity to attain a university education [2]. All these are considered as the pre-requisites to join and function in the upper echelons of the government. Further,

if a person is well-educated and English-speaking, he/she can secure a high income job and have a better chance to become rich in Hong Kong (Cheng,1982:356-357). All of this tends to reinforce and perpertuate the property and wealth based class structure of Hong Kong.

It is evident from the preceding discussion that social inequality is a dominant feature in the society of Hong Kong. The society is stratified according to income, education, and social status. At the top is a small class of extremely wealthy property owners, manufacturers, and businesmen. They tend to be westernized and bilingual. Education may be a channel for the poor to acquire positions in business and in government. However, the educated group soon becomes extremely protective of its newly-found position. Beneath the rich and the educated is a vast mass of people, who are engaging in all varieties of work, often not-well-paid, often dangerous and often dead-end activities. About two per cent of the total population is the non-Chinese expatriates. Their small proportion notwithstanding, they are extremely influential and powerful. Business is their purpose. They have close political and business connections with the Hong Kong business elites. And so, there is an intermingling and interaction in Hong Kong's business and governmental elites that reflects their interests in business and in the social and economic aspects of the society (Harris,1981:66-67).

In a nutshell, Hong Kong may have benefited from the rapid economic development in (i) combating absolute poverty; (ii) raising the overall level of real income of the laborers; (iii) general improvements in the standards of living. However, the cost of living

has been increasing very rapidly; inequality in income distribution has not been narrowed; and social inequality has been maintained and reproduced.

6.2. Education in Hong Kong: A Brief Account Of The Educational System.

The following is an account of the educational system of Hong Kong. The purposes of this account are to present a chronology of the development of Hong Kong's educational system; and to give an overview of the present system so as to provide a general background to the discussion in this chapter.

6.2.1. Education in Hong Kong: A brief chronology of development.

a. Pre-war development: roots of the stratified system (1842 - 1941).

A chronology of the policies changes that are related to the expansion of the system is presented in Appendix III [3]. During the pre-war years, educational services were directed to serve the well-to-do bilingual Chinese families who were both products of, and essential to, the colonial government and economic prosperity of the colony. An elitist system with a steeply stratified structure was built which formed the foundation of today's stratified school system.

The first attempts to provide education in Hong Kong after the establishment of the colonial control in 1842, were not undertaken by the government. Such education existed through the efforts of private and missionary bodies. It was only two decades later that

the government started to operate government schools. In the late 1860s and the early 1870s, a scheme to provide government aid to eligible schools was introduced. However, the government, experiencing the difficulties in financing and monitoring a growing and diverse system of schooling, decided against establishing a large number of government schools but increased support to the missionary schools. There emerged four major types of schools which were ranked according to their mode of finance and the language used in instruction. The first type of schools were the government schools which were opened during these years. They were small in number. They were fully financed and organized by the government. The second type of schools were the grant-in-aid missionary schools. There were only a limited number of them, although they were increasing in number. They were organized in an European style of education and English was used as the language of instruction in senior classes. They all had primary and secondary departments and were heavily subsidized by government grants. The third type of schools were the government subsidized 'vernacular' primary schools. Though they were relatively larger in number, their number began to decline according to the government's financial policy. The number of government and government subsidized schools increased from 13 in 1853 to 35 in 1881, and that of the grant-in-aid schools increased from 5 to 37 in the same period of time. The fourth type of schools were the private 'vernacular' schools. They increased dramatically at this period. Though many of them closed after a few years of operation mainly due to financial reasons, new ones opened to meet the rising demands. They were ineligible for governmental support because of their

failure in meeting the prescribed standards. They had taken up an important role in educating the majority of the poorer Chinese despite their inferior status.

The former two types of schools were superior to the latter two in quality of education. Besides being much better financed, they were higher in status due to the fact that English was used as the language of instruction in them. Education in these schools was limited to the elites and most of them have preserved their names and traditions until today. They have become the more popular prestige schools in the present school system. The 'vernacular' schools, especially the private 'vernacular' schools, were inferior in academic standards. Chinese, instead of English, was used as the medium of instruction. Therefore, they were also inferior in social status. However, despite their inferior status, they took up the largest share in providing education to the majority of the masses. In 1951/52, there were 30 government schools, 20 grant-in-aid schools, 315 government subsidized schools, and 668 private schools. Furthermore, in the present school system in Hong Kong, the mode of financing and the language of instruction used are still the basic criteria which determines the prestige ranking of the schools in the system. Variations in quality of education, academic standards, and the social status among schools are great. The great socioeconomic disparities that characterize the wider society are mirrored without distortion in the school system.

In 1911, the University of Hong Kong was established as a college of the University of London. English was the language for instruction and it was aimed to educate elites of the colonial

society at that time. Since then, it has established its 'infallible' position at the summit of the educational pyramid. In fact, it has been the targeted educational destination of every student in Hong Kong. Its prominance is such that every effort in educational development in Hong Kong has been shaped and influenced by the academic requirements and standards in use at this university.

b. Post-war construction and the numbers battle (1941-1960)

At the end of the Japanese occupation, school enrolment was under 50,000. School buildings were in ruins, equipment had been destroyed, textbooks were almost non-existent and most of the trained teachers had failed to survive. The process of rehabilitation was laborious and difficult, especially when population growth was escalating due to the influx of refugees from China and the post-war baby boom. However, enormous growth of the school system had begun immediately after the war (Table 5.5) [4]. During the 1950s, pressures from the population increases had called for a massive school building program. A seven-year plan for expansion of primary school places was launched in 1954. It was aimed to provide adequate places for all children of primary school age by 1961. The battle between the provision of adequate primary edcuational places and the ever increasing population had been fought throughout the late 1940s and the 1950s. However, when the seven-year plan officially ended in 1961, about 40 per cent of the primary age children were still not enroled full-time in primary education. The numbers battle had not been overcome but had to be extended into the next decade.

c. Educational expansion in the 1960s and the 1970s.

The 1960s and the 1970s have been the golden years of educational development in Hong Kong. It has been a period of great leaps of consolidation and enhancement in educational provision. The documents related to these developments are chronologically listed in Figure 6.1 [5], and the major policies that were implemented for the expansion of the system are summarized in Appendix III. During these two decades, the main priority of educational development was the provision of universal primary education and the progressive

Figure 6.1. Major reports related to educational development in Hong Kong (1963 - 1986).

1963	Report of Education Commision (Marsh-Sampson Report).
1965	White Paper: Education Policy.
1973	Green Paper: Report of the Board of Education on the Proposed Expansion of Secondary School Education over the Next Decade.
1974	White Paper: Secondary Education in Hong Kong over the Next Decade.
1976	Green Paper: The Further Development of Rehabiliation Services in Hong Kong.
1977	White Paper: Integrating the Disabled into the Community: A United Front.
1977	Green Paper: Senior Secondary and Tertiary Education: A Development Program for Hong Kong in the Next Decade.
1978	White Paper: The Development of Senior Secondary and Tertiary Education.
1979	Report of the Board of Education's Committee on Sixth Form Education.
1980	Green Paper: Primary Education and Pre-Primary Services.

1981 White Paper: Primary Education and Pre-Primary Services.

1981 The Hong Kong Education: Overall Review of the Hong Kong Educational System.

1982 A Perspective on Education in Hong Kong.

1984 Education Commission Report Number One.

1986 Education Commission Report Number Two.

extension of the period of universal education. A scheme for providing subsidized primary school places for all children in the age-group (6-11) was outlined in the White Paper of 1965. By 1971, there were sufficient primary school places for all children in the age-group and universal and compulsory primary education was introduced. An extention of universal education to the junior secondary forms was proposed in the 1974 White Paper. In 1978, nine years free schooling for every child up to age fourteen was introduced. In the same year, the government published a White Paper and put forward the proposals for the diversification and development of the senior secondary and post-secondary education. A scheme was introduced to expand and diversify the vocational and technical education at the senior and the post-secondary levels so as to meet the needs of the graduates from the nine-year basic course.

d. Development in the early 1980s.

In 1981, a White Paper on primary education and pre-primary services was published. It sets out the government's policy to improve the quality and standards of the long neglected pre-primary sector. In 1984, an educational commission was set up and for the

first time in Hong Kong there was an established centralized body with the power and mandate to co-ordinate and give 'consolidated' advice on educational matters.

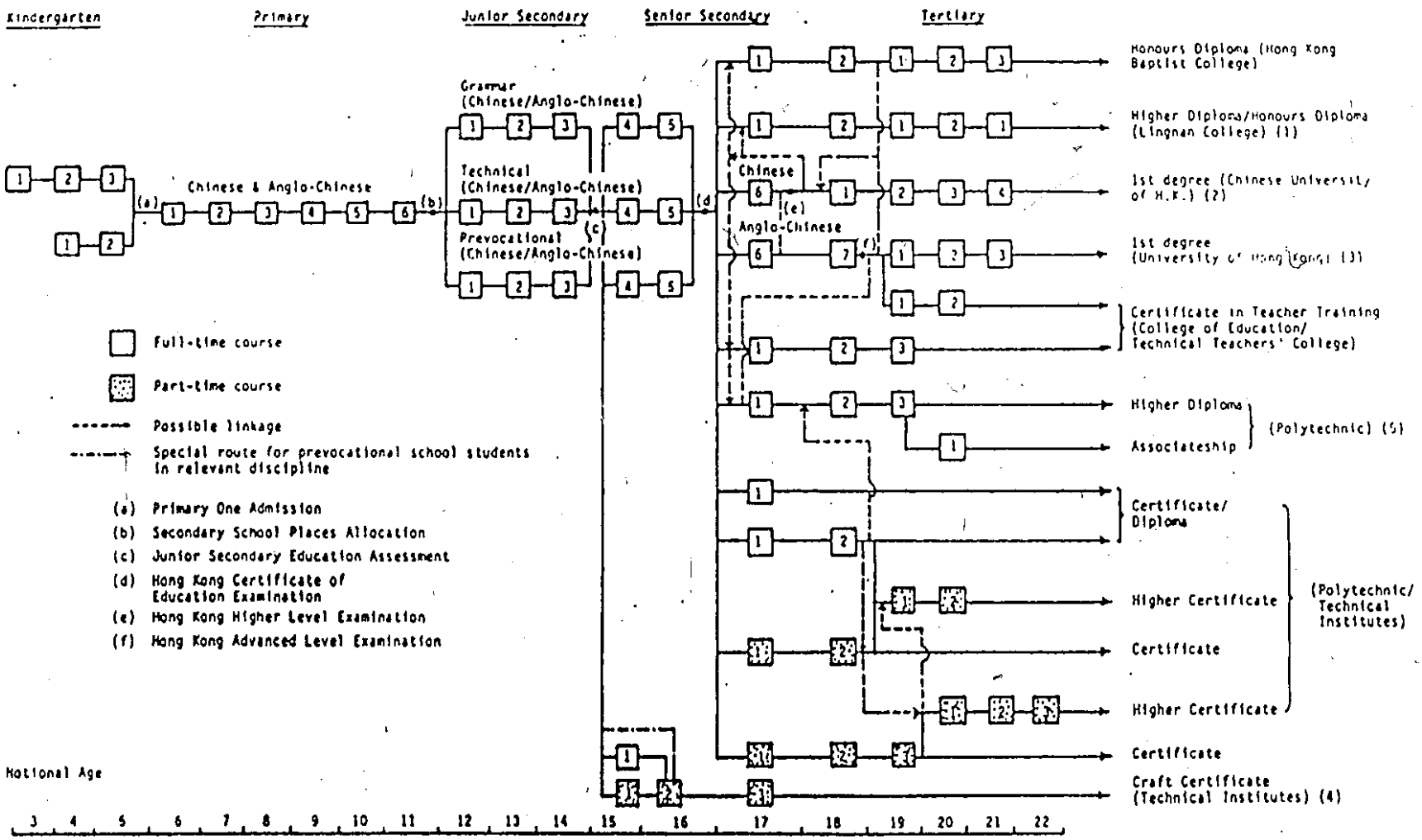
6.2.2. Education in Hong Kong: An overview of the present system.

A pictorial presentation of the structure of Hong Kong's present school system is provided in Figure 6.2 [6]. The school system of Hong Kong is divided into four levels: kindergarten, primary, secondary (subdivided into junior and senior levels), and post-secondary.

a. Kindergartens.

All kindergartens in Hong Kong are privately operated with little governmental supervision. They offer either two-year or three-year programs for the three-to-five year old children. School fees are levied and are very high in some kindergartens. Competition to obtain a place in them is keen. Firstly, it is because most of the parents consider it as an important headstart for their children to commence schooling as early as possible. Secondly, competing to obtain a place in a popular kindergarten is seen as a crucial step to obtain a place in a popular primary school which, in turn, would affect one's future in his/her educational career and life afterwards. Although entrance examinations for kindergartens have been officially banned, most kindergartens are still conducting entrance tests. For children in Hong Kong, entrance into a 'right' kindergarten is the first hurdle to cross in their educational

Figure 6.2. The Hong Kong Education System (1985).



Notes: (1) Apart from Lingnan College, an Assisted Approved Post-Secondary College, there is the Hong Kong Shue Yan College which offers 4 year courses, the minimum entry requirement of which, in terms of the Post Secondary Colleges Regulations, is successful completion of Form V.
(2) 1st degree in medicine requires 5 years of study.
(3) B.A. (Bldg.) requires 4 years of study while B.A. (Arch.) and M.B.B.S. require 5 years of study.
(4) Student with craft certificate may enrol in the Technician Course after the completion of a bridging course which lasts for a minimum of one year.
(5) A limited number of degree programmes were offered to students with suitable "A" Level qualification for the first time in 1983/84 academic year.

Source: Hong Kong Education Department (1986). 'Education in Hong Kong', an information sheet.

careers. Success or failure in passing this hurdle affects a great deal one's educational and life chances in the future.

b. Primary education.

Primary education, for children of the age six to eleven year age group, has been free and compulsory since 1971 (except in the English-speaking schools and private schools [7]). Most primary schools are operating bisessionally so as to provide a maximum number of places to make universal education possible. The Chinese language is the instructional medium and English is taught as a second language to all in the primary level. However, some private schools put so much emphasis on English that all textbooks are in English except the subject of Chinese, even though the main teaching medium is Chinese. Competing for entrance to popular primary schools is keen. In these popular primary schools English is better taught, academic standards are higher and most of them feed students to popular secondary schools with the same characteristics. Therefore, obtaining a place in these popular primary schools is the major concern of the parents. Commencing September 1983, a new Primary One Admission System [8] was introduced to replace the decentralized system of entrance selection operated by individual primary schools. Before this introduction, competition to a popular primary school was very competitive. These competitive primary entrance examinations are described in Ching and Sweeting's study (1979) as inhumane to the toddlers and have distorted the kindergartens into 'prep-schools' for examinations.

c. Secondary education.

Secondary school education is divided into two stages: the junior secondary (three years, Form I to Form III), and senior secondary (two years, Form IV to Form V; and one- or two-year pre-university programs, Form VI or Form VI to Form VII). In 1978, compulsory education was extended to the junior secondary level. Nine years of free education has been provided to all children up to the age of fourteen since that year. All secondary schools operate both junior and senior classes. They can be classified into four major types according to the curriculum they offer: Anglo-Chinese grammar schools, Chinese middle schools, Technical schools, and prevocational schools. In 1985, the proportional distribution of enrolment in these schools were: 84 per cent in Anglo-Chinese grammar schools; 8 per cent in the Chinese middle schools; 5 per cent in Technical schools; and 3 per cent in the prevocational schools (Hong Kong Annual Digest Statistics,1986:Table 15.7).

From primary schools, students are allocated to the three types of secondary schools -- government, aided [9], private schools -- by means of the Secondary School Placement Allocation Scheme (SSPA) [10]. Under the SSPA, students of better academic ability are allocated to government and aided schools. At the end of the three years of junior secondary education, Form III leavers have to take part in the Junior Secondary Education Assessment Scheme (JSEA) [11] to determine their chance of getting a subsidized senior secondary education in the public sector [12]. Senior secondary education in

the public sector is not free but fees charged are much lower than those charged in the private sector.

Upon completion of the two years senior secondary education, the Form V students have to sit for the Hong Kong Certificate of Education Examination (HKCE). From this public examination, successful students are awarded the certificate that credits them as a graduate of Hong Kong's secondary education. Successful results at the HKCE would enable students to pursue either one of the two types of the sixth-form education. One-year sixth form courses (Form VI) are offered in Chinese middle schools as preparation for the Hong Kong High Level Examination (HLE) for the admission to the Chinese University of Hong Kong. Two-year sixth-form courses (Form VI and VII) are offered in some Anglo-Chinese grammar schools to prepare students for the Hong Kong Advanced Level Examination (ALE) for admission to the highest prestige University of Hong Kong.

Programs offered in the secondary technical schools and the government aided prevocational schools place emphasis on technical and commerical subjects. Suitably qualified candidates from the technical schools can continue their studies in the sixth-form route which would equip them to sit for either the HLE or the ALE. The results in these two examinations would enable them to apply for admission to the two universities, the Hong Kong polytechnics and other forms of post-secondary education if they do not enter the world of work. A high proportion of the Form III graduates in the prevocational schools leave their schools to join the craft apprenticeship schemes.

d. Post-secondary education.

Education beyond the secondary level is complex and diverse. They can be grouped under the following types: teachers' training college, technical institutions, post-secondary colleges, and universities. However, one should not be misled by the broadness and diversity of the post-secondary sector indicated in Figure 6.1. Education at this level in Hong Kong is by far the weakest part of the educational system. The full-time enrolment in this level in 1985 was 38,884 (including 2,614 in colleges of education, 5,846 in technical institutes, 7,103 in the Polytechnics and the Baptist College, and 11,915 in the two Universities) (Hong Kong Annual Digest of Statistics,1986:Table 15.7). The total post-secondary enrolment was only 3.1 per cent of the total full-time enrolment of all levels and was only 6.7 per cent of the 20-24 year age group in the same year.

Teacher education courses are provided in four government teacher training colleges. They offer full-time two or three year courses and a one-year advanced training program for secondary school leavers who want to teach in primary or junior secondary levels. In-service training is offered through a part-time program, in these colleges, for teachers wishing to obtain a basic professional qualification. Training for graduate teachers is not compulsory, but one-year diploma courses are available for them in the department of education at both universities.

Technical training is offered in the five junior technical institutes (established since the late 1960s), the Hong Kong

Polytechnics (founded in 1972 replacing the Hong Kong Technical College), and the City Polytechnic of Hong Kong (established in 1984). They offer varieties of full and part-time studies to meet the needs of the fast expanding industrial and commercial sectors of Hong Kong's economy. The former group basically accept graduates with junior secondary education and the latter two usually admit the graduates from the senior secondary schools and equivalent institutions.

There are three approved post-secondary colleges - the Hong Kong Shue Yan College, the Lingnan College, and the Hong Kong Baptist College. The former two are registered under the Post-secondary College Ordinance, financed by a variety of mechanisms; the latter one is registered under a separate ordinance since January 1984 and now is receiving government funding.

There are only two government funded universities of modest size -- Hong Kong University (founded in 1911) and the Chinese University of Hong Kong (established in 1963) -- serving a population of over 5.5 millions in Hong Kong to-day. They are the only two degree granting institutes in Hong Kong [13]. Admission to one of the two universities is the dream of the secondary school students, and is the stepping-stone to life-long social and economic rewards. The competition for entrance to one of them is beyond one's imaginatiion. The competition for a place in Hong Kong University is even more severe.

Another way for one to obtain post-secondary education is to go overseas if one's financial resources are adequate to allow one to do so. During 1985, a total of 9,876 students went overseas for further

studies (Hong Kong, Department Annual Report,1986). However, the pressure for local expansion of university education has been intensified in recent years. Responding to the intensified demand, the planning and organization of Hong Kong's third unsiversity has been underway and its establishment is planned to occur within this decade.

6.2.3. Education in Hong Kong: the distinctive features.

There are three distinctive features which characterize the educational development and education system of Hong Kong. First, Hong Kong's school system has been expanding rapidly in the post-war years. Within these three decades or so, the pre-war elitist system has been successfully expanded. The massification of educational opportunities has provided its population with a greater chance for an education. Universal primary education was attained in 1971 and was extended to the junior secondary level in 1978. The education offered in the senior secondary and post-secondary levels has been diversified from the dominance of the academic curriculum into the vocational and technical programs since the end of the 1970s. However, despite the rapid and impressive expansion, opportunities to attain post-secondary education, especially university education, always have been limited.

Second, classification of schools in Hong Kong is very complicated [14]. The complexity in the classification of schools was rooted in the pre-war elitist school system. Mode of finance, language of instruction, and content of curriculum are basically

used in the grouping of schools. By mode of finance, schools are grouped into government, government aided, and private schools. By language of instruction, schools are classified into Anglo-Chinese schools and Chinese Middle schools. English is used as the medium of instruction in the former and Chinese is used in the latter. Schools that offer courses which lead to university education, especially to Hong Kong University, are more preferred. Therefore, academic grammar schools are more popular than vocational and technical schools. Anglo-Chinese schools are more popular than the Chinese Middle schools, because the former lead to entry into Hong Kong University while the latter lead to entry into the less preferred Chinese University of Hong Kong.

Third, schooling in Hong Kong is dominated by examinations. Throughout the schooling years, students must sit for examinations at seven different times (Table 6.5). Each of these examinations is of great importance to the students' future in their educational careers. Students are shifted and sorted from one level to the next and from one school to another according to their examination results. One's chance to obtain education in a better school, to stay longer in the school system, to obtain higher academic credentials are all determined by one's performance in this series of examinations. Not only is the future of individual students in the educational journey greatly affected by these examinations, the objectives, style, and contents of education provided in the schools are also greatly influenced by them.

6.3. Educational Expansion And Social Reproduction In Hong Kong.

The major purpose of educational expansion in the capitalist countries, in the viewpoint of the conflict theorists, is not to enhance economic growth nor to narrow social disparities. Instead, educational expansion is a key means to reproduce the status quo and to legitimize social reproduction in the process of capitalist expansion. They do not agree with the human capital theorists that the expanded educational system would provide equalities in educational opportunities or that a meritocratic contest system for mobility would be enhanced. They assert that the educational system is a mechanism to perform a gatekeeping function for the existing social hierarchy. Through the sponsorship of one's family background, status is transmitted through schooling and social disparities will be perpetuated. However, the conflict theorists also recognize the important role of one's educational attainment in one's social mobility. But they see this in terms of its credentialing and screening role in occupational and social selection. In sum, the conflict theorists contend that the role of the educational system is for social reproduction in the capitalist society (discussed earlier in greater detail in section 2.3.3.).

In the fast growing economy of Hong Kong, education is indeed a major avenue for social and economic mobility. As mentioned in section 6.1, in Hong Kong, there are three key factors that determine one's membership in the elite class. They are wealth, fluency in English, and a university degree. The latter two are directly related to one's education, while the former one determines

indirectly one's chances to get in education. A good command of English is an essential pre-requisite to function adequately in higher government positions. A university degree can credit one competence in advising on public affairs. Wealth can sponsor one to better and more education which, in turn, could lead to fluency in English and a university degree. A well-educated and English speaking person would then secure a high income job and have a better chance to become rich (Cheng,1982:356).

Moreover, in Hong Kong one's educational level is a major factor that determines one's income level. Cheng states that educational levels account for about 40 per cent of the variations of basic monthly earnings among occupations. He points out that a quarter of the university graduates earned HK$ 8,000 and over monthly in 1981; only one per cent of those who had junior and senior secondary education and only 0.3 per cent of those who had primary or no schooling obtained such a high income. The poorly educated, he states, are holding primarily low paying jobs. Seventy per cent of those with no schooling or only primary education were laborers, farmers and fishers (Cheng,1982:87). Therefore, educational attainment is positively related to one's occupation and is crucial to one's social and economic mobility. However, this positive relationship is only a reflection of the social reproduction function of the educational system in Hong Kong. In the next section, an attempt will be made to analyze the function of the expanding educational system as an agent of social reproduction in Hong Kong. The discussion will be divided into three topics: (i) educational

expansion and gatekeeping; (ii) examination-oriented education; and (iii) educational expansion and the sponsored system.

6.3.1. Educational expansion and gatekeeping function.

a. A stratified school system.

The basic principle underlying the government's policy in the provision of educational services is to preserve the elitist elements within what has essentially become a system of mass education. A steeply stratified school system has emerged from such an expansion. The social class structure has been incorporated into the school hierarchy. The school products are also stratified accordingly.

The stratified school system is rooted in the early colonial years. The school hierarchy consisted of the limited number of government schools, and the grant-in-aid missionary schools at the top. The massive private 'vernacular' schools were at the base of the educational pyramid. The mode of financing and the language used for instruction basically determined the rank of a school at that time (see also section 6.2.3.). There has been little change in the basic structure of the school system since then and these two criteria are continuing to be used to stratify the schools today. In terms of the mode of financing, the most privileged schools are the government schools; then followed by the subsidized schools and the private schools in that order. By language of instruction, Anglo-Chinese schools are more preferred than the Chinese middle schools. Anglo-Chinese schools are preferred not only because English is used as the medium of instruction, but also due to the fact that they

operate the six-form courses that prepare students for the Advanced Level Examination (ALE) which would lead to entrance to the prestige Hong Kong University. The Chinese middle schools only prepare students to compete for the High Level Examination (HLE) that gears only for entrance to the less preferred Chinese University of Hong Kong. Though many students from the Anglo-Chinese schools are now attempting both the HLE and the ALE, they would prefer English education in the Anglo-Chinese schools because the chances to other educational institutions, and for superior social and economic rewards are higher for them. On top of these two criteria, the type of curriculum taught is also used to rank a school. Grammar schools are more preferred than the technical schools and the prevocational schools. It is simply because the academic route would lead to the summit of the educational pyramid -- university education; while vocational and technical routes deny students this chance.

Further to these classifications, variations in status, quality of education, and academic standards are wide among different types of schools and sometimes even within the same group. The Visiting Panel (1982) describes the striking variations among schools in Hong Kong as the following,

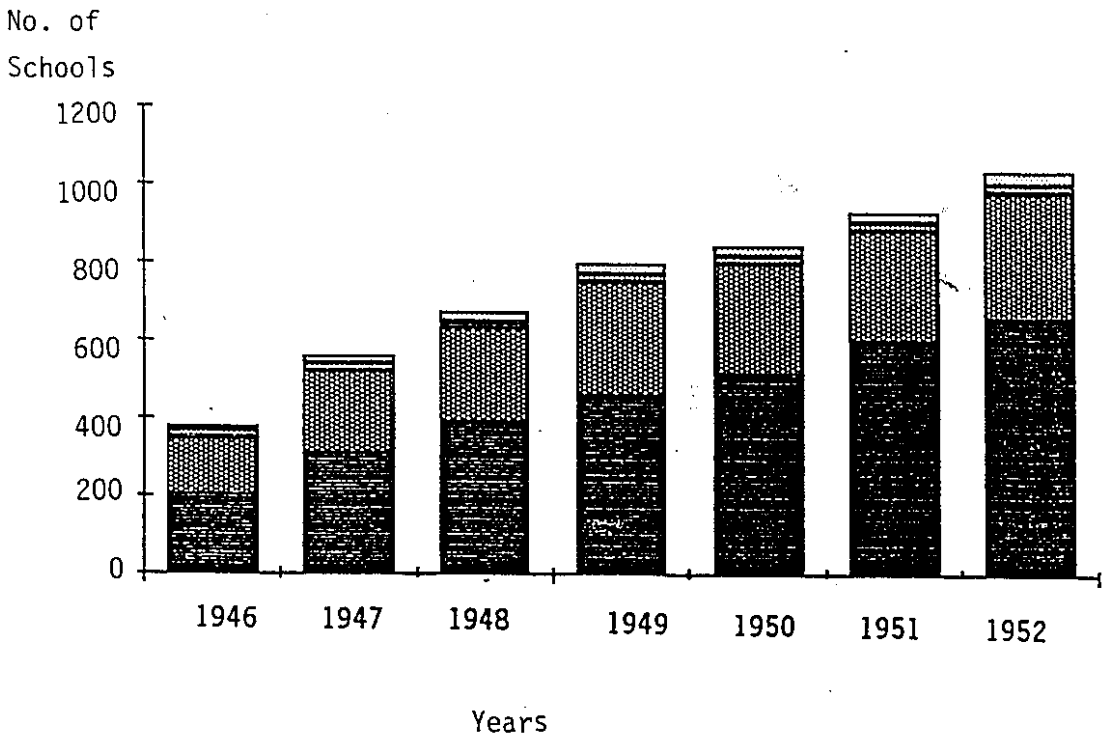
> Hong Kong has some of the best schools of the world in terms of student attainment. Products of these schools are accepted into the world's most prestigious universities....We are convinced that comments about falling standards are really a reflection of the rapid increase in participation rates: the average standard may fall, but the best are probably better than ever. [In] most of the schools...facilities, teacher qualifications, examination results and other indicators of quality rank low. Students are allocated to these schools for various reasons including their test performances and lack of opportunity owing to the educational and economic status of their parents (Hong Kong, Visiting Panel,1982:57-58).

Though uniform quality seems not attainable in any school system, the objective should be to persistently raise the lower quality schools to the standards of the best. However, it seems that the government of Hong Kong has never intended to employ such an objective in its attempt to expand educational provision.

b. Educational expansion and institutionalized disparities.

The government has been entrusting educational expansion to market forces. The private sector has been responsible for most of the expansion. Schools are run by the private sector as business ventures. Many have unqualified teachers, facilities are substandard, and the morale of teachers is as low as their pay (Cheng,1982:306). The government's hands-off policy in educational provision largely corresponds to its laissez-faire policy in the sphere of the economy. Taxation has been low so as to attract foreign businesses. Therefore, the government's revenue and its expenditure take a relatively lower proportion of the GNP. One result of such fiscal policies has been a highly limited and an inadequate provision, by the government, for social services and education is one of these services (Simpson,1966:5). Furthermore, the government's policy of the very limited educational funds to different schools is intended to provide the least resources to the schools which are regarded by the public as of the lowest quality. Thereby, inequality in the quality in education among schools has been institutionalized. The following is an analysis of how

Figure 6.3 Proportion Distribution of Schools by Mode of Financing (1946-1952).



Source: Adopted from Hong Kong Education Department, Education Department Annual Report (1951/52), Figure V.

inequalities in education have been institutionalized in the school system through the policies that have been employed.

Educational expansion in Hong Kong was very rapid in the late 1940s (see Table 5.3). However, it was the private sector which played the major role in the expansion. Figure 6.3 shows the proportional increase of the type of schools by mode of finance from 1946 to 1952. Private schools had been taking over half of the burden in the expanding system and had been expanding more rapidly than the other three types of schools. The elitist grant-in-aid missionary schools had hardly expanded throughout the years. The better financed government schools had increased only marginally. Compared to the government schools and the grant-in-aid schools, government subsidized schools though have taken up a relatively larger share of the expansion, they expanded at a relatively slower rate than the private schools. In 1952, the percentage distribution of the school population was 7.0 per cent in the government schools, 7.1 per cent in the grant-in-aid schools, 20.3 per cent in subsidized schools and 65.6 per cent in the private schools (Hong Kong Education Department Annual Report,1952). The government's policy was clearly stated in the 1951 Department Annual report,

> Education in Hong Kong is voluntary and is under the general control of the Director of Education but much of the work of education is in the hands of missionary and philanthropic bodies, and private individuals (page 13).

During the 1950s, the 'numbers battle' was fought to provide primary education for the rapidly growing population. The government adopted the seven-years plan to expand the subsidized primary education throughout the decade. In implementing the plan, the

following features were introduced in the primary school which have by now become the lasting characteristics of today's primary schools. A two-sessional system was adopted virtually in all primary schools. In these bi-sessional schools, primary school students were like factory workers who stormed into the schools early in the mornings, and at the end of their 'school day' they were required to vacate the building immediately to make room for the next scheduled group. Limited time and space were left for interpersonal contacts between teachers and students and among students. Nor were extra-curricular activities possible under this arrangement.

A specific design of the 24-classroom schools was introduced within the plan [15]. This specific design had indeed solved Hong Kong's major problems of limited land space and over population relative to the expansion of education. However, it had left little room for extra-curricular activities, and the uniformed spatial as well as curricular structures imposed on the primary schools had helped in fostering conformity rather than creativity in primary education.

In 1959, the government decided to speed up the provision of subsidized primary places by building ground floor government aided primary schools as part of the resettlement housing blocks. It was planned to accommodate all children living in these low-cost resettlement estates in these ground floor schools. These schools were minimally equipped and consisted of eight to ten classrooms and a piece of empty space as the playground. Above each one of them were the congested residential units where most of them were living. Employment of this policy might have been an economical way to speed

up the achievement of the expansion target of the seven-year plan. However, the disadvantaged children from the poor families in these low-cost housing estates were being segregated in these poorly equipped schools. They were in fact given a 'second class' primary education while the children living outside these estates had a chance to attain a better education in the better equipped schools. Using measures such as the above a high enrolment ratio was attained at the end of 1950s, but only at the expense of the overall quality of primary education, inequality in the quality of education among schools and inequality in education among children from different classes.

In 1965, the WhitePaper:Education Policy was adopted to set the provision of universal primary education the immediate goal of educational development. However, the government announced,

> the final aim of any educational policy would always be to provide every child with the best education he or she was capable of absorbing, at a cost that the parents and the community could afford [16] (Hong Kong, Government Secreterate,1981:142).

Again, for economic reasons, the government's policy in the provision of universal primary education was through government aided education. The government decided not to build government schools when an aided school could be provided instead. The recurrent costs per student in the government, grant-in-aid, and the subsidized schools in 1963-64 were HK$ 1,280, HK$ 630 and HK$ 360 respectively (Simpson,1966:Appendix 3). With this approach, the cost of public education expansion was minimized at the expense of the subsequent

variations in quality of schooling offered to the children from different social classes and income and occupational groups.

Universal free primary education was introduced in 1971. In 1981, out of the total 537,000 primary day-school enrolment, 32,000 were in government schools, 65,000 in private schools, and 440,000 in subsidized schools (Hong Kong,Visiting Panel,1982:47). Today primary government schools are not as popular as the government aided schools and as some of the prestige private schools, because they are comparatively less academically centered and because they have a policy of automatic promotion. However, some schools from the subsidized and the private sectors are more popular than the others because they are traditionally famous for their success in teaching English and for the higher academic standards they have attained. Therefore, despite the massification of primary education, disparities in the quality of education offered in primary schools have been produced and perpetuated.

Universal education was extended to the junior secondary level in 1978. Since 1978, efforts have been made to expand the subsidized senior secondary education. However, the expansion has been carried out in a way that minimized the financial costs to the government. It depends greatly on the adoptation of floatation [17] and extended-day systems in the government and government aided secondary schools. A heavy purchase of places in private schools has also been employed. Table 6.4 shows the enrolment distribution by mode of financing in 1981. Over half of the junior secondary places and over sixty per cent of the senior secondary places were bought from the private sector. The quality of education provided in most of the

private schools is comparatively inferior to that provided in the government and government subsidized schools. One indication of the disparities in qualitiy of education among these schools is the differences in the proportion of trained and untrained

Table 6.3. Distribution of Enrolment in Hong Kong by Mode of Finance (1980)

Level of Education	Government	Aided	Private bought places	Private
Kindergarten	0.0	0.0	0.0	100.0
Primary	5.9	81.6	0.0	12.5
Junior Secondary	5.9	39.2	51.2	3.7
Senior Secondary	5.7	33.0	0.3	61.0
Sixth-Forms	8.5	45.3	0.0	46.2

Source: Hong Kong, Government Secretariat (1981), Educational System in Hong Kong, p.20.

teachers [18] they have. In 1981, 62.1 per cent of the total teaching force had undergone a formal course of teacher training; 93.4 per cent of the teachers in the government schools are trained while 77.3 per cent of the teachers in the private schools are untrained (Hong Kong, Government Secretariat,1981:24). In other words, the nine-year universal education and the expanded senior secondary education are attained by streaming the majority of the student population into a second class education in these 'bought' places. No doubt, the massification of the educational services in Hong Kong has been impressive but only at the expense of the overall quality of education provided to the majority of the student population. Wide disparities in quality of education, academic standards and social status are found among schools in the expanded system. Instead of attempting to equalize the quality of education

provided in a school, the policies in the expansion of the schools appear to have been designed to widen these disparities and producing a steeply stratified school system.

c. Feeder school system and institutionalization of inequalities in educational opportunities.

Besides the fact that disparities in the quality of education in the educational system have been institutionalized in Hong Kong's education system, inequalities in the opportunities in the access to the better schools have also been perpertuated. The feeder school system is one major educational policy employed to control entrance to the schools that offer a better quality of education.

Ample primary school places have been made available to all through the expansion of the school system in the past years. However, a few aided schools are extremely popular and competition to get into them is intense. This is because they 'feed' the preferred prestige secondary schools. Usually English is taught better and academic standards, measured by examination results, are higher in these schools at both the secondary and primary levels. The feeder school system was rooted in the early colonial period. It was designed to further the building up of traditions in the participating schools by permitting the linkage of primary and secondary education among them. It first existed among the elitist grant-in-aid missionary schools in the early colonial years. In 1965, in order to provide more opportunities for primary school leavers to proceed on to secondary education, grant-in-aid secondary schools joined the allocation system based on the then Joint Primary

Six examination. It was at that time that allowance of discretionary places for the grant-in-aid secondary schools was introduced. Despite all the educational reforms which have been introduced along with the massification of education, there seems to be no intention to change the system but only to reproduce it in an expanded from. In 1962, when the Secondary School Entrance Examination (SSEE) was introduced to replace the Joint Primary Six Examination, the former feeder system continued. The last application for schools to join this priviledged group was approved in 1973. From then onward the door for other schools to get into this special group was closed. Following the example of the feeder system, a nominated school system was introduced for aided schools in 1966. The government nominated school system was established in 1973. No new school has been brought into either of them since 1977. All three systems have been frozen since the introduction of the Secondary School Placement Allocation System (SSPA) in 1978 (Hong Kong,Education Department, 1981:4-7) The SSPA was supposed to be a scheme introduced to replace the competitive SSEE and to allocate primary school leavers to universal junior secondary education on meritocratic basis. However, it was stated in the 1974 White Paper,

> A secondary school which also runs a linked primary school will be allowed to give preference to pupils from the latter (quoted in Hong Kong, Education Department,1975:8).

A quota system was affiliated with the SSPA to continue the privileges of the feeder group. Up to 50 per cent of the Form one places in the parent school is reserved for the primary six graduates from its feeder schools [19]. Open competition begins only after deducting the discretionary and feeder quotas (Hong Kong Education

Department,1981:4-5). Thereby, children in the feeder primary schools generally do not have to face an open competition as children from non-feeder schools do in the SSPA. They are benefiting from the protection of a quota system. Furthermore, the popular, better recognized, especially powerful elite schools can control and regulate their intakes of students as they wish. Strong ties have been established between the prestige secondary schools and other popular schools at the primary and the kindergarten levels. Academic ability is not the only criterion for being admitted to the better known secondary schools, but what primary school one attends is also a crucial one.

Moreover, these feeder schools continue to take only the academically most able students and so further perpetuate their superior academic standards, and thus their status and popularity. At the other end of the scale, there are schools which are destined to deal only with least able students and this further depresses the relatively inferior academic standards and thus also their status and popularity. Very often children from the upper and middle classes end up in the former group, while the children from the poor families end up in the latter [20]. Therefore, not only have that inequalities in quality of education been institutionalized in Hong Kong school system, the chance to the better education has also been monopolized by the privileged few.

6.3.2. Examinations: gatekeeping and anti-educational schooling.

a. Functions of examinations in Hong Kong's school system.

The schooling years in Hong Kong are packed with examinations. The frequency of examinations (Table 6.5) is unacceptable either on educational or social policy grounds. In the course of a student's schooling career, he or she has to go through as many as seven sets of examinations. Additional to these are the internal examinations and weekly tests. All these are significant in opening up or closing off options for the students not only in his/her education but also social and economic rewards afterwards. The functions of examinations in the Hong Kong educational system are

Table 6.4. Examinations in the schooling years in Hong Kong.

1. At age 3 or 4 years: selection by interview and formal or informal tests for entry to kindergarten.
2. Prior to age 6 years: selection by interview and formal of informal test for entry to primary school.
3. At the age 11 - 12 years: allocation to public-sector junior secondary education by means of the Secondary School Places Allocation Scheme.
4. Prior to 15: selection for public-sector senior secondary education by means of the Junior Secondary Education Assessment.
5. At age 17: selection for sixth-form education by means of the Hong Kong Certificate of Education.
6. At the age 18: selection for entry to the Chinese University of Hong Kong by means of the Hong Kong High Level Examination.
7. At age 19: selection for entry to the University of Hong Kong by means of the Hong Kong Advanced Level Examination.

Source: Hong Kong, Government Secretariat, (1981), Educational System in Hong Kong, p.23.

to evaluate, motivate, and assess the individual as well as the system. They are used to determine whether a student meets the mininum requirements to enter a next stage in his or her educational career. They are also used to establish a ranking order among students as a basis for allocating a small number of places among a large group of applicants who possess the minimum qualifications required (Hong Kong, Visiting Panel,1982:31). This examination system in Hong Kong has some profoundly negative effects on the educational process and some of these are discussed below.

b. Gatekeeping -- English and examination.

One of the major educational problems in Hong Kong's educational system is the issue of using English as the medium of instruction and in examinations. In the earlier stages, educational services in Hong Kong were directed towards well-to-do bilingual Chinese families. At that time, English as the language of instruction in secondary schools was restricted to the privileged few. English-language education, at that time, was a symbol of prestige and power. It was because a competence in English was necessary for one to obtain and to function adequately in a high position in both the private and public sectors. In today's modern Hong Kong, the status of one's competence in English has been raised by its economic value as the universal business language. Though in the course of the past three decades of educational expansion English-language education has now been extended to more than eightly per cent of the secondary school population (Hong Kong,Visiting Panel,1982:27), not everyone who

obtains this type of schooling receives an equal quality of English-language education in the expanded school system. As mentioned above, the expansion of the educational system in Hong Kong has resulted in a steeply stratified school system. In this stratified school system, arranagements have been structured in favor of the children from the bilingual and educated elite families. In most of the English-language teaching schools, English is poorly taught [21]. As a result, most of the Chinese speaking students find it almost impossible to master English at the level of proficiency required for intricate thinking. This has caused difficulties for children in their learning and in expressing what they have learned in classrooms and in examinations. Therefore, students from the bilingual and educated families are relatively more advantaged than their counterparts in the non-English speaking Chinese families due to the comparatively better linquistic assistance they could obtain from their parents and their families' backgrounds.

Furthermore, there are a limited number of prestige schools where English is taught successfully. With the success in teaching English, these schools are more likely to attain better academic standards as measured in examination results. Students from these schools would have a better chance to surpass their counterparts in the examinations and in turn their chances for places in better schools at the next level would be enhanced. A better academic result and a higher educational attainment would lead to better social and economic rewards after one's journey through the school system. However, the entrance to the popular schools, no matter at which level of education, depends a lot on one's competence in

English. It is because examination results are the criteria, besides the quotas set in the feeder system, that open the gates to these schools. Competence in English is crucial in obtaining better examination results. Therefore, knowledge of English is an important factor in determining one's examination results and one's chance in entering a popular school. In effect, it is a crucial means of educational and social selection. The vicious cycle goes on when one has been educated in a popular school, then one would expect to enter a school with better English-language education at the next level.

All these favor the bilingual and educated elite families. With the help of their bilingual parents and being explosed to more bilingual materials they are equipped with the bilingual culture that benefits them even at their entrance to the 'right' kindergarten. All through the education career it is easier for them to get help from their parents, other family members and their peers of the same socioeconomic group in their study of English. Thereby, children from these families are sponsored to success from the start of, and throughout, their educational journey.

c. Anti-educational schooling.

The frequency of examinations has been dominating the style, content and objectives of learning in schools. Very often, preparation for examinations dominates the curriculum and teaching in the classrooms. Especially in the pre-examination years when the pressure of examinations is near, extra time, or time squeezed from

other non-examination subjects is used for drilling students for their examinations. Less time is devoted to normal classroom teaching and to extra-curriculum activities, and so balanced education is very much affected. In the post-form three education, preparation for university entrance examinations dominates nearly all aspects in the schools. Examination syllabuses overshadow teaching syllabuses. Students are prematurely streamed into 'arts' versus 'science' specialisation in order to concentrate on their preparation for the ALE for entrance into the Hong Kong University. Extended school days, and extra weekend classes are held for finishing the examination syllabuses. An objective which is almost universally held among teachers and students is to gain admission to a university, therefore they are not willing to 'waste time' on subjects outside the examination syllabus nor on the healthy extra-curriculum activities.

Especially when English is used as the medium of instruction and as the language of examination, and due to the low proficiecy of both the teachers and students in English, examinations become simply a repetition and reproduction of the memorized materials. The low level of English proficiency of the teachers and the students also hinders curriculum development, teaching performance and students' personal and intellectual development. In this way, the examination-oriented curriculum makes learning in school neither practical nor relevant. The purposes of going to school seems to be preparation for the examinations and to gain a certificate that would lead to a better job. The objective in schooling is not to learn to

think but instead is to gain a credential that would secure one a desirable place on the occupational ladder in the world of work.

Moreover, the competitive examinations have undesirable influences on the character and value orientation of students. The competitiveness and frequency of examinations are unhealthy and unreasonable for the children. Ching and Sweeting have studied the effects of primary entrance examinations on kindergarten education and on the kindergarten children as well. They comment that kindergartens in Hong Kong are far from the ideal 'gardens' for the youngsters to develop their potentials. They are 'prep-schools' for the primary one entrance examinations. They present horrifying stories, which they observed in their interviews, on the effects of the examination days on young children. Abnormal behaviors from the children reported show that these children were threatened and these examinations were traumatic experiences that are difficult to overcome in the future (Ching and Sweeting,1979).

Miss K.Barker, the principal of a prestige girls' school in Hong Kong, when interviewed by the EAG, states that the psychological effects of the JSEA on students is great. She says the failure in the JSEA is very damaging psychologically to students at the age of 15. Once their self-confidence goes, the self-image may go too. Furthermore, the JSEA system seems to them a mysterious system under which many students may feel that they cannot control their own fate (Hong Kong, EAG,1981:Appendix p.13).

Within the examination-oriented educational system, part of the socialization process, for life in Hong Kong's stratified social and economic system, is carried out. Competition rather than

co-operation among students is being fostered in this examination-oriented system. The concept of 'the survival of the fittest' has been dominating the life and the mind of the whole school population. Going through the mechanism of the public examinations, students are trained to compete with thousands of the others whom they do not know nor can get in touch with. The 'losers' lose confidence and attribute the 'failure' to their inability. They are made to accept second-class education and be second-class citizens after their schooling career. The 'winners' are sponsored to first class education and their first-class citizenship is legitimized. They often become more selfish and tend to defend the status quo. The examination-driven education in Hong Kong, in fact, reflects the reality of the competitive reality of the world of work of its capitalist economy. In fact, from the first day a child comes into the school system, he/she is educated under a stratified system which mirrors the wider social and economic structure in Hong Kong's capitalist society.

6.3.3. Educational expansion and the sponsored system

Children from the well-off families in Hong Kong have a better chance of getting into better schools, receiving better education, obtaining better examination results and proceeding to the limited places in the higher levels of education. Besides the institutionalized policies which are employed in favor of this already privileged class, the children from this class are also sponsored by their advantaged family backgrounds in their educational

careers. On the other hand, those from the lower socioeconomic classes are 'sponsored' by their disadvantaged family backgrounds in their course through the schooling years.

In Henderson's study on the factors that affect education of children in Hong Kong, he reviews the effects of the cultural and material deprivation of poor families on the children's education. He quotes some of Dr. Jimmy Chan Wing Cheng's collection of the anonymous compositions (written in Chinese) of secondary students who come from the poor families. One boy of sixteen wrote,

> My home is like a cage; we have bars over all the windows, the doors are locked and I am not allowed out but have to stay inside and learn my homework or look after my little brother and sister.

A girl aged seventeen describes her homelife in these words,

> We are forbidden from going down the stairs or playing in the estates [low-cost resettlement estates] playground as mother fears bad men there. Most holidays and evenings I spend inside doing my homework or helping mind the younger children till mother comes home about 6:00 p.m..

Henderson concludes that despite the rigid, insensible and authoritarian family regimes, the parents in most of these cases are well-meaning and seek only the best for their children. These less educated parents who have to carry the burden of earning a living and work from morning to evening, fear for their children's safety in the dangerous community that they are living in, and are concerned about their children's education which they look for as the only hope for them to escape poverty. However, parents' anxiety and the poor home conditions have not only led to poor academic results but also produced fears and psychological abnormalities in the children (Henderson,1974:6-7).

Chan (1972) did a study to identify the problems or difficulties of primary school children and their parents who are living in resettlement estates. His study includes a random sample of 2,000 families in all 23 estates in Hong Kong. It was carried out seven months after the introduction of the compulsory primary education in Hong Kong. It found that only 1.7 per cent of the school age children living in the resettlement estates were not enroled in primary schools. This indicated that these parents, though with relatively low incomes, were very keen to send their children to school and the compulsory primary education did encourage students' enrolment. However, these students were poorer in academic standards. Almost half of the enroled students were not attending appropriate classes according to the age standards set by the Education Department. Approximately forty-four per cent of the six year olds who should be in primary one was still attending kindergarten, and about 84.2 per cent of the eleven years-olds who should be in primary six was still struggling in primary four and five. The difficulties identified for causing the late entry and poor performance are as follows: only 13.6 per cent of the children have a chance to go to government schools for a totally free education; 65.4 per cent of them have to attend aided schools where a relatively small amount of school fees are levied. However, a relatively large amount of money has to be paid for books and school uniforms. Furthermore, 18.2 per cent of them have to go to private schools where large amounts of school fees are levied. Together with the travelling expenses these are heavy burdens for the low income families to bear. Furthermore, family income may be significantly

reduced as these children, who are attending schools, cannot go to work and bring home more income and their mothers may have to stay at home to look after their younger siblings. Chan also indicates that besides financial hardship, lack of supervision, low child motivation, rigid school curriculum and problems of housing congestion are also the reasons for late entry and poor performance. Moreover, 82.4 per cent of the low performers are attending schools in the resettlement estates. The segregation of students within the resettlement has greatly affected their chance to go for higher and better education later. Thereby, despite the introduction of compulsory primary education, the vicious cycle of disadvantaged conditions and disadvantaged chances in education for the children in the poor families is being perpetuated.

In Fung's study on the drop-outs in secondary schools in Hong Kong between 1968 to 1969, he found that the average drop-out rate for 1965 and 1966 was 25 per cent per annum. The rate of wastage was positively related to the type of school on the school hierarchy. Drop-out rates for the 1966 cohorts in Anglo-Chinese schools was 12.6 per cent and for Chinese middle schools was 49.1 per cent. Practically all the drop-outs came from private schools. Furthermore, one third of the drop-outs left school at Form I, while 17 per cent were from Form IV and 2 per cent were from Form V. In his research, Fung classified the respondants into three levels of income groups. He found that almost half of the drop-outs come from the lower income group. The major factors for drop-outs were financial difficulty, and failure in examinations or 'lagging behind' in schools. He also examined research on the economic rewards that

these drop-outs obtained. Seventy-six per cent of the drop-outs in this survey became apprentices or factory workers on leaving school. Seventeen per cent obtained routine office jobs and seven per cent worked as manual laborers and hawkers. The earning power of the drop-outs was also directly related to their level of education obtained. Anglo-Chinese school drop-outs received better pay treatment and better jobs than their counterparts from the Chinese middle schools (Fung,1972).

Therefore, the 'sponsorship' a child gets from a disadvantaged family would be lower examination results which, in turn, leads to lesser chance to better education. For a variety of reasons, not the least of which are financial difficulties, they are less likely to stay in school. Lower educational attainment, in turn, leads to the socioeconomic rewards. Most people in this predicament have to accept their lower socioeconomic status and end up seeing this as the result of their failure in education. Hence, the disadvantaged families continue to breed poor children. Through the sponsorship system, social inequalities are perpetuated and legitimized.

6.4. Conclusion.

In this chapter, post-war social development in Hong Kong was reviewed. It was found that rapid economic development has benefited the society in: (i) combating absolute poverty; (ii) raising the overall level of real income of the laborers; (iii) improving the overall standards of living. However, the cost of living in Hong Kong has been increasing very rapidly; inequality in income

distribution has not been narrowed; and social inequalities have been maintained and reproduced. In the review of the post-war educational development in Hong Kong, it was found that: (i) educational opportunites have rapidly expanded and a large proportion of its school age population has been included in the school system, but provision of education at the higher levels is uneven and class-based; (ii) schools in the educational system are complexly classified; (iii) the school system is dominated by a large number of examinations, and students' chances in his/her educational career are determined by examination results and by their family and class status.

It was found that educational attainment is positively related to one's chances of social and economic mobility in Hong Kong's fast expanding economy. However, despite the massification of educational opportunities in the post-war years, inequalities in access to equal education have been institutionalized in Hong Kong's school system. A steeply stratified school system has been built; disparities in the quality of education among schools has been fostered through government policies; opportunities in the access to better schools are controlled by the feeder school system; the arrangements in the examination system and the importance of proficiency in English, in learning and in examination results, are structured in favor of those children from the bilingual educated upper- and middle-class families; sponsored by the advantaged family backgrounds, children from the rich families are promoted to success in their educational careers, and thereby, to upward social and economic mobility. In these ways, Hong Kong's expanding educational system has been acting

successfully as a gatekeeper for the social stratification of the society. Social disparities and economic inequalities in Hong Kong's expanding economy have been reproduced and legitimized through the post-war expansion of its educational system.

NOTES FOR CHAPTER VI

1. Gini-ratio is a mathematical indication of the income disparity -- the lower the Gini-ratio the more equal the distribution.

2. The sponsored system in educational opportunities will be discussed later in this chapter.

3. The chronology is a summary of the records found in the Education Department Annual Reports from 1951 to 1986, and the section on education in the Hong Kong Annual Reports from 1953 to 1986. In this chronology, only the major features related to the expansion of the education system are reported. References other than these two sources will be stated in the text.

4. Discussion and analysis of the growth of enrolment were presented in chapter five.

5. It is beyond the scope and space in this study to review these documents in detail. Reference of the summaries of these documents (except those after 1981) can be found in Appendix I in Hong Kong Education System: An Overview (1981). The Green Paper contains proposals of policies published for public reference and recommendations. Changes may be made accordingly. The White Paper is the official policy finalized after the public discussion and the readings in the Legislative Council.

6. It is beyond the scope of this study to present a detailed description of the whole educational system. For a detailed and comprehensive description of the system, please refer to Hong Kong Government Secretariat, The Hong Kong Education system: Overall Review, (Hong Kong:Government Printer,1981). The discussion of the educational system in Hong Kong concentrates on the formal schooling system only. The highly diversified sector of adult education, beyond the formal schooling system, is excluded.

7. The English-speaking schools together with the international private schools form a totally separate system from the main stream of the educational system of Hong Kong. There are four secondary and eight primary co-educational English-speaking schools in Hong Kong. They provide education for children whose mother tongue is English, mainly the children of British and other expatriates. They were established in 1902 and have been receiving government funds since then. Since September 1979, all these schools were transferred from the Education Department to the management of the English School Foundation. Under this Foundation, these schools instead of being financed by the government as before now receive a per capita grant from the government based on the grants paid to the other aided schools. Other private schools cater mainly to other expatriate minorities including the American International School, the German-Swiss

Internation School, the French International School and the Japanese school. Both the structure and content of these schools are based on those of the state systems in their own home countries. Virtually all of their students who proceed to tertiary education enter institutions outside Hong Kong. Discussion in this study will exclude these schools since they are so alienated from the main school system.

8. The new Primary One Admission System was introduced to eliminate the pressures imposed on young Kindergarten leavers from the intensive competition in acquiring a place in the more preferred primary schools. Under the new system, each primary school in the public sector is able to admit students to fill 65 per cent of its primary one places at the school's discretion based on a 'Points System'. The remaining 35 per cent is centrally allocated by the Education Department. To a large extent, the 'points system' is a discriminatory system depending on ascriptive advantages inherited from one's family background. The gatekeeping function of the education system has, in fact, extended to this early stage of education.

9. Since the early 1960s, various policies have been implemented to combine the grant code and subsidized code, and a new group of aided schools has been formed by the combination of the grant-in-aid and the subsidized schools.

10. The Secondary School Placement Allocation Scheme (SSPS) is a new allocation system introduced in 1978 to replace the past competitive Secondary School Entrance Examination (SSEE). SSPA is a scheme where internal and external examination results are used to rank the individual students within the school and the ranking of the school against the other schools in the system. Then students would be classified into five bands and queued for allocation according to the choice of their parents for secondary school.

11. Like the SSPA, the JSEA individual's results in school work and the collective results of the individual schools in a public examination would be used to rank the school and the students. They are also queued for allocation to the senior secondary schools according to their choice.

12. Public sector in secondary education in Hong Kong means those places provided in government, government-aided schools, together with the 'bought' places in private schools. Because all the public-sector schools which are needed to meet the government's expansion targets have not yet been built, the government 'buys' places at some of the better run private secondary schools. That is the government pays to the schools concerned the tuition fees of those students who have been sent there because there are insufficient places in the government and government aided schools to accommodate them.

13. Only recently degree courses were started in limited subject areas in the Hong Kong Polytechnics and the Baptist College.

14. Classification of schools in Hong Kong is complicated. By mode of finance: government schools are entirely financed, directed and staffed by the government; grant-in-aid schools and the subsidized schools (later regrouped into the aided schools) are schools sponsored by voluntary bodies -- charity organizations, religious bodies, or individuals. The government normally meets only 80 per cent of the capital costs of such schools, the other 20 per cent is financed by the school sponsor. The government also would pay the school the approved recurrent costs. Private schools are subdivided into two groups: private non-profit-making schools and private independent schools. The government does not meet any part of their capital or recurrent costs. They can only charge tuition fees which are subjected to the approval of the Director of Education. The non-profit private schools are usually operated not to make profit by the religious or voluntary bodies. They are usually better in quality of education than the latter ones. A second way to classify schools is by the language used for instruction. Anglo-Chinese schools are schools where English is used as the medium of instruction and only these schools can operate two-year pre-university courses that lead to entrance to University of Hong Kong. Chinese middle schools are schools where Chinese is used as the medium of instruction. They offer pre-university courses that lead to entrance to the Chinese University of Hong Kong. By curriculum the schools are classified into grammar schools where a broad range of academic and cultural subjects are offered; technical and prevocation schools are putting more emphasis on technical education.

15. The 24-classroom schools are housed in multi-storied buildings which are built on restricted sites with playground space provided on the ground floor or on the roof top. Most of the primary schools found in the colony today are modelled after this design.

16. Underlined are of my emphasis.

17. In order to maximize the use of the classrooms available in the school building, there are classes which do not have home classrooms, where every lesson is carried out, as the other classes in the same school. These classes are called the 'floatation classes'. They are scheduled to empty classrooms, which are vacated by the home classes when they are taking their lessons in the special rooms -- such as physical education, art lessons etc.

18. Trained teachers are those who have obtained training in either the Education Colleges or in the Department of Education in the two universities. Graduate teachers are not required to obtain formal training before he/she can teach. There are two other categories of teachers: (i) registered teachers -- those who have a degree but have no training; and (ii) permitted teachers -- those who do not have a degree. They may be graduates from senior secondary education. The

latter group usually obtain annual permits to teach in the private schools.

19. When the number of primary six classes in the feeder primary school is smaller than or equal to the number of Form one classes in the parent school, then up to 85 per cent (or 25 per cent in the case of nonminated schools) of the Form one places is reserved for eligible students of its feeder primary schools. In cases where the number of primary six classes in the feeder primary school is larger than the number of Form one classes in the parent school, up to 50 per cent of the Form one places in the parent school is reserved for the primary six graduates from the feeder primary schools. An eligible student is academically able (Bands 1 and 2 in the 5-band system of assessment) and has chosen the parent school as his/her first choice.

20. This is mostly due to the sponsored system and it will be discussed in section 6.3.3.

21. The problems in the downward spiral in the quality of language teaching in Hong Kong's school system have been discussed by the Panel of Visitors (1982:25-30). The factors they listed for the difficulties in successful English-language education in Hong Kong are as the following: (i) the difficulty in finding enough teachers with language competences in both English and Chinese to meet the needs of Hong Kong's mass educational system; (ii) the problem of using a second language -- English -- successfully as the vehicle for providing universal (compulsory) education in what is <u>de facto</u>, although not <u>de jure</u>, still a monolingual society; (iii) the problems arise from the differences between English and Chinese, and between the spoken Chinese language -- Cantonese -- (which is used by the majority of the Chinese in Hong Kong), and the written standard Chinese -- <u>putonghua</u>.

VII. CONCLUSION

7.1. Summary And Conclusion.

In the preceding chapters, the role of educational expansion in national development in the Newly Industrializing countries (NICs), was studied. The study proceeded from a general discussion on the national and educational developments in the NICs, as a group, to a specific case-study on the relationship between these developments in a particular NIC -- Hong Kong. The emergence of the NICs has posed challenges to the studies of the Third World development in two ways. First, their rapid and outstanding economic development challenges the conventional notion of the Third World's under-development. Second, their outstanding growth performance seems to have given the human capital theorists a trump card in their debate with the conflict theorists in the role of education in national development. However, it was found that neither the development in the NICs fully substantiates the claims advocated in the human capital theory; nor has the human capital theory provided an adequate theoretical framework for the explanation of the relationship between educational expansion and national development in the NICs. Instead the conflict theory of education has a stronger explanation concerning the relationship of the rapid educational expansion in the national development in the NICs.

The outstanding economic growth performance of the NICs has been heralded, by many, as the development 'miracles' of the twentieth century. It seems that their emergence has marked the renewed hope

of successful growth in the Third World, and their experiences seem to have generated a new optimism for development in the less developed parts of the world within the existing global economic order. In the assessment of development of the NICs, presented in chapter two, it was found that economic growth in these countries has been outstanding, rapid and consistent. The average levels of living and the well-being of the masses in these countries were comparatively better than those in the average Third World countries. However, despite all these improvements, deeprooted social disparities and inequalities in the distribution of economic benefits are found in these countries. The NICs' 'development', it was found, was only a partial fulfillment of the twin-goals anticipated, by the human capital theory, in the strategy of 'educational expansion for national development'. The expectation for rapid growth in the economy has been attained but the existing hardset social inequalities in these countries have not been threatened.

Educational expansion in the NICs, like that in the other Third World countries, has been rapid and outstanding during the post-war years. Disproportionate emphasis has also been put on the second and the third levels of education in these countries. However, unlike the average Third World countries, increases in gross educational expenditure in the NICs has not led to a decrease in per capita educational expenditures, nor have educational expenditures constituted a bigger share of the GNP in the NICs. Despite the uneven rate of expansion at the different levels of education, the enrolment ratios at all levels in the NICs were relatively more balanced and higher than those in other Third World countries.

However, as in the other less developed countries, opportunities to attain higher education were also very limited in the NICs. The illiteracy rates and the number of illiterates, in the NICs, have dropped rapidly and they have attained much higher literacy rates than the other Third World countries. Generally, repetition and drop-out rates, among the NICs, were also much lower than those in the average Third World countries. In sum, though the NICs have manifested a pattern of educational expansion similar to that in the other Third World countries, they have out-performed the latter in raising the enrolment ratios and the educational attainment of their populations.

In Hong Kong, post-war economic growth and industrialization have been outstanding. It is now an important manufactures exporter, an international financial center, and an industrialied cosmopolitan city-state. It is also the third wealthiest place in Asia after Japan and Singapore. Contrary to the generally poor development record of the Third World countries, Hong Kong has distinquished itself from the category by its outstanding performance in economic and social developments. However, Hong Kong's economic growth during the post-war years has been very vulnerable to external factors, and the expansion of the economy has been dependent on the low-skilled labor-intensive manufacturing industries.

As in the other NICs, educational expansion in Hong Kong is similar to that in the Third World countries generally. But, the expansion of the educational system has been more efficient in raising the educational attainment of its population. Further, the unanticipated economic problems -- such as the increasing financial

burden caused by educational investment and the problem of unemployment -- are not found in Hong Kong. And yet, data show that, contrary to the assertions of the human capital theory, neither the expanded economy of Hong Kong has increased its demand for the high level workers nor the education system has produced graduates at the higher levels of education. Instead, the expanded educational system in Hong Kong has benefited the expanding economy in two ways: (i) raising the average level of educational attainment of the workforce and, thus, improving the average productivity of the workforce; and (ii) regulating the quantitative growth of the school system so as to recruit graduates from the low levels of education to meet the demand for low-skilled laborers and the low-level white-collar workers in the expanding economy. Therefore, the major economic contribution of Hong Kong's expanding educational system has been more as a recruiter for the capitalist workforce.

Rapid economic development in Hong Kong has benefited the society in several ways, that is in (i) combating absolute poverty; (ii) raising the overall level of real income of the labor force; (iii) improving the overall standards of living of the people. However, the costs of living in Hong Kong have been increasing very rapidly; inequality in income distribution has not been narrowed; social disparities have been maintained and reproduced. It was found that, educational attainment is closely related to one's social and economic status in Hong Kong's fast expanding economy. And the massification of the educational opportunities, during the post-war years has failed to narrow the social inequalities in the society but rather has helped in reproducing the social disparities. A

stratified school system has been built and disparities in the quality of education among schools have been fostered through governmental policies; opportunities in access to better schools are carefully controlled for the priviledged by the feeder school system. Certain features of the examination system and the importance of proficiency in English in learning and in examination results, are structured in favor of those children from the bilingual and educated upper- and middle-class families. Children from the rich families are also sponsored by their advantaged family backgrounds to success in their educational careers, and with respect to upward mobility in the social and economic hierarchy. In these ways, social disparities and economic inequalities in Hong Kong are reproduced and legitimized through the expanded school system. In other words, the expanding educational system has been acting successfully as a regulator in social reproduction in Hong Kong's growing economy.

On balance, the results of the preceeding analysis lead to the following conclusion: (i) the NICs' development is neither the kind of 'national development' anticipated in the human capital theory nor that desired in the post-war 'drive for national development' in the Third World countries; (ii) the expansion of the educational system in the NICs, at least in Hong Kong, is neither geared to maximize the rate of economic growth nor to narrowing the existing social disparities in the society. Instead, the role of educational expansion in the fast growing economy of Hong Kong is to recruit the required capitalist workforce and to regulate the reproduction of the social inequalities. Evidently, the expanding educational system in the colony has served to stabilize and contain the contradictions

between the processes of capitalist accumulation and social reproduction in its fast growing ecomony. The existence of widespread social inequalities in the fast expanding economy, which characterizes the NICs' development, is reproduced and legitimized through the expanding educational system. And so, it seems that the conflict theory of education, rather than the human capital theory, explains better the relationship of educational expansion and national development in the particular NIC -- Hong Kong -- which was examined in this study.

7.2. Discussion.

In light of the findings in this study, it seems apposite to end this conclusion by mentioning two important issues related to the NICs' development and reflect on the relationship of educational expansion and national development in Hong Kong -- the particular NIC that has been studied. The two related issues concerning the NICs' development which will be discussed below are: (i) the alternative perspectives in viewing the factors at work, other than educational expansion, in the NICs' development; (ii) the reappraisal of the assessment of the 'development' in the NICs in qualitative terms.

7.2.1. Factors at work in the NICs' development: alternative perspectives.

Educational expansion, as found in this study, may not be the major factor that has led to the outstanding growth performance in the NICs. Indeed, the emergence of the NICs has received much attention in the developmental literature (see discussion in section

3.1.1.), and has been met with radically different interpretations. Different sets of factors, the least of which is educational expansion, have been put forward by the different developmental schools as responsible for the NICs' growth.

a. NICs in the global economy.

In spite of the different interpretations of the different developmental theories about the NICs' economic development, there is an agreement over the fact that the world system has undergone significant transformations during the last two decades. Two major features of the transforming global system have been observed and described by them. First is the process of internationalization of production. It is observed that there has been a major qualitative change in the organization of the world economy. The global economy has been shifting away from a network of international trade and towards an organization of international production. And so, we are witnessing a change from 'world market' to 'world factory' which is embraced within a process of internationalization of production (Hoogvelt,1982:57). The multinational corporations (MNCs) are viewed as the operational agents working in the process. It is also believed that the process was made possible under the new forms of organization of production and marketing, namely the international sub-contracting and the fragmentation of the production process (or sometimes called the off-shore processing). Through these new froms of organization, production of entire products, components, or services are sub-contracted by the MNCs to the Third World firms; on

the other hand final marketing of the products, provision of technical assistance, management, loan capital and physical equipment are provided by the MNCs (Landsberg,1979:55).

Second, a new international division of labor has resulted as an integral part of the process of the internationalization of production (Browett,1985:796). In the classical international division of labor, a small group of heavily industrialized capitalist countries formed as the manufacturing core and the Third World nations served largely as the suppliers of needed raw materials . But in the new international division of labor, production and export of manufactures have spread to new locations in the Third World, and particularly, to the NICs (Landsberg,1979:52).

The NICs are being chosen as favorable sites for the relocation of industrial production from the core. As reviewed in chapter three, the emergence of the NICs as significant competitors of manufactures exports, at the international level; and the rapid expansion of the industrial employment internally, have resulted from their participation in the process of international- ization of production. Their participation in the 'world factory' has led to their outstanding achievement in economic growth and has enabled their acquisition of an important role in the world economy. The factors underlying the choice of the NICs as the sites for relocation are interpreted differently by the different development schools. Basically, they agree that the function of the NICs is to provide a group of 'favorable' labor force for exploitation in the new international division of labor. However, they disagree on the conditions under which the labor force is exploited and the

definitions of the 'favorable' characteristics of this reserve of labor force.

b. Factors at work: the perspective of the modernization theory.

In the perspective of the modernization theory, the process of internationalization of production is a result of the ongoing renewal process of the product cycle in the environmentally and physically bounded world system. The ongoing renewal process of the product cycle is one of the structural and cyclical changes in the world economy. In this ongoing process there is a dynamic shift of location of production between countries at different stages of economic development. First, new products and processes are developed in technologically advanced countries and then with mass production, technology becomes standardized and the products and processes are diffused to intermediate countries where capital has become more abundant and labor skills have been upgraded. Since the early 1960s, the advancement in the technological know-how, forms of communication and transport, and the expanding activities of the MNCs, have enabled the decentralization and fragmentation of production. These have resulted in the gradual acceleration of the product cycle; the structural transformation of the global economy and the new international division of labor. In the recent accelerated product cycle, the advanced industrialized countries have moved on to more sophisticated lines of production, leaving room for the NICs, which are considered as having reached the intermediate rank, to step in. In a similar process the NICs have advanced and

left room for the other less developed countries. All in all, the expansion of the product cycle and the process of internationalization of production are functional to transforming global economy within which the comparative advantages of the different countries are more fully and effectively exploited.

The ascension of the NICs, it is asserted in the modernization theory, does not appear to be a result of the abundance of capital, which they do not have, but rather of their favorable internal conditions and the implementation of the sound development policies, namely the outward-looking growth policies. The favorable internal socio-economic conditions and political settings for the successful operation of these policies are: (i) a disciplined, educated and skilled urban labor force; (ii) an active and efficient entrepreneural class; and (iii) a stable political system. Special emphasis has been placed on the educational levels and skill levels of the labor force. It is asserted that the availability of an educated labor force and of dynamic entrepreneurs has compensated for the lack of natural resources in the NICs. The availability of a docile, educated, and better skilled labor force has enhanced the NICs' successful role in the process of internationalization of production.

c. Factors at work: the perspective of the dependency theory.

In the view of the dependency theorists, the shifts and movements in the world economy are confined in a zero-sum game of development. As a result of dependency and unequal exchange,

capitalist development in the core (the advanced industrialized countries) continually and necessarily creates underdevelopment in the less developed countries in the periphery. Therefore, the process of the internationalization of production, in the perspective of the dependency theorists, represents a sharpening of exploitation within the capitalist world system. The economic growth in the NICs, Frank has argued, are exclusive experiences which have resulted from the unique historical, contextual, social and economic factors, in these particular countries which were unique and too complex to replicate. In these respects, their experiences are difficult to duplicate, and they should not, or cannot, assert Frank, be considered as models of development for the other Third World countries. Furthermore, Frank contends, the growth of the NICs as important industrial producers and exporters is only part of the process of capital accumulation in the global economy. Their expansion of the industrial and manufacturing sectors, under the notion of the zero-sun development, are in fact the reinforcement of their ties to the capitalist world system. This can only lead to further exploitation of the NICs by the core countries (Frank,1982).

Landsberg (1979) further argues that the NICs' economic growth is only a new form of imperialist domination. The role of the MNCs is only to enhance both exploitation of the NICs and control over the new international division of labor. The new forms of organization in marketing and production are the mechanisms used by the MNCs. Not intended to promote indigenous capitalist development in their economies, the NICs are denied control of the production designs and final marketing of the products. It is unlikely that

there will be any transfer of useful technology and upgrading of skills resulting from the relocation of the MNCs productions to the NICs. Only those jobs that cannot be easily mechanized such as sewing, assembly work (production of semi-conductors), and technologically simple and standardized production (toys, wigs, and plastics) are sub-contracted to the NICs where cheap labor is abundant. Therefore, by promoting only certain Third World exports of manufactures, the MNCs help expand and control a new international division of labor. The NICs' economic growth within the capitalist economy only reinforces their dependence on the AICs. The provision and the exploitation of a reserve supply of cheap and unskilled labor has determined their role in the new international division of labor.

d. Factors at work: the perspective of the radical political economists.

In this perspective, the NICs' growth is asserted as part of the uneven development in the global capitalist economy. Browett affirms that the most appropriate broad contextual background in which the NICs' economic growth performance should be investigated is the internationalization of capital and its periodization. Since 1945, he continues, one witnessess a rising importance of the international- ization of the self-expansion of the productive capital. A world-wide relocation of industrial production sites and a global reorganization of labor processes have taken place as part of the self-expansion of capital. The new international division of labor is the manifestation of it. Browett contends that the major driving force in this process is the logic of capital competition (or

'the process of capital accumulation' see Caporaso,1981:362-367), which forces the individual capitalists to search continually for cheap labor and higher profits. The important role of the MNCs, i.e., their functions of sub-contracting and off-shore processing, in the expansion of the internationalization of productive capital is acknowledged. Rising standards of production and scientific management have successfully fragmented complex production processes into elementary functions which can be performed by briefly trained, low-paid unskilled workers at productivity levels similar to those prevailing in the AICs. Because of their availability of a large reserve supply of industrial labor which is productive, less expensive and less militant than that in the AICs, the NICs are chosen as profitable sites for the transfer of the 'deskilled' and fragmented mass production and assembly work. In this way, the NICs have taken an important part in the global reorganization of the production process in the new international division of labor and within which the wage labor in the NICs is increasingly exploited.

From the perspectives of the radical political economy, Browett comments on the interpretations of the NICs' development presented by the other two development theories. He argues that, the dependency theory has failed to accommodate and come to terms with the possibilities of peripheral capitalist development, especially with respect to the four South East Asian NICs. He also maintains that the stages approaches espoused by modernization theorists, which explicitly predict and expect the emergence of the NICs, constitute an inadequate and incomplete analysis of the processes underlying the recent economic growth performance of the NICs. Athough admitting

that there may be possibilities of peripheral capitalist development, as demonstrated in the NICs, Browett emphasizes that the understanding of the NICs' development should be approached within (i) the broad contextual background of the internationalization of capital and its periodization; and (ii) the complexities of class struggles and the intervention of the state in the process of social reproduction (Browett,1985).

e.Factors at work: a summary.

In these theoretical frameworks, the emergence of the NICs is viewed as part of the transforming global economy and the interconnection between the economies of the NICs and the international system is acknowledged. No matter whether the economic success of the NICs is seen as a 'natural' step in the ascension in the global system within the evolutionary path of development (modernization theory); a new form of dependence of the NICs on the core countries under a new form of imperialism (dependency theory); or an expression of the dominance of the advanced industrialized countries over the NICs under the process of the global accumulation of capital (radical political economy) -- the NICs' development is seen as inseparable from the developments in the global economy. External factors imposed from the global system are of importance in the NICs' development.

In Hong Kong -- the particular NIC that has been studied in this thesis -- economic development has been vulnerable to external factors and inputs. The inception of rapid industrialization has

been the result of the huge inflows of capital, labor supply, and entrepreneurship resulting from the very large influx of refugees who fled the political uncertainties in mainland China during the late 1940s and the early 1950s. The shift to 'export-industrialism', as the first frontier for economic survival in the global economy, was implemented after Hong Kong's entrepot trade -- the vital means of livelihood at that time -- had been endangered by the imposition of the international embargoes on Chinese goods subsequent to the Korean war. Industrial diversification was adopted as the second frontier for economic survival in the world economy, as a response to the international tariffs imposed on Hong Kong's textiles exports in the early 1960s. Since the mid-1970s, Hong Kong's economy has been gradually diversifying from manufacturing industries to financial and commercial activities as a third frontier for economic survival. This latest shift conincided with the world recession and the oil price crisis in the early 1970s. Therefore, the specific path of economic development in Hong Kong has been largely shaped by the external factors imposed from the global system and its responses to these factors.

The most important internal factor, that all three development theories agree upon, is the availability of large, cheap, and relatively disciplined labor forces in the NICs for exploitation in the new international division of labor. However, the development schools disagree upon the other favorable characteristics of this reserve labor force. In the view of the modernization theorists, though it is admitted that the comparatively low cost of the labor force is one attractive factor in the relocation of intermediate

industrial production to the NICs, the upgraded and improved skill levels of the labor force are deemed as the crucial factors for the reorientation of investment. Following from this assumption of the crucial role of labor skills, further upgrading in the labor productivity and technology in the NICs is expected, which, it is argued, would enable a fuller and more effective exploitation of the comparative advantages provided in these countries.

In Hong Kong, it was observed, post-war educational expansion might have upgraded the average productivity of its labor force. The workforce in Hong Kong may be relatively better educated or more disciplined than those in the other Third World countries. However, contrary to the arguments of the modernization theory, only small changes have been found in the skill levels and the occupational structure in Hong Kong during its course of rapid economic development (see discussion in chapter five). Instead, as asserted in the two radical theories, data examined in this study reveal a relative absence of the upgrading of the labor productivity and the technology of production. Rather, one finds a preponderance of the low-skilled manufacturing laborers in the labor force, and 'deskilled' and fragmented manufacturing production jobs have been dominating the changing economy of Hong Kong. Hong Kong's rapid industrialization may have been spawned by factors such as the implementation of sound developmental policies, namely the 'export-industrialism' and the pursuit of economic diversification; the presence of an active and efficient entrepreneurial class; and a stable political system. However, industries that have grown and supported Hong Kong's economic development are those that cannot be

easily mechanized (such as sewing), assembly work (production of electronic parts), and technologically simple and standardized production (toys, wigs, watches, and plastics). It is due, probably, to this fact that, after thirty years of economic growth, Hong Kong still has not achieved any sophisticated technological advancement nor any striking upgrading of its labor force skills. The economic success of Hong Kong in the last three decades or so is largely due to its provision of an exploitable reserve of cheap but low-skilled laborers in the new international division of labor. These factors correspond more to the scenarios, put forward by the two radical theories of development, of uneven development and reinforced external domination of the NICs in the global capitatist system.

7.2.2. 'Development' in the NICs: a reappraisal.

With the strong focus on external global distributional issues, the exploration of the issues of the welfare consequences of the NICs 'development' for the country as a whole is neglected in the two radical theories. The internal economic and social well-being of the masses in the countries concerned is the particular blind spot of the NICs according to these two theories. The account of the economic growth- social equity nexus is not provided, and further studies concerning this are awaited for enrichment or a fuller understanding of the NICs' 'development' (Caporaso,1981:351). In this respect, the examination of the economic and social development of the NICs, in general, and of Hong Kong, in particular, presented in this study may have shed some light on this blind spot. It was observed that rapid

economic growth in the NICs seems to have led to overall structural improvements in the living standards of the masses in these countries. However, hardset social disparities and economic inequalities continue to exist and have been reproduced in an uninterrupted fashion. In Hong Kong, inequalities in educational opportunities have been institutionalized in favor of the advantaged groups and have given them the means of social exclusion and domination of the majority of the population and to exploit their 'less-educated' counterparts.

Under such vulnerability to the forces, the exploitation imposed externally, and the internal oppression practiced through the perpetuation of social injustices and disparities in their course of economic development, the NICs have paid little attention to the pursuit of the two core values of development -- namely 'self-esteem' and 'freedom from servitude' -- as defined by Professor Goulet. The last two questions posed by Todaro (see section 3.2.3) for the evaluation of the level of 'real' development when addressed relative to NICs' developmental pattern cannot be answered except in the negative. The economic expansion may have improved the general levels of living in the NICs: absolute poverty, levels of employment, health and other social and cultural services may have been improved. However, little improvement is in evidence for Hong Kong, relative to the degree of inequality of income distribution or the equality of educational chances. Economic progress in these countries may have enhanced the national esteem relative to the average Third World countries, but has not done much to weaken the domination of advanced industrial countries. Internally, there is a continuous downward

spiral of the relatively low status of individuals in the oppressed class, while the high status of the rich advantaged class has been promoted and perpetuated. In this respect, it seems that the NICs' economic success does not qualify as per the 'inner' meaning of development. It may seem that their economic growth is merely a trade-off between economic-material benefits and the quality dimensions of group/individual esteem and freedom from servitude.

7.2.3. Education and national development in Hong Kong: some reflections.

It was observed in the case-study of Hong Kong in this thesis that, since the end of World War II, Hong Kong has been experiencing rapid and great changes in its economic, social and educational sectors. Like the other NICs, outstanding economic growth, rapid industrialization and improved national income have distinquished Hong Kong from the other Third World countries. The average living standards among the people in Hong Kong have improved, the level of real income among the laborers has risen, and the problem of poverty has been largely combatted. However, despite these improvements in the economic and social sectors, like the other Third World countries, hardset social inequalities have not been narrowed. Rather, they may have become even more entrenched. At the same time, expansion of the educational system in Hong Kong has been very rapid and impressive. And yet, despite this coexistence of the educational expansion and the economic-social development in Hong Kong, one should be cautious regarding the assertion of their being a causal relationship between the expansion of the educational system and the

other two sectors. But rather, it was found in the discussion in this study that post-war educational expansion in Hong Kong was not geared to maximize the rate of economic growth in its economy, nor was it to narrow the existing social disparities in its society.

In Hong Kong, the expanded educational provision during the post-war years did have some positive impact on the educational opportunities for the people in the colony. It was observed in the preceding discussion that an increased proportion of the population has benefited from the expanded educational services especially in having a better chance to obtain an education, at primary and junior secondary levels. Opportunities for receiving higher education have also improved, though the chance to enter this level is still very limited. The illiteracy rate in Hong Kong has also dropped rapidly during the post-war period. In 1985, Hong Kong had attained a high literacy rate which is comparable to those in many of the developed countries. The average educational attainment of the population has also gone up. Moreover, it was found that the improvements in educational opportunities and educational attainment in Hong Kong are relatively better than those in most of the other Third World countries.

However, as discussed in chapter five, it is possible to identify two ways in which the educational expansion in Hong Kong may have contributed to its economic growth. First, expanded educational services have raised the average educational attainment of the workforce. An increased proportion of the labor force has attained primary and junior secondary education. Perhaps it cannot be denied that the increased educational attainment of Hong Kong's labor force

has had some positive impact on the economic growth of the colony. Basic scientific knowledge, communication skills and mathematical abilities learned through schooling may have improved the performance of the laborers and enhanced the flexibility and ability of the workers in their learning of new skills that are directly related to their job performance. In other words, the average productivity of the labor force may have improved. These changes brought into being a reserve of a flexlible and adaptive but low-skilled and low-paid workforce which contributed to the rapid expansion of the economy. Second, the expanded educational system in Hong Kong has also been continuously producing and recruiting a capitalist workforce to meet the manpower needs in its growing economy. Massive numbers of minimally educated school graduates have been produced to meet the demands for the low-level workers in the expanding labor-intensive manufacturing industries and in the gradually growing commercial sector. However, as observed in the review of Hong Kong's economic development as discussed earlier in this study, from the inception and throughout the course of its economic growth, the major factors that have shaped Hong Kong's path of growth were the external factors related to the global economic system and the sound economic strategies that were employed by the Hong Kong businessmen. Economic growth, at least in the initial phase, seems not to have been a result of the expansion of the educational system, though the expanded educational outputs might have contributed to the capitalist expansion of the economy by supplying a capitalist workforde through the two ways mentioned above.

However, according to Professor Goulet, economic growth is an important basic necessity for the attainment of development but it is not the only end of a 'real' development. Individual and social 'self-esteem' and 'freedom from servitude' for individuals and for the society are the other essential core values for the attainment of 'real' development in a society. Like the other NICs, despite the successful economic growth and the improved overall living standards of the people in Hong Kong, social disparities and income inequalities are still apparent in the colony. In Hong Kong, gross national income has been increasing rapidly during its course of economic development, but distribution of economic benefits has been very uneven. The majority of the people, who have been in fact the prime movers of development, that is, the laborers in the expanding labor-intensive industries, have shared a disproportionately small share of the increased wealth. It was also observed that disparities in social status and power in the society are being perpetuated through the disparities in the distribution of wealth and incomes. In this way, despite the outstanding economic growth in the post-war years, there has existed a continuous deterioration of the relative status of individuals in the oppressed and exploited classes and a continuous improvement of the position of the rich and advantaged classes in Hong Kong. Given this perpetuation of the social inequalities, the economic success of Hong Kong does not qualify as 'real' development as defined by Professor Goulet. It seems that, as in the case of other NICs mentioned in the preceding sections, economic expansion in Hong Kong has been achieved at the cost of the qualitative dimensions of this process.

Furthermore, it was found that the expansion of the educational system in Hong Kong, instead of helping in equalizing the existing social inequalities in the society, has been acting as a key means in the perpetuation of these socio-economic disparities. In this way the expanding educational system seems to have been acting as a force which has hindered the genuine national development in Hong Kong. Underpinning this hindrance effect of the expanding educational system in Hong Kong is the attempt of the Hong Kong government to preserve the elitist elements of the educational system while expanding and further strengthening the educational opportunities for the masses. By doing that, as discussed in chapter six, a highly stratified school system has been developed and inequalities in access to equal education have been institutionalized. Disparities in the quality of education offered in Hong Kong's expanded school system are evident in (i) the small number of prestige schools which because of their higher academic standards, and better English-language education offer almost guaranteed chances of success in educational attainment and hence in socio-economic rewards; (ii) the provision of a large part of compulsory secondary education (F.I to F.III) in 'bought' places purchased in private schools in which relatively lower quality of education is offered; (iii) the heavy reliance on the private sector for the provision of education before and beyond the compulsory levels of education, which on the one hand has furthered the educational inequalities at the start of the educational journey of the students in Hong Kong, and on the other hand has increased the competitiveness in obtaining a place in the limited subsidized education at the senior secondary level; and (iv)

the highly stratified limited provision of education at the post-secondary level where educational aspirations are directed towards entrance to Hong Kong University.

Besides these inequalities in the quality of education offered in the expanded school system, inequalities in access to an equal education are also institutionalized through the 'feeder' system and certain arrangements in the examination system. The Visiting Panel (1982) has listed three pre-conditions to safeguard an equitable selection by competitive examinations, particularly within compulsory education. They are (i) equality of education offered; (ii) equality of opportunity to learn; and (iii) equality of chances to demonstrate in those examinations what one has learned (Visiting Panel,1982:33). However, as discussed above, the education offered in Hong Kong's stratified educational system seems less likely to be equal. Furthermore, the chance of a student to learn and to demonstrate that learning relies greatly on how well he/she knows English, or how proficient is his/her teacher in the language of instruction. This is an element that safeguards the privileges of the upper class whose children are more or less bilingual. Therefore, selection based upon marks in achievement and/or developed ability is, in fact, selection based on the family's sponsorship to ensure that the children learn the English language early. Performance in examinations is greatly dependent on one's family background and the school one has attended. Therefore, in Hong Kong's educational explosion, a serious scarcity in places in both the prestige schools and in higher education has developed, there has resulted an increasingly competitive and examination-oriented school system.

In respect to reforming the educational system of Hong Kong for it to contribute to a 'real' development in the society, the following recommendations are made. Basically, the major efforts should be geared to eliminate the elitist elements, as mentioned above, from the expanded school system.

1. Every effort should be made to narrow the gaps between the quality of education offered in different schools. Of course, the attainment of a uniform quality of education in the school system seems not likely to be possible in any educational system. But policy and efforts should always aim at reducing the inequalities in the quality of education offered. Therefore, the governmental policy should be geared to raise the standards and resources of those schools, in Hong Kong, which are relatively lower in their standards.

2. Since the Hong Kong government has committed itself to provide compulsory education up to the junior secondary level, it must take necessary action to secure adequate provision for it to the stated level. The policy of provision of compulsory education, up to F.III, through 'bought' places in the private schools should be abolished. Instead nine year compulsory education should be provided through the government or the government (fully) subsidized sectors; or special support should be made available to raise the quality of education offered in the private schools, where places have been 'bought', to the same level as that provided in the government and government aided schools.

3. Schooling in the kindergartens should be included in the government subsidized sector; and government subsidized senior secondary education should be provided to all who want it.

4. Expansion and diversification of education at the post-secondary level are desirable in the interests of the economic, social and educational development and should therefore be undertaken immediately.

5. In order to eliminate the inequalities of access to education, the feeder system should be abolished. Evaluation and assessment of the present selection scheme, directly or indirectly related to public examinations, should be made so as to ensure an open competition in educational selection.

6. Efforts should be made to eliminate the overwhelming influence of the examinations on the school curriculum; and to design and implement a curriculum oriented to a balanced development of the students.

Lastly, as concluding words of this study three points should be highlighted: (i) it seems that the NICs' development would be unsatisfactory to those who are in search of a more fundamental development in the deprived parts of our world; (ii) the NICs' development is inseparable from the external forces of the global system, and educational expansion, as demonstrated in the case of Hong Kong, has only taken a minor part in the impressive economic growth in these countries; and (iii) the social reproduction function of the educational expansion, as observed in Hong Kong, has acted as an element that hindered the full attainment of genuine national development in the particular NIC that was studied in this thesis. Finally, the writer wants to emphasize that the analysis, the evaluation, and the recommendations made in regard to Hong Kong should be considered as a special case of the NICs' experience. For the benefit of a fuller understanding of the changing global system, and the role of the NICs in it, and the relationship of education in the national development in the NICs, the writer would like to invite other scholars to do further research on the historical and contextual aspects of the NICs' development.

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APPENDIX I

Appendix I consists of the following tables:

Table I.1. Enrolment increase by level of education in the NICs (1960-1980).

Table I.2. U.S. exchange rate for national currency of the NICs.

Table I.3. Public expenditure on education in the NICs in national currency (1965-1980).

Table I.4. Mid-year population in the NICs.

Table I.5. Estimated public expenditure on education in the NICs (U.S.dollars)(1965-1980).

Table I.6. Percentage distribution of student enrolment by level of education in the NICs (1960-1980).

Table I.7. Percentage distribution of public current expenditure on education by level of education in the NICs (1965-1980).

Table I.8. Gross enrolment ratios by educational level in the NICs (1960-1980).

Table I.1. Enrolment Increases by Level of Education in the NICs (1960-1980) (in '000)

Country	year	total	pre-first level	first level	second level	third level
Hong Kong	1960	576		479	89	8
	1980	1,244		737	469	38
	% increase	116.0		53.8	426.9	375.0
	increase/yr	5.8		2.7	21.3	18.8
Singapore	1960	359		291	59	9
	1980	518		314	181	23
	% increase	44.3		7.9	206.8	155.5
	increase/yr	2.2		0.4	10.3	7.8
S.Korea	1960	4,555		3,637	819	99
	1980	10,625		5,724	4,286	615
	% increase	133.3		57.4	423.3	521.2
	increase/yr	6.7		2.9	21.2	26.1
Argentina	1960	3,689		2,933	575	181
	1980	6,418		4,561	1,366	491
	% increase	74.0		55.5	137.6	171.3
	increase/yr	3.7		2.8	6.9	8.6
Brazil	1960	8,987		7,715	1,177	95
	1980	28,161		23,933	2,819	1,409
	% increase	213.4		210.2	139.5	1,383.2
	increase/yr	10.7		10.5	7.0	69.2
Mexico	1960	5,705		5,115	512	78
	1980	21,444		15,737	4,741	897
	% increase	275.9		207.7	826.0	1,050.0
	increase/yr	13.8		10.4	41.3	52.5
Greece	1960	1,317		961	327	29
	1980	1,927		1,047	740	121
	% increase	46.3		8.9	126.3	317.2
	increase/yr	2.3		0.4	6.3	15.9
Portugal	1960	1,146		893	229	24
	1980	1,779		1,289	398	92
	% increase	55.2		44.3	73.8	283.3
	increase/yr	2.8		2.2	3.7	14.2
Spain	1960	4,521		3,706	728	87
	1980	9,450		4,792	3,977	681
	% increase	109.0		29.3	446.3	682.8
	increase/yr	5.4		1.5	22.3	34.1

Yugoslavia	1960	3,357	2,834	383	140
	1980	4,561	1,723	2,426	412
	% increase	35.9	-39.2	533.4	192.3
	increase/yr	1.8	-1.9	26.6	9.7
All NICs[a]	1960	34,212	28,564	4,898	750
	1980	86,127	59,857	21,403	4,848
	% increase	151.7	109.6	337.0	546.4
	increase/yr	7.6	5.5	16.9	27.3

Source: Unesco Statistical Yearbook, 1972: Tables 3.1, 3.2, 3.4, 4.1; 1985: table 3.3, 3.4, 3.7, 3.11.

Note: a. Figures on all NICs in this table and the other tables in this appendix are the mean of the data collected in the tables and calculated by the writer.

Table I.2. U.S. Exchange rate for national currency of the NICs

	National currency / U.S. dollars		
Country	1965	1980	(1979)
Hong Kong	5.71	5.14	
Singapore	3.06	2.14	
S.Korea	266.40	607.40	
Argentina	1.68	0.18	
Brazil	1.90	52.71	
Mexico	12.50	22.95	
Greece	30.00	42.60	(37.03)
Portugal	28.75	50.06	
Spain	60.00	71.70	(67.12)
Yugoslavia	6.96	24.64	

Source: Unesco Statistical Yearbook, 1985:Appendix Table C.

Table I.3. Public Expenditure on Education in the NICs in National currency (1965 and 1980) ('000)

Country	1965	1980
Hong Kong	262,600	3,446,432
Singapore	130,211	686,380
S.Korea	14,622	1,374,736
Argentina	106,652,700 [a]	1,017
Brazil	396,425	431,194
Mexico	4,563,045	125,354,205
Greece	4,146,404	31,754,307 [b]
Portugal	1,557,600	53,233,500
Spain	17,990,000	342,376 [b]
Yugoslavia	3,614,000	84,051

Source: Unesco Statistical Yearbooks, 1972: Table 5.1; 1985: Table 4.1.

Note: a. Argentina's figure provided in the Statistical Yearbook may be error; according to this figure the public expenditure in US dollars that year was 63,483.7 and the per inhabitant educational expenditure was US$ 2,821.5; and these seem to be questionable, therefore the figures on Argentina will be excluded in Table I.5.

b. Data are on 1979.

Table I.4. Mid-Year Population in the NICs(in '000)

Country	1965	1980
Hong Kong	3,692	5,040
Singapore	1,865	2,410
S.Korea	28,377	38,120
Argentina	22,545	27,710
Brazil	81,010 [a]	118,640
Mexico	42,689	69,350
Greece	8,551	9,640
Portugal	9,199	9,800
Spain	31,604	37,430
Yugoslavia	19,507	22,230

Source: Unesco Statistical Yearbooks,1972:Table 1.1; 1985: table 1.1.
Note: a.From Unesco Statistical Yearbook,1978-79:Table 1.1.

Table I.5. Estimated Public Expenditure on Education in the NICs (in US dollars [a])(1965-1980)

Country [b]	year	Public Expenditure on Education (1) (million)	(2) As of GNP (%)	(3) Per Inhabitant (US$)
Hong Kong	1965	45.9	2.1 [c]	12.5
	1980	670.5	2.5	133.0
	% increase	1,358.0	0.4	964.0
Singapore	1965	42.5	4.1	22.8
	1980	320.5	2.9	133.0
	% increase	653.7	-1.2	483.3
S.Korea	1965	0.05	1.8	0.002
	1980	-2.3	3.7	0.06
	% increase	4,500.0	1.9	2,900.0
Brazil	1965	208.6	1.1	2.6
	1980	8.1	3.4	0.07
	% increase	-96.1	2.3	-97.3
Mexico	1965	365.0	1.9	8.6
	1980	5,462.0	3.0	78.8
	% increase	1,396.3	1.1	816.3
Greece	1965	138.2	2.3	16.2
	1980	857.5 [d]	2.2	89.0
	% increase	520.4	-0.1	449.4
Portugal	1965	54.1	1.4	5.9
	1980	1,063.3	4.4	108.5
	% increase	1,862.8	3.0	1,738.9
Spain	1965	299.8	1.4	9.5
	1980	5.1 [d]	2.6 [d]	0.1
	% increase	-98.3	0.7	-98.9

Yugoslavia	1965	519.2	4.5	26.6
	1980	3.4	5.0	0.2
	% increase	-99.4	0.5	-99.2
All NICs	1965 [b]	1,736.7	2.1	10.5
	1980	8,392.7	2.9	54.3
	% increase	383.3	0.8	417.1

Source: Columns (1) and (2) are calculated from data collected in Tables I.2, I.3, and I.5; column (3) is from Unesco Statistical Yearbooks, 1972:Tables 5.1 and 1985:Tables 4.1.

Notes: a. U.S. exchange rate for the national currency of each country is presented in appendix table I.3.

b. Excluding Argentina, see note a in Table I.4.

c. Figure on the year 1961.

d. Data are on 1979 instead of 1980.

Table I.6. Percentage distribution of student enrolment by level of education in the NICs (1960-1980)

Country	Year	First Level	Second Level	Third Level
Hong Kong	1960	83.2	15.5	1.3
	1980	59.2	37.7	3.1
Singapore	1960	81.1	16.4	2.5
	1980	60.6	34.9	4.5
S.Korea	1960	79.8	18.0	2.2
	1980	53.9	40.3	5.8
Argentina	1960	79.5	15.6	4.9
	1980	71.1 [a]	21.3	7.6
Brazil	1960	85.8	13.1	1.1
	1980	85.0	10.0	5.0
Mexico	1960	89.7	9.0	1.3
	1980	73.4	22.1	4.5
Greece	1960	73.0	24.8	2.2
	1980	54.3	39.4	6.3
Portugal	1960	77.9	20.0	2.1
	1980	72.5	22.4	5.1
Spain	1960	82.0 [b]	16.1	1.9
	1980	50.7	42.1	7.2
Yugoslavia	1960	84.4	11.4	4.2
	1980	37.8	53.2	9.0
All NICs	1960	81.6	16.0	2.4
	1980	61.9	32.3	5.8

Source: Calculated from data provided in Unesco Statistical Yearbooks, 1972: Tables 3.2, 3.4, and 4.1; 1985: Tables 3.4, 3.7, 3.11.

Note: a. Figure on 1981.
b. Figure on 1961.

Table I.7. Percentage distribution of public expenditure on education by level of education in the NICs

Country	Year	Public current expenditure on education (%) First Level[a]	Second Level	Third Level	Others
Hong kong	1961	56.5	23.4	11.1	9.0
	1980	33.7	35.7	24.6	6.0
Singapore	1961	65.5	20.0	11.5	3.0
	1980	35.8	41.1	17.1	6.0
S.Korea	1960	43.9	21.1	14.4	20.6
	1980	49.9	33.2	8.7	8.2
Argentina	1963	56.8	26.5	16.7	0.0
	1980	40.1	25.6	22.7	11.6
Brazil	1960	33.5	19.6	20.1	26.8
	1980	44.8	7.1	18.9	29.2
Mexico	1961	54.5	11.8	14.5	19.2
	1980	42.0	18.8	26.5	12.7
Greece	1969	52.7	29.7	17.5	0.1
	1979	41.7	36.8	21.0	0.6
Portugal	1960	44.6	29.2	9.6	16.6
	1980	32.5	45.7	10.5	11.3
Spain	1960	47.3	16.2	8.8	27.7
	1979	62.4	19.3	14.0	4.3
Yugoslavia	1960	58.3	19.3	16.1	6.3
	1980	73.0 [b]		18.5	8.5
All NICs [c]	1960	51.4	21.7	14.0	12.9
	1980	45.6	26.3	18.3	9.9

Source: Unesco Statistical Yearbook, 1970:Table 2.20; 1972:Table 5.2; 1985:Table 4.3.

Notes: a. First level includes pre-first level.
b. Combined percentage of the first and second levels of education, calculated as the first level in the total of all NICs.
c. Data on all NICs are around the years 1960 and 1980.

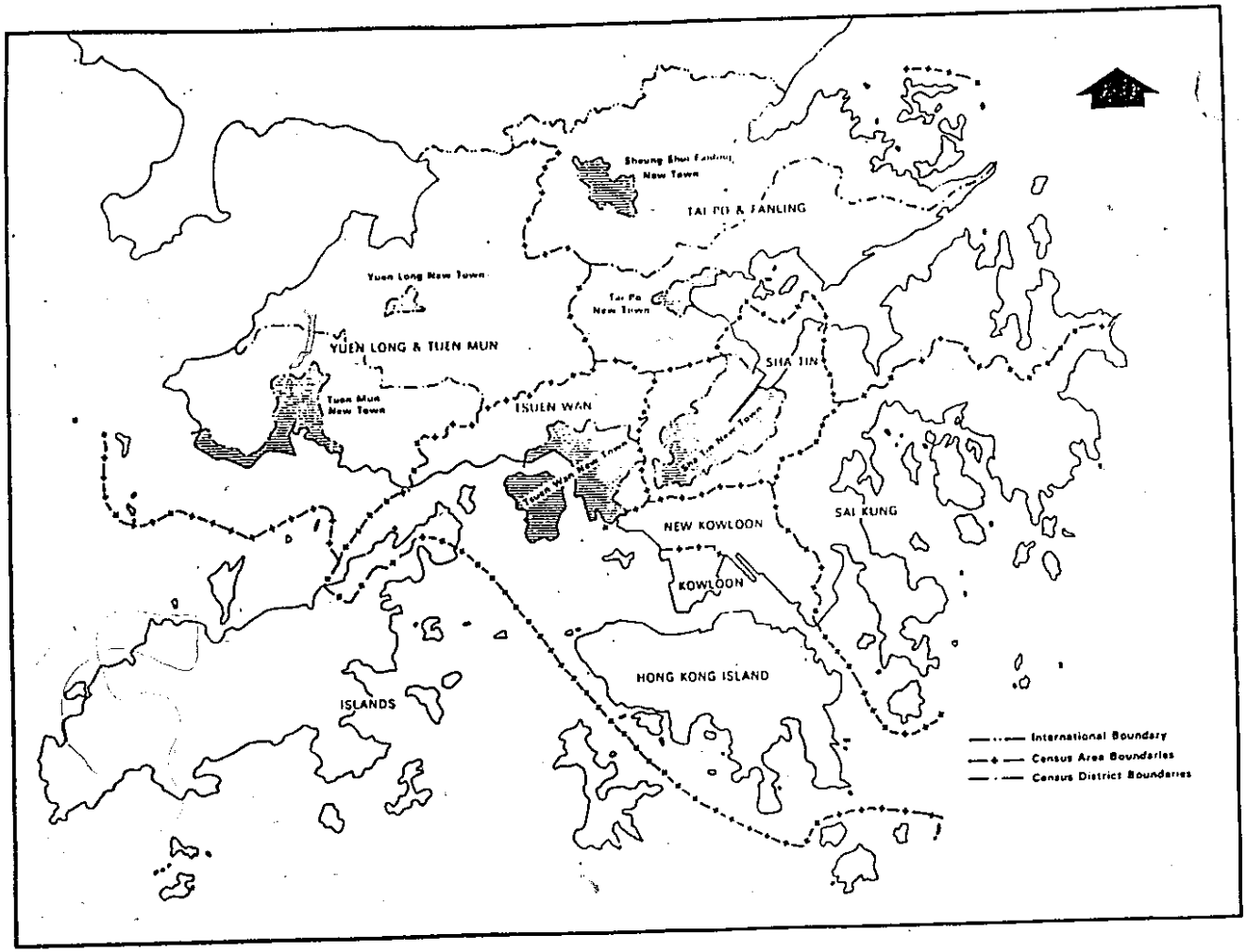
Table I.8. Gross Enrolment Ratio [a] by Education level in the NICs (1960-1980) (%)

Country	Year	First & Second Level	First Level	Second Level	Third Level
Hong Kong	1960	68	93	30	4.4
	1980	81	107	64	10.5
Singapore	1960	78	111	3[illegible]	6.4
	1980	81	108	58	7.8
S.Korea	1960	65	96	27	4.7
	1980	92	109	76	14.8
Argentina	1960	72	97	31	11.1
	1980	87	106	57	23.1
Brazil	1960	47	100	11	1.6
	1980	81	99	34	11.9
Mexico	1960	49	81	9	2.6
	1980	87	120	47	14.1
Greece	1960	74	109	39	3.9
	1980	91	102	81	14.7
Portugal	1960	67	87	36	3.5
	1980	85	119	45	11.3
Spain	1960	68	75	20	3.9
	1980	96	109	87	23.1
Yugoslavia	1960	79	91	34	8.6
	1980	88	99	83	21.7
All NICs	1960	66.7	94.0	26.9	5.1
	1980	86.9	107.8	63.2	15.3

Source: Unesco Statistical Yearbooks,1972:Table 2.7; 1985:Table 3.2.

Note: a.For explanation and clarification of Gross Enrolment ratio please see note a in Table 4.4 page 120.

Appendix II: A Map of Hong Kong.



Source: Hong Kong, Census and Statistics Department, (1986). Hong Kong 1981 Census Main Report.

Appendix.III. A chronology of the major policy changes for educational development in Hong Kong 1842-1986.

1840s	Provisions of education was unsupported and unco-ordinated by the government but through the missionary and private bodies.
1860s	Government started to run government schools.
1870s	A scheme to provide government aid to eligible schools and a grant code for support the missionary school was introduced.
1880s	Expansion of grant-in-aid missionary schools, and massive expansion of the private 'vernacular' schools.
1910	Director of Education was formed to control education in the colony.
1911	Establishment of the Hong Kong University.
1912	Enactment of the first Education Ordinance.
1936	Technical College was openned.
1940	Northcote Teachers' Training College openned.
1941-45	World War II and the Japanese occupation.
1945-50	Post-war reconstruction of the school system.
1952	Amended grant code and introduction of a new subsidy code to encourage expansion of the subsidized sector.
1954	The Seven-Year Plan for the expansion of primary school places began.
1959	Ground floor government aided primary school were began to be built.
1961	Reorganization of the HKCE (Chinese) based on a five year program of the Chinese middle schools.
1962	Secondary School Entrance Examination (SSEE) took the place of Joint Primary School Examination.
1963	Inauguration of Chinese University of Hong Kong.

1964 Matriculation Examination for the entry of CU of Hong Kong held.

1965 A scheme for the provisio of universal subsidized primary education was outlined in the White Paper.

The government decided not to operate kindergartens, instead private enterprises were encouraged to provide kindergarten education.

The government decided not to provide government schools where an aided school could be provided.

15-20 per cent of the primary school graduates were provided with subsidized secondary education.

1969 Introduction of the Junior Technical Institutes.

Creation of the University Grants Committee to advise on the allocation of funds to the universities and development for the community.

Teachers' training programs extended from 1 year to 2 years and 3 years program.

1971 Universal primary education was introduced in all government and aided primary schools.

1972 Hong Kong Polytechnics founded to replace the HK Teachnical College.

1974 A scheme for the provision of 9-year universal education was proposed.

1976 Floatation classes were introduced in the secondary schools so as to increase the number of junior secondary places.

1977 A ten-year plan for the education of the handicapped and the disabled children was adopted.

1978 9-year universal education was introduced for students up to the age of 14.

Junior secondary places were bought from private non-profit making secondary schools to increase the number of subsidized junior secondary education places.

The Secondary School Entrance Examination (SSEE) was abolished and replaced by the Secondary School Placement Allocation Scheme (SSPA).

1978	Increase an improved opportunities for senior and post-secondary education was outlined in the White Paper.
1979	Teachers training course was extended from 2 years to 3 years for students holding HKCE qualification.
1981	Government set out policy to improve the quality and standard of child care and education in the primary and pre-primary level in the White Paper.
	Kindergartens remained privately run. They were limited to a 1- to 2- year course education for children between age of 3 years 8 months to 6 years.
	Junior Secondary Education Assessment (JSEA) was introduced for students completing junior secondary education.
1983	All entrance examinations to primary school were to be abolished. A new primary one allocation scheme was introduced.
1984	The Education Commission was set up to co-ordinate to co-ordinate and give consolidated advise on educational policy in Hong Kong.
	Hong Kong City Polytechnics was opened.
1985	Government announced the planning for the Third university within 1990.
1986	It was decided that the JESA would be phased out in 1991.

Source: Hong Kong Education Department, Department Annual Report (1951- 1986) (Hong Kong, Education Department).