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Author(s)	David Chan and Jason Tan
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Privatization and the rise of direct subsidy scheme schools and independent schools in Hong Kong and Singapore

David Chan

Department of Asian and International Studies, City University of Hong Kong, Hong Kong, and

Jason Tan

Policy and Leadership Academic Group, National Institute of Education, Singapore

Abstract

Purpose – This paper aims to trace the evolution of two initiatives – the direct subsidy scheme and independent schools initiative – their genesis, rationale, current form and take-up rate. It also analyses them as education reforms in terms of policymaking dynamics. The very notion of the term “privatization” will be examined.

Design/methodology/approach – The article examines the two school privatization schemes in Hong Kong and Singapore, by putting into perspective a discussion of their policy implications, thereby reflecting on their similarities and differences in their agenda, implementation and implications.

Findings – The findings indicate that the DSS and independent school schemes in both Hong Kong and Singapore are in line with the global trends of privatization. It is suggested that the governments of the two places have adopted different approaches in the implementations of their schemes.

Originality/value – The paper shows how the direct subsidy scheme and independent schools initiative represent attempts over the past two decades by the governments of Hong Kong and Singapore, respectively to promote school privatization.

Keywords Educational policy, Schools, Privatization, Asia

Paper type Research paper

Introduction

Private schooling in Hong Kong and Singapore has entered a new phase with the introduction of Direct Subsidy Scheme (DSS) schools and independent schools respectively. The schemes are themed on the “pursuit of excellence” and of “quality education”, together with the promotion of flexibility, choice, diversity and innovation. Such a definition of “school privatization” has reflected the underlying philosophy of privatization initiatives and efforts adopted by the schools in both Hong Kong and Singapore, and this also reveals the kinds of relationships between education and the states in these two societies. Even though both governments have applied the idea of privatization in their education system by introducing these two schemes, they seem to have performed different roles within their respective policy agendas.

This article tries to examine the two school privatization schemes in Hong Kong and Singapore, by putting into perspective a discussion of their policy implications, thereby



reflecting on their similarities and differences in their agenda, implementation and implications. There are four sections to this article. The first section provides a general theoretical framework for our analysis, alongside the general theme of privatization and its implications on education governance. The second section describes the history and policy directions of the Direct Subsidy Scheme and independent schools in Hong Kong and Singapore respectively. The third section further elaborates on the development of the two school privatization schemes through their policies of finance, admission, curriculum and management. The fourth and final section discusses the main policy implications of privatization, with particular reference to the different agendas adopted in the two societies. It also discusses some relevant issues concerning the possible social inequity and the rise of elitism in implementing these two schemes. While this article will be mainly focused on secondary schools, as these schools are the major focus of both schemes, similar issues in elementary schools will be addressed when appropriate.

School privatization: a mechanism for new school governance in the global economy

Education has come to be an economic and social productive investment in the age of the global economy. Given that the rise of the global economy has caused intensified economic competition across national boundaries, many nations have viewed education as a way to nurture their human capital for both economic and societal needs. Indeed, the emergence of the knowledge-based economy around the world is seen as a key ingredient of this economic dimension of globalization, with education playing an important role in maintaining national competitiveness in the global economy. In addition, the process of globalization has promoted a new imperative for education, with emphasis on transnational skills or competences, such as the mastery of an international language (like English), mastery of information and communications technology, as well as that of information processing, problem solving, creative and critical thinking, with education professionals being expected to prepare students for national competition in the global economic race (UNESCO, 2000).

Given that knowledge workers, rather than manual workers, will become dominant in the future society, education has an important role in maintaining the national competitiveness of a nation-state in the global economy. Owing to the rapid flow of information, and the unprecedented growing pace of high technology, knowledge becomes easily obsolete in a very short period of time. Hence, continuing and lifelong education, learning and training in different modes and at different levels have now assumed growing urgency. Consequently, public educational budgets increased dramatically from 1960 to 1975 in both the industrially advanced and developing nations (Coombs, 1985). However, adverse economic conditions and competition from other public policy sectors for public funds have led to a slow-down in the growth of government expenditure on education in many countries. This has been aggravated by the tendency for educational cost per student to keep on rising, without any concomitant improvement in productivity or educational quality.

Privatization is considered as a way to tackle this problem by shifting most of the cost from the state to the users (Edwards *et al.*, 1985; Psacharopoulos *et al.*, 1986). Indeed, privatization has been brought into many sectors of the economy and society, including education, because it “has been widely advocated as a mechanism to improve efficiency, cater for pluralistic preferences, make institutions more accountable to their

clients, and reduce government expenditures” (Bray, 1996, p. 1). It is a process of moving from less public ownership, financing and or control to more private ones.

However, the meaning of privatization is controversial. James (1984, p. 98) notes that:

... the definition of private is by no means clear-cut in a situation where many “private” schools are heavily funded and regulated by the state. Source of funding and “degree of decision-making authority” may then yield different public-private categories, and many mixed rather than polar cases.

In some cases, however, the ownership and financing of schools, which the major indicators of privatization, do not necessarily go together in consistent directions. Some school systems may rely heavily on institutions which are nominally owned by voluntary agencies, but they receive substantial government grants and are under government control; while government schools in some other countries receive substantial non-government funds. Therefore, it is difficult to make a clear-cut distinction in such complexities and the term “private” is sometimes used as an interchangeable word with non-government (Bray, 1996). In regard to such complexities, Bray has summarized four types of privatization as follow:

- (1) *Transfer of ownership of public schools.* Deliberate transfer of ownership (and, by implication, control) of existing public schools to private hands is perhaps the most striking form of privatization. Such a move is especially radical when it involves a shift from not-for-profit to commercial operation, though this type of change is rare.
- (2) *Shifting sectoral balance without re-designating existing institutions.* This form of privatization occurs through a more evolutionary shift in the balance of types of institution. Thus, the number and size of government schools might be held constant, but the number and size of the parallel private school sector might be permitted or encouraged to increase. Alternatively, the government sector might expand, but the private sector might expand even more. Or the government sector might contract, but the private sector might not contract so much, might remain constant, or might expand.
- (3) *Increased government funding and support for private schools.* Government may strengthen the private sector by giving financial and other support to private schools. Some governments are experimenting with systems of vouchers, in which families can choose to send children to private schools but meet some or all the costs from a financial allocation earmarked by the government.
- (4) *Increased private financing and/or control of government schools.* In this form of privatization, schools remain nominally under government ownership but the proportion of finance and/or control by non-government sources is increased. Governments in some countries have experienced severe fiscal crisis, and parents and communities have had to increase financial contributions to their schools in order to bridge gaps. In other countries, governments’ financial health has remained strong but for ideological and other reasons the authorities have required school principals to be more responsive to the market place (quoted in Bray, 1996, p. 3).

No matter how privatization is defined, one of the main purposes of privatization is to encourage greater private contribution and participation. Advocates of privatization

suggest that more resources from parents and community can be mobilized because increased competition for students among schools generates greater variety and consumer choice, thereby allowing parents to spend what they wish on the education of their children, beyond a minimum purchasing power provided by the state (Tomlinson, 1986, p. 214).

Nevertheless, under such conditions, educational governance is featured by a commitment to the market-oriented provision of services with encouragement of a “consumer ethos”. Schools need to face a cutback of government funding for education. The original responsibility of educational provisions that used to be shouldered solely by the government is now beginning to be shared and delivered by other non-state sectors through various means, such as the adoption of the “user-pay principle”, the introduction of the private sector in educational provisions, and the mobilization of social donations, among others. Meanwhile, schools experience pressures from their governments to demonstrate maximum outputs from the resources and inputs given to them. Thus, both the public and government demands have heightened demands for accountability and cost-effectiveness of educational institutions. This usually happens in the context of financial stringency when society pays more attention to the use of limited public resources, as well as in the process of the “massification of higher education” (Currie and Vidovich, 1998). Therefore, the ideas of cost-effectiveness and “value for money” become an integral part of the new managerial doctrines, which help to generate an entrepreneurial competitive culture in the education sector.

In some countries, the rise of school privatization is associated with the emergence of school choice programmes and voucher systems. The strategy of allowing parental choice involves delivering school subsidies in the form of vouchers to parents rather than schools. This strategy aims to achieve universal choice through breaking down the monopoly of educational provision held by the government and advocating competition between public and private sectors. However, choice opponents indicate that vouchers divert public funds to benefit a few children at the expense of the vast majority that must stay in public schools because they cannot afford high tuition fees, even though they are entitled a certain amount of subsidies in the form of education vouchers. In addition, parents from well-off families usually have better knowledge and privilege in the choice system. In this sense, the inequality of social classes is reinforced under the voucher system (Carnoy, 1998; Gewirtz *et al.*, 1995). However, there is another school of thought which argues that currently many governments in different societies adopt discriminatory policies against private-school users in order to protect the public school sector. The high tuition fees in private schools is due to the shortages in educational provision that can be eliminated were governments to provide sufficient and equal subsidies to both public-school and private-school users (Merrifield, 2001, 2002).

Furthermore, from a managerial perspective, the notion of privatization is also seen as a feature of the rise of the “New Public Management” (NPM) and managerialism, within the tide of public sector reforms. This largely involves a restructuring of the nation-state through the deregulation of legal and financial controls, the opening up of markets and quasi-markets, increasing notions of competition and the receding role of the nation-state in the globalization discourse (Enders and Fulton, 2002; Mok and Welch, 2003). From a more practical point of view, it involves the introduction of private-sector techniques to public sector management in the name of “economy,

efficiency and effectiveness". Under this concept, continual increases in productivity are seen as the only way to ensure social progress (Bottery, 2000). Educational development, as an area of public policy, is not immune from the rise of managerialism within the tide of public sector reforms. In line with management efficiency and effective use of resources, business-like principles, mechanisms and practices have been introduced into the running of educational institutions and their service delivery. The call for the running of education to resemble the running of a business (Ball, 1990, 1998; Bridges and McLaughlin, 1994) requires educational institutions to be more efficient and effective in decision-making.

In response to these changes, senior administrators of educational institutions are now required to transform their traditional professional roles into managers and chief executive officers (CEOs) who can behave more proactively in facing changes, exercise more discretionary power in financial arrangements and decision-making process, and enjoy more freedom to innovate their organizations (Bottery, 2000; Currie and Vidovich, 1998). Hence, a new type of managerial accountability has now begun to replace the traditional type of professional accountability that used to be exercised by school administrators (Chan, 2002). Obviously, these impacts of managerial reforms on education have started to blur the public-private boundary and to re-define the relationship between the state and education. Since the managerial-driven and market-oriented activities imply streamlined operations that allow limited flow of information in a flux of change and uncertainty, state-defined parameters have become necessary contingencies for future developments in education. The nation-state has thus gone through the process of "re-regulation" by strengthening the mechanisms of auditing and quality assurance in order to uphold the notion of accountability, while adopting the policies of decentralization and deregulation. In short, in this new kind of state-education relationship, managerial systems of schools are set within a tighter system of accountability, together with more managerial autonomy and authority in return.

The direct subsidy scheme (DSS) in Hong Kong

In 1988, the Hong Kong Government first introduced the DSS at the behest of the *Education Commission Report No. 3*, in order to encourage the development of a strong private sector (EC, 1988). The DSS originated from the government's dissatisfaction with the then bought place scheme (BPS), which was regarded as an *ad hoc* and supplementary financial arrangement in order to guarantee sufficient school places for the implementation of nine years of compulsory education beginning in the 1970s. Under the BPS, private schools only served the purpose for providing relatively cheap school places for the government and catering for those students who failed to obtain a government or aided-school place. With the subsequent growth in the number of government and aided schools, the Government no longer needed to buy places in the private schools. However, the Government considered that it had the moral obligation to provide an alternative route to survival for the former BPS schools and raise their standards progressively to a level comparable with the aided schools. The Government thus initiated the DSS, one of the aims of which was to replace the BPS by 2000 (EC, 1988; Ting, 2005).

The notion of the DSS was also based on the classical concept of a market for education services in which consumers buy their educational services and schools

supply educational services according to their needs and through market price signals. Presumably, such a market mechanism that promoted inter-school competition would induce schools to offer a more diversified curriculum aligned with parents' aspirations and to innovate both their teaching approaches and facilities, thereby enhancing the quality of education (Tsang, 2002, pp. 9-11). The Government's role was to offer financial subsidies to schools before the emergence of a mature education market. In addition, there were political considerations in the formulation of DSS. Owing to their pro-left political affiliations, a number of schools commonly known as the leftist schools had long been marginalized and had not been included in the Secondary School Place Allocation (SSPA) Scheme (for allocating primary school graduates to secondary schools) under British colonial rule. In the light of the impending return of sovereignty to communist China after 1997, the Government was politically obligated to include the leftist schools within the aided school sector. Furthermore, there was a large tide of emigration out of Hong Kong from the mid-1980s to the mid-1990s. The Government felt that it needed to take care of the educational needs of children of those who had emigrated to foreign countries and had subsequently returned to Hong Kong. As a result, both leftist and international schools were allowed to apply to join the DSS (Ting, 2005; Tsang, 2002, p. 10).

The DSS was then launched in 1991 to subsidize private schools that had attained sufficient educational standards. These schools would receive an annual subsidy based on the average per-student cost in aided schools. They could also receive tuition fees from the students up to a maximum of two-thirds of the average per-student cost in aided schools while continuing to enjoy full government grants. The DSS schools also had freedom to set their own curricula and entrance requirements as they were not required to join the SSPA Scheme. The original objective of the DSS was to increase parental choice by encouraging the growth of a strong private sector as an alternative to public sector education (EMB, 2006). Nevertheless, only four leftist schools and five international schools joined the scheme in 1991. By 1997, only 13 private schools, including a few former BPS schools, had joined the scheme. The sector of genuinely private schools, at both the primary and secondary levels, remained relatively small. Although aided schools were also allowed in principle to join the DSS, the response remained poor. Only one aided school, the prestigious St Paul's College, considered joining the scheme, but its plans were scuppered amid political wrangling in the Legislative Council in 1992.

In order to attract more schools to join the scheme and to stimulate a wider variety of private schools in Hong Kong, the Government introduced the revised DSS scheme in 1999. Under the revised scheme, schools remained free to design their own curricula, choose their language of instruction and decide their entrance requirements without being bound by the centralized SSPA Scheme. The revisions were mainly with regard to funding arrangements. The DSS schools would now be allowed to impose higher tuition fees and to absorb social donations for their Endowment Funds in order to pass a greater part of its operating costs to parents and the community. Government subsidies to DSS schools would be on a per capita basis and in inverse proportion to the fees charged. The DSS schools would be allowed to determine their own annual fees, and they could continue to receive government subsidies as long as their fees were below two-and-one-third of the average unit cost of an "aided school place". However, if their fees ranged between two-thirds and two-and-one-third of the average unit cost of

an “aided school place”, they would then be required to set up scholarships or financial assistance schemes for needy students (ED, 1991, 2001; Ip, 2003). This arrangement, on the one hand, retained government subsidies in order to attract aided schools to join the scheme; while, on the other hand, it achieved a diversification of financing in school education.

More importantly, the Government also widened the base of eligibility by allowing aided primary schools to join the DSS starting from the 2000-2001 school year onwards. By all these means, the DSS has since 2000 successfully attracted prestigious aided schools. Indeed, the size of the DSS has increased tremendously since 1999 as revealed in Table I. As at September 2006, there were a total of 64 DSS schools, comprising 46 secondary, nine primary and nine primary cum secondary (or “through-train”) ones (EMB, 2006). Interesting was the emergence of a number of brand-new primary, secondary and “through-train” schools established by various private bodies. At the same time, all but one of the international schools that had joined the DSS earlier pulled out of the scheme because the new funding terms were now less favourable for them. Although the DSS category is often known as a “quasi-private” school category because of the maintenance of government subsidies to DSS schools, the scheme is considered as an important initiative in moving towards the privatization of education.

Independent schools in Singapore

The 1957 Education Ordinance (later replaced by the Education Act) included provisions for the registration of schools, managers and teachers, and provisions governing the role and responsibilities of school management committees. The Ordinance was followed by regulations that gave government and government-aided schools equal funding, and that stated that staff qualifications and salaries and fees should be the same in both types of school. In addition, the Director of Education was given control over staff recruitment and dismissal in all schools. This marked the beginning of moves towards a highly centralized system of education, especially with nearly all private schools turning into government or government-aided schools. Over

Year	Number of DSS secondary schools	Number of DSS primary schools	Number of DSS primary cum secondary schools	Total number of DSS schools
1996/1997	12	0	0	12
1997/1998	13	0	0	13
1998/1999	15	0	0	15
1999/2000	23	0	0	23
2000/2001	30	2	0	32
2001/2002	32	3	0	35
2002/2003	32	8	0	40
2003/2004	41	9	1	51
2004/2005	44	10	1	55
2005/2006	45	11	3	59
2006/2007	46	9	9	64

Table I.
DSS Schools in Hong Kong, 1996-2006

Sources: Lai (2002, Table 2); EMB (2003, 2004, 2006)

the next decade further steps included the standardization of subject syllabuses and educational structures across the various language streams of education and the institution of common terminal examinations.

In 1985, the then First Deputy Prime Minister, Goh Chok Tong, spoke of the need to allow more autonomy within schools and of giving principals the right to appoint staff, devise school curricula and choose textbooks, while conforming to national education policies such as bilingualism and common examinations. He asserted that prestigious schools had lost some of their individuality and special character due to centralized control. He thought that principals and teachers should now be allowed greater flexibility and independence to experiment with new ideas. This marked the very beginning of the move towards a more decentralized and privatized system of education.

In 1986, the then Education Minister travelled with 12 school principals to study a number of high quality schools in the UK and the USA. The report of their visit, *Towards Excellence in Schools*, recommended establishing independent schools, each of which was to be managed by a Board of Governors who would have the power to appoint the principals, hire, dismiss as well as adjust salaries for teachers, set fees, decide on admission policies, approve major financial projects, and ensure a challenging and enriched curriculum. They believed greater autonomy for selected schools “would stimulate educational innovation” and allow schools “to respond more promptly and sensitively to the needs and aspirations of pupils and parents” (Ministry of Education (MOE), 1987, p. ix). The recommendations were accepted by the then Minister for Education, Tony Tan. He stated that excellence in education could only be achieved through better schools and the prerequisites for independence would be well-established with capable principals, experienced teachers, strong alumni, and responsible boards of governors. He also announced that as fees at independent schools were likely to be higher those at government and government-aided schools, the Government would provide financial aid and bursaries so that no student would be prevented from attending an independent school due to an inability to pay fees.

In 1988, three well-established government aided secondary schools, namely the Anglo-Chinese School, The Chinese High School and St Joseph’s Institution, applied successfully to become independent schools. In 1990, the premier government secondary school, Raffles Institution, became the first government school to go independent. By 1993 there were eight independent schools. However, the total number of independent schools remained unchanged till 2004, when two prestigious and academically selective junior colleges (providing form six and seven classes), Hwa Chong Junior College and Raffles Junior College (HJC) joined the scheme. The following year, the Singapore Sports School was established as an independent school under the auspices of the Ministry of Community Development, Youth and Sports (the former Ministry of Community Development and Sports). That same year, the National University of Singapore set up a new independent High School for Mathematics and Science. The latest independent school to come on board was the Northlight School, which opened in 2007 to provide pre-vocational training to students who had failed their Primary School Leaving Examination at least twice.

The proposal to grant the independent schools greater operating autonomy could be viewed as an attempt to provide the necessary leaders, innovators and entrepreneurs, as well as manpower resources, that the new economy would require (Gopinathan,

2001, p. 9). The policy is also consistent with the Singapore Government's well-entrenched elitist philosophy (Milne and Mauzy, 1990) as most of the independent schools (except the Singapore Sports School and Northlight School) are academically selective. In response to public perceptions that the independent schools were elitist, the MOE capped the number of independent schools at eight in 1992, and only recently allowed that number to increase. The independent schools scheme is also part of an attempt to pass a greater proportion of the costs of operating social services, such as education, to the general public (Low, 1994). The policy aims to lessen government subsidies and to make Singaporeans more self-reliant. The Government has been careful to avoid using the term "privatization" with its connotation of profit-making. Its approach is to introduce greater flexibility, choice and diversity in education by continuously providing publicly-funded schools with greater autonomy, rather than by opening up a large private school sector that is based principally on the ability to pay (Tharman, 2004).

Policy content and implementation

This section will examine four major areas of the implementation of the Direct Subsidy Scheme and Independent Schools in Hong Kong and Singapore respectively, including finance, admission, curriculum and management.

Finance

Financial incentives have played a key role in providing impetus for the further development of the DSS in recent years. Successive changes in the financial subsidy arrangements have been provided in order to induce school sponsoring bodies to convert from aided status to the DSS, or to establish brand-new schools (Tsang, 2002).

The original DSS funding scheme was a three-income-banding system (see Table II). DSS schools were allowed to charge a fee between two-thirds of the average cost of subsidizing a school place in an aided school (X) and one-and-five-twelfth of X , but the DSS subsidy would be reduced by the same amount for every additional dollar charged in the tuition fees. To be more specific, if the school fees ranged from HK\$0 to HK\$20,153 (two-thirds of X), the schools would receive HK\$30,229, that is, the full DSS subsidy. However, if the school fees ranged from HK\$20,153 (two-thirds of X) to HK\$42,824 (one-and-five-twelfths of X), the DSS subsidy would be progressively reduced from HK\$30,229 (X) to HK\$7,557 (one-fourth of X) for every additional dollar charged in school fees. Charging fees between two-thirds of X and one-and-five-twelfths of X or more, would only lead to a financial "penalty" in terms of receiving less DSS recurrent subsidy. Hence, under this financing mechanism, schools had no incentives to charge fees within this range, and they tended to either

Table II.
Three-income-banding
system in the initial DSS
funding scheme

Band	Fees	Subsidy
I	0 to $\frac{2}{3} X$	X
II	Between $\frac{2}{3} X$ and $1 \frac{5}{12} X$	Between X and $\frac{1}{4} X$
III	$1 \frac{5}{12} X$ or more	$\frac{1}{4} X$

Source: Panel on Education, Legislative Council (2000)

charge at a lower level (below two-third of X) or a higher level (one-and-five-twelfth of X or more) (see Panel on Education, Legislative Council, 2000).

A revised funding scheme was implemented from the 1999/2000 school year until 2001 (EMB, 2000). This funding scheme adjusted the ratio between government recurrent subsidies and revenue from school fees. In other words, the higher the school fees the DSS schools charged, the less DSS subsidy the DSS schools would receive from the Government. Under these financial arrangements, if DSS schools wanted to receive full recurrent subsidies from the Government for each student admitted, they could charge school fees up to one-third of X, instead of two-thirds of X in the original funding scheme. If the school fees exceeded one-third of X, the recurrent subsidies would be progressively reduced by 50 per cent for every additional dollar charged. Once a DSS school charged two-and-one-thirds of X or higher, no recurrent subsidy would be granted to the DSS school (Lai, 2002, p. 5). This meant that the minimum subsidy had been changed from one-fourth of X in the first funding scheme to zero in the second scheme on a progressive scale. Another revision was the implementation of a “two-age category system” in the calculation of subsidies, which targeted well-established aided schools with a longer history (EMB, 2006). It was acknowledged that the operating costs for well-established schools with a longer history were higher owing to higher maintenance costs and greater salary costs brought about by having a larger number of experienced teachers. Aided schools were classified into one of two bands: those with a history of below 16 years, and those with a history of 16 years or more. DSS secondary schools with more than 16 years of history would receive approximately 5.5 per cent more in recurrent subsidies. In addition, the Government pledged that the recurrent subsidies provided to aided schools joining the DSS would not fall below their pre-DSS levels within the first five years of joining the DSS. Furthermore, the Government provided non-recurrent capital grants for slope repairs and major repairs, and offered a one-off lump sum for upgrading school facilities to the level of newly constructed aided schools (Tsang, 2002, p. 14).

As mentioned earlier, the Government revised the DSS subsidy formula yet again in 2001. DSS schools can continue to receive full recurrent subsidies from Government as long as their tuition fees are below two-and-one-third of X. Beyond this level, Government does not provide any recurrent subsidies. If their fee is between two-thirds and two-and-one-third of X, then for every dollar charged over and above the two-thirds of X, the schools should set aside 50 per cent for the setting up of scholarships or financial assistance schemes for needy students (ED, 2001).

Independent schools in Singapore receive an annual per capita grant equivalent to the recurrent cost of education in other government and government-aided schools. The government also subsidizes up to 80 per cent of an independent school's building fund. This is 10 per cent less than that for aided schools. The Boards of Governors of individual schools have to raise the remaining amount from fees, donations or other sources. In addition, the Government provides a matching fund for awarding grants to independent schools to match private donations raised by them, up to one million dollars.

Each independent school is authorized to decide its own fee schedule. Monthly fees in independent schools ranged until recently between S\$100 and S\$200, while the range in non-independent schools is between S\$12 and S\$32. There is a wide disparity between the fees in independent schools and those in non-independent schools.

Reasons cited for such a wide range include the hiring of more teachers, the costs for teacher training and refresher courses, a more diversified curriculum, and special student enrichment programmes (Tan, 2005, p. 100; Tan, 1997, p. 285).

The Government has claimed that it would be “totally wrong” and “unacceptable” for independent schools to charge high fees. However, the Government’s response on public criticism of the costs of education in independent schools has been to express full support for the schools’ decisions. In fact, from the Government’s perspective, the independent schools have been given a free hand to carry out their innovations in response to parents’ wishes and demands. Each school can decide on its own fees based on factors like the per capita grant it receives, its curriculum, and projected operating costs. The Government will not intervene in this area. Meanwhile, it will not raise its subsidies to the independent schools (Tan, 1997, p. 285).

Nevertheless, the Government considers that it has the responsibility of ensuring that no student who qualifies for an independent school place will be denied solely on financial grounds. In contrast to the arrangements in Hong Kong, the Singapore Government provides a direct subsidy to the students through establishing a Financial Assistance Scheme (FAS) for independent school students. Needy students are eligible to enjoy subsidies for the duration of their secondary school education. The income limits and types of assistance given to pupils in Independent Schools under this financial assistance scheme are shown in Table III.

In addition to the FAS, there are other government financial aid schemes such as the Edusave scholarships for independent school students, secondary school bursary awards or the textbook loan scheme. The FAS does not affect eligibility for these funds. Also, the independent schools also have their own financial assistance schemes, such as endowment funds, parallel FAS schemes, and scholarships to help needy students. However, the independent schools are still regarded as schools that cater to the upper social classes, as there are many hidden expenses and costs for enrichment

Income limits (meet one of the following criteria)

Gross Household Income (GHHI)	Gross income per dependent child ^a (GIPDC)	Financial Assistance ^b
Not exceeding \$1,500	Not exceeding \$750	100 per cent subsidy of school fees Free textbooks at secondary level; S\$500 bursary at junior college level 75 per cent subsidy of national exam fees (100 per cent subsidy for pupils under MCYS’ public assistance scheme)
S\$1,501-S\$2,500	S\$751-S\$1,250	75 per cent subsidy of school fees
S\$2,501-S\$3,750	S\$1,251-S\$1,875	50 per cent subsidy of school fees

Notes: ^a Dependent children refer to unmarried children below 16 years old and unmarried children above 16 years old who are receiving full-time education or are handicapped; ^b For FAS applicants who are also recipients of MOE scholarships, special awards or bursaries which provide part payment of school fees, the fee subsidy will be applied only on the portion of fees payable by the pupils

Source: MOE (2006)

Table III.
Eligibility for financial assistance scheme (FAS)

programmes and other school functions which do not come cheap to students from poorer family backgrounds (Lim, 2005).

Student admission

DSS schools enjoy more autonomy than mainstream Hong Kong schools in admission of students. The recent implementation of a new SSPA scheme provided aided school administrators an added impetus to seriously consider converting their schools to DSS schools. In 2000, the Education Department, following a major recommendation in an Education Commission report, implemented a new SSPA mechanism. The major change was the reduction of secondary school bandings from five to three, thus substantially broadening the range of student academic abilities within each school. Although the percentage of discretionary places accorded each secondary school will be increased to 30 per cent, their allocation will need to be done with respect to a rigid scoring system laid down by the ED. This means that schools will have less control over the quality and demographic attributes of their student intakes. By contrast, schools under the DSS are free to decide on their entrance requirements, while being concurrently allowed to join the SSPA. This is a major point of concern for prestigious aided schools, which have voiced concern over the potential detrimental impact of admitting students with a broader range of academic abilities on their teachers' workload and school prestige.

In the case of Singapore, the independent schools determine their own student admission figures, a privilege denied to non-independent schools. They continue to receive students through the centralised school allocation system operated by the MOE, and all of them (except the Singapore Sports School and Northlight School) claim to admit students primarily based on academic merit. However, the MOE has recently phased in greater autonomy for the independent schools in two steps. For admission into Secondary 1 in 2005, MOE allowed the independent schools greater discretion in admitting students with a variety of skills and talents, subject to a maximum of 10 per cent of annual enrolment. The following year, the MOE doubled the level of discretionary places available to the independent schools to 20 per cent of their Secondary 1 enrolment. Tharman Shanmugaratnam, the Minister for Education, claimed that "this was introduced under tightly controlled conditions, to see whether the schools could manage the process, and to enable the public to understand that admission into these top schools is still based on merit, but using wider criteria" (Tharman, 2004).

Curriculum

In the case of Hong Kong, since all the DSS schools in Hong Kong are required to prepare their students for local public examinations, just as all government and aided schools do, they need to adopt the local curriculum prescribed by the Education and Manpower Bureau and the Hong Kong Examination and Assessment Authority. There is controversy over the definition of the term "local curriculum" and the degree of curricular flexibility and autonomy to be enjoyed by DSS schools. These schools hope the Government can interpret "local curriculum" to be "locally recognized curriculum" in order that they might provide alternative curricula (Ting, 2005). DSS schools would then be free to design their own curriculum apart from offering the regular grammar

school subjects. Parents would be free to choose whether the curriculum offered by a particular DSS school suits their children's needs.

For instance, in the 2006/07 school year, 12 senior secondary schools under the DSS offered diversified and practical curricula for students. The concept of senior secondary schools originated from the Education Commission's education reform proposals in 2000 aiming to achieve all-round development for students according to their individual attributes (EC, 2000, p. 7). In addition to Hong Kong Certificate of Education Examination subjects, these schools offer students choices of career-oriented and practical subjects, such as industry and commerce, design, tourism and visual arts, etc. They also arrange short-term workplace internship programmes that allow students to familiarize themselves with different occupations. Students can, therefore, explore their own potential and interests to prepare themselves for further studies.

It is noteworthy that the medium of instruction is an important factor in affecting schools' decisions to join the DSS (Tsang, 2002, p. 13). In 1997, the ED required most secondary schools in Hong Kong to adopt the mother-tongue of Chinese for teaching all academic subjects (except English language and English literature) from the 1998/1999 school year onwards. If schools wished to use or to continue with English, they had to demonstrate to the ED that they had satisfied a few requirements (ED, 1997, paragraph 3.2). The more important requirement was "student ability to be an average percentage of not less than 85 per cent of Medium of Instruction Grouping Assessment Groups I and III students in Secondary 1 intake for the past three years" (ED, 1997, paragraph 2.4). DSS schools however enjoy the flexibility in that they can adopt English-medium instruction on a class-by-class basis. This flexibility to choose teaching language has become a key factor for schools joining the DSS since 1998. Nevertheless, in its recent consultation document, the EC proposed that DSS secondary schools should "meet the prescribed criteria of student ability, teacher capacity and support measures if they are to adopt English as the medium of instruction"; and they should not be allowed to use different teaching languages for different subjects at the junior secondary level. Although this proposal met with opposition from the DSS sector, the Government retained the right to make the final decision since the DSS schools receive subsidies from it (EC, 2005, pp. 58-61). This provision marks the erosion of DSS schools' autonomy in choosing their medium of instruction.

In Singapore, the independent schools are free to decide on their own curricula, but have to conform to three specific national educational policies, namely, bilingualism, the teaching of civics/moral education, and the preparing of students for national examinations. Up until 2004, each independent school diversified its curricula especially at the lower secondary levels which were less driven by national examinations; while the upper secondary levels remained largely geared towards the national examinations. Several independent schools scrapped subjects that are compulsory in non-independent schools or made certain other subjects non-examinable (Tan, 2005; Mok and Tan, 2004).

This state of affairs changed somewhat when the Ministry of Education published a report in 2002 advocating that top-performing students be allowed to bypass the national General Certificate of Education (Ordinary) (GCE "O") Level examinations, normally taken at the end of four years of secondary schooling. These students would instead sit for a major examination at the end of six years of secondary schooling

(MOE, 2002). Since the publication of the report, six secondary independent schools have begun to offer “integrated programmes” that offer six years of schooling uninterrupted by major examinations. Furthermore, one of these schools has become the first local school to offer the International Baccalaureate at the end of six years of secondary schooling.

These six independent schools are now free of the pressures of preparing students for the GCE “O” Level examinations, and free of the stress imposed by the annual league tables that rank secondary schools according to their students’ performance in these examinations. However, none of the independent schools has moved away from a subject-based curriculum. In fact, the range of subjects offered in these schools continues to be largely identical to that in non-independent schools. Principals in those independent schools that continue to prepare students for the national GCE “O” Level examinations are still held accountable for their schools’ performance in these examinations, and thus cannot afford to stray too far away from the mainstream curriculum. In addition, independent schools are not allowed to stray from key national policy initiatives, such as Thinking Schools, Learning Nation, which is aimed at promoting critical and creative thinking skills (Mok and Tan, 2004, p. 88).

Management

In Hong Kong, the DSS schools enjoy significant flexibility and autonomy in their management. For instance, the salary and fringe benefits of DSS schools are not restricted by the Code of Aid as all government and aided schools are; for example, the proportion of school teachers employed under the pay scale of Certificate Master (CM) and Graduate Master (GM) in a government or an aided school is mandated by the Code of Aid. This offers DSS schools the option of operating with relatively lower salary costs by hiring more junior staff on lower salaries. DSS schools are also free to employ other supporting staff, like teaching assistants, administrative staff or clerical staff, who can provide a helping hand to share the non-teaching duties shouldered by teachers while the numbers of such staff are more restricted in government and aided schools. This administrative autonomy, in other words, may enhance the quality of teaching by allowing the teachers to mainly concentrate on teaching matters. Furthermore, the Government has implemented a policy of school-based management (SBM), by which aided schools are required to establish Incorporated Management Committees (IMCs) in their governance framework, while the Education (Amendment) Ordinance 2004 allows DSS schools the freedom to decide whether to establish an IMC.

Each independent school in Singapore is run by a governing board. As mentioned above, independent schools enjoy the autonomy in fixing admission policies and in determining school fees for running the schools. Moreover, they also have autonomy in personnel management. For example, the boards have the right to appoint the principal; hire, promote and dismiss teachers and other staff (MOE, 1992). In practice, the governing boards normally delegate staff recruitment, pupil admission and curriculum matters to the principals. Also, the principals are free to appoint vice-principals, deans or bursars to assist school administration (Tan, 1997, p. 284). A few independent schools have even recruited additional full-time administrators such as public relations officers, estate managers and bursars. In addition, due to better financial conditions, the independent schools have taken advantage of their autonomy in teacher recruitment by hiring as many as teachers as their finances allows. This has

therefore improved their teacher-student ratios *vis-à-vis* their non-independent counterparts (Tan, 2005, pp. 99-100).

However, it is still clear that the MOE continues to wield considerable control over the independent schools through the School Boards (Incorporation) Act of 1990 which helps to provide for the establishment of governing boards in independent schools. All appointments to governorship have to be approved by the Minister of Education, who may also vary or revoke individual governing board constitutions, or appoint the Director-General of Education to take over the running of the schools. The latter provision has been invoked twice in the case of an independent school, The Chinese High School, once in 1997 and again in 1999. On both occasions, factional squabbles among governing board members resulted in the Minister appointing new governing board members (Tan, 2005, p. 100).

Discussion

Privatization: different agendas, similar approaches

Both Hong Kong and Singapore education can be characterized by a relatively centralized model, in which the nation-state plays a dominant role *vis-à-vis* the private sector (Mok, 2003; Mok and Tan, 2004). However, the establishment of DSS and independent schools can be seen as an indication of the emergence of the private sector in school education in both places.

In the case of Hong Kong, the Government has indicated its interest in exploring the private or non-state sector as an alternative source in running education (Tung, 2000). But since there is a long history of public dominance in education, the Hong Kong society has yet to develop a culture that can allow the private sector to become a major education provider or operator in the marketplace. Hence, the process of privatization of education in Hong Kong is still characterized by some kind of a “public-aided” approach. The introduction and implementation of the DSS can be regarded as a way to alter the situation where the government is the sole funding source for education, thus allowing the DSS schools to impose tuition fees and to absorb social donations for their Endowment Funds in order to pass part of its financial burden to parents and the community. Subsidies to DSS schools are on a per capita basis and in inverse proportion to the fees charged. The DSS schools are allowed to determine their own annual fees, and they can continue to receive government subsidy as long as their fee is below two-and-one-third of the average unit cost of an “aided-school place.” However, if their fee is between two-thirds and two-and-one-third of the average unit cost of an “aided-school place”, they are then required to set up scholarships or financial assistance schemes for needy students (ED, 2001). This kind of arrangement, on the one hand, retains government subsidy in order to attract “aided-schools” to join the scheme; while, on the other hand, it achieves a diversification of financing in school education.

As for Singapore’s situation, the establishment of independent schools is seen as a strategy to pursue excellence through promoting diversity and autonomy to the school landscape, thereby bringing in innovation and creativity to the education sector (Goh, 1997). Such a statement indicates that mobilizing private or non-state financing sources is not the major objective of independent schools. Indeed, although independent schools charge higher school fees in comparison with the fees charged by schools in the public sector, with a few private secondary schools added to the local landscape since

2005, the Government has avoided using the term “privatization” with its connotation of profit-making. Policy makers stress a policy direction of introducing greater flexibility, choice and diversity in education by providing publicly-funded schools with greater autonomy, rather than by opening up a large private school sector that is based principally on ability to pay (MOE, 2004; Tharman, 2004; Wong, 2001).

In response to public criticism over the elitist nature of the higher fees charged by independent schools, the Government reversed its earlier announcement in 1991 that it wanted to see more schools turning independent, but instead limited the number of independent schools in 1992 to eight (although this was subsequently reversed recently). Moreover, in 1994, it established a new category of secondary school called autonomous schools. These schools received 10 per cent more in annual per capita government grants than non-autonomous schools, but their tuition fees were relatively less than that of independent schools. They were allowed the discretion to admit 5 per cent (the percentage was subsequently increased) of their intake on the basis of outstanding non-academic performance (Tan, 1993, 1998). In 2000, the MOE announced that a quarter of secondary schools would become autonomous in the next few years (Teo, 2000). The prerequisites for the conversion are twofold. First, those schools should possess good academic achievement. Second, they can provide a well-rounded education in tandem with well-developed community linkages. In 2007, there were 26 autonomous schools. In short, the aim of establishing autonomous schools is to provide high quality education with more affordable fees than independent schools in order to provide a wider range of choices and allow discretion for parents, which are in line with the goal of independent schools.

To analyze the approaches of these privatization initiatives in Hong Kong and Singapore, it is recognized that both two cities have adopted the strategy of privatization of existing institutions in accordance with Bray’s classification of privatization (Bray, 1996, pp. 20-23). However, the selection process is not the same in these two places. Under the scheme of independent schools, the Singapore Government has set up the framework and then invited applications from existing schools. A vetting body was established within the MOE, and application were either granted or denied according to pre-determined criteria. But, the selection of the autonomous schools relied on the central identification by the Ministry. The school themselves had no say on the issue, although this changed with the announcement that from 2000 onwards, schools had to apply for autonomous status. By contrast, in Hong Kong, all DSS schools joined the scheme on a voluntary basis. The Hong Kong Government has no means to force school joining the scheme but instead provides incentives to attract them. The most recent developments indicate that both Hong Kong and Singapore governments have started to adopt another strategy of encouraging parallel private schools, by which privatization is achieved simply by allowing new private institutions to open or expand alongside existing public ones (Bray, 1996, p. 21). For example, in Hong Kong, brand new DSS schools have been established since 2000. Some local factors, such as the implementation of the new 3-3-4 secondary school-university curriculum framework (which needs more senior secondary schools to absorb the extra number of students remaining longer in secondary schooling) and the confrontation between the Government and existing school sponsoring bodies (which may have led the Government to turn to new sponsoring bodies to open new schools), are considered to be the reasons for this change (Interview with Li Yuet Ting, 24 November 2005). In

Singapore, the Government has recently allowed the establishment of a few privately funded secondary “international” schools. These schools are still bound by restrictions on the enrolment on foreigners, as well as by the need to implement key national education policies. These schools were established even as steps were taken to privatize higher education through the establishment of the Singapore Management University (SMU), a government-funded privately managed university. It is seen as a lap forward towards the privatization of education.

Based on the above observations and discussions, we argue that there are different implicit values behind the policy of privatization of education in both Hong Kong and Singapore. In the early part of our discussion, though we have said that the fiscal crisis of the state in the global economy is a factor causing the rise of neo-liberalism and consequently the emergence of privatization in social policies and public services, the independent school scheme in Singapore and the DSS in Hong Kong were initiated in times of fiscal surplus (Cerny *et al.*, 2005; Lai, 2002, p. 3). Certainly, budget deficits after the Asian economic crisis have encouraged the need to mobilize non-state/private resources in educational delivery. However, while the Hong Kong Government has stressed the call for a “strong private sector” in school education (EC, 1988; Tung, 2000), the Singapore Government has couched the discussion of related policies in terms of autonomy, flexibility, diversity and innovation (Goh, 1997). Probably, this is a reflection of the differences in values between the two governments in Hong Kong and Singapore. We believe that both governments have been affected by the overseas public sector reforms, as well as the ideas of NPM and managerialism. Nevertheless, in their policy implementation, policy makers in Hong Kong tend to put their efforts in upholding market values and mechanisms in educational provision and delivery; while their counterparts in Singapore have focused initially on redefining the role of state in education governance and the redistribution of authority later.

Issues to be tackled: choice, competition and equity

Choice-based reform proposals are closely related to the overall changes in education governance. It is noteworthy that both the Hong Kong and Singapore governments have attempted to enhance education quality by introducing internal competition as well as providing more choices to parents and students. The introduction of the DSS and independent schools can be regarded as a milestone in the implementation of choice-based reforms as well as inter-school competition in school education in the two societies. The schemes provide flexibility in the financing and admission of the DSS and independent schools, which are considered as key elements to enable a new type of flow of students within the education system.

Indeed, as early as 1955, Milton Freidman proposed universal choice through vouchers so that competition would invigorate the delivery of education services in the USA (Merrifield, 2001). However, voucher programmes in that particular country have proven to be far from universal. For example, the voucher programmes in Milwaukee, Florida and Cleveland only subsidized a small subset of low income-families, who received a voucher worth much less than the per pupil expenditure in the public school system. It is noted that the private sectors in schooling in these three states continue to be tiny. Enhancement of education quality and pursuit of parental choice have not been achieved by the introduction of voucher programmes. Some states may enact the choice-based reforms by funding chartered public school alternatives to traditional

public schools. Charter schools are generally more autonomous, and they enjoy some freedom from regulations that apply to the traditional public schools. Some states have adopted tax credits as a way to encourage use of private schools (Merrifield, 2005).

In other parts of the world, there are different approaches to uphold the notion of parental and student choice. For instance, New Zealand loosened its school zoning restrictions (attendance areas). When it adopted this approach, it widened the schooling options to include additional government-operated schools. The Tomorrow's Schools Reforms of 1989 increased choice and competition in schooling through changes to school zoning laws and the creation of new avenues for establishing schools. The government further facilitated choice through the abolition of school zoning laws in 1991, while it introduced a small-scale voucher program targeted at poor families called the Targeted Individual Entitlement in 1996 (LaRocque, 2005). Sweden and Chile have attempted to achieve universal choice and perfect competition by opening their education markets and funding non-government schools. In Sweden, all non-government school that fulfil certain basic requirements receive public funding in terms of vouchers on terms equal to those of public schools. In Chile, the government subsidizes publicly-funded schools, including municipal and private subsidized schools, in the form of school vouchers (Sapelli, 2005).

The pursuit of quality education through the introduction of competition in school education is a primary goal of voucher programmes. In practices, voucher programmes may not be a direct and good response to the pursuit of quality education. In the countries mentioned above, the Swedish voucher reforms have set an example for successful reform. Parents and students now have choice. They can choose independent schools with innovative educational ideas or ideological or religious outlooks that differ from those in the traditional mainstream schools. It is noted that competition from these newly emerging independent schools has consequently improved the quality of education (Sandström, 2005, p. 37). Nevertheless, the voucher programmes and choice-based reforms in other countries mentioned have not brought significant consequences in the pursuit of "quality" education (Salisbury and Tooley, 2005). The Chilean education voucher system, for example, has not resulted in a higher quality of education because municipal schools do not need to face any consequences under competition. In fact, public schools work under a system of "soft" budget constraints and are not influenced by the competition from private voucher schools. No municipal schools have closed but may actually want their students to leave because teachers can preserve their jobs while teaching smaller classes (Merrifield, 2005, p. 197). This shows that the impact of voucher programmes and choice-based reforms depends on how the scheme is designed and how the various programme choices are to be funded and administered.

The above observation on the foreign experiences gives us some valuable and useful insights to examine the DSS and independent school schemes in both Hong Kong and Singapore. First of all, the enhancement of quality relies on true competition and choice. The success of the Swedish voucher reforms is deeply related to the simultaneous opening of the education market and public voucher subsidies to all education providers including the for-profit ones. However, the DSS has not brought comprehensive, but only limited, choices to the parents and students in Hong Kong. There is no direct competition between DSS and non-DSS schools because the much higher tuition fees charged by some DSS schools make them an option available only to

high income-families. Indeed, observations from other foreign experiences in the school sector have proven that resources are likely to flow only to a small number of elite institutions with their elite students, thereby leaving the majority of the institutions and their students behind (Caucutt, 2002).

In Singapore, the government has retained tight control over the implementation of independent schools, thereby to a large extent dictating the terms of competition between independent schools and non-independent schools. The competition, however, does not take place on a level-playing field. Independent schools enjoy higher flexibility and nearly all of them offer prestigious academic programmes. The government claimed in 1987 that independent schools would serve as role models for other schools in improving educational standards, but it is doubtful whether what proves effective in those well established and academically selective schools can be transplanted into those schools with less-than-ideal student intakes (Tan, 2005, p. 104).

The above discussion reflects that more choices are only available for high income-families under a school choice system. This has brought us to the issue of equity. Since the launch of DSS and independent school scheme in Hong Kong and Singapore, there has been criticism over their elitist nature. Indeed, this education policy orientation was termed “new elitism” with an emphasis on its nature of “openness”, “meritocracy” and “altruism” by Tung Chee Hwa, the former Chief Executive of Hong Kong (Tung, 2000). Similarly, Tharman Shanmugaratnam, the Minister of Education of Singapore, also stressed a merit-based elitism for the development of Singapore’s education (Tharman, 2004). Although the leaders of these two cities explained that this elitism is based on the pursuit of excellence via the enhancement of competitiveness and quality of education, the high fees charged by the DSS and independent schools have been repeatedly criticized as issue of the widening of social gaps in terms of unequal access to educational opportunities (Lai, 2002, p. 11). The “ability to pay” criteria incorporated into the two schemes are viewed as running counter to the traditional merit-based selection mechanism based on examination results. At present, however, there is no strong evidence that good students from less well-off families are deprived of the opportunity to receive “quality” education. There is evidence, however, in the case of Singapore, that students from financially well-off home backgrounds are over-represented in almost all of the independent schools (Tan, 1993).

In the implementation of DSS and independent school schemes, both the governments have established financial assistance schemes for needy students. However, as Tsang (2002, pp. 4-9) suggests, the introduction of financial criteria can change the merit-based elitism towards a genealogical one. More importantly, class-background of parents is a determining factor in affecting the effectiveness of the market mechanism in educational delivery. As parents can only choose when they have sufficient information, knowledge and skills, and this depends to some extent on their social class, it is hard to achieve real equity in the education system within a market situation (Gewirtz *et al.*, 1995). In this regard, the “ability to pay” criterion further widens the gap between those children coming from “upper class” backgrounds (who are already privileged in having a greater range of choices) and those coming from “lower class” backgrounds (who tend to be disadvantaged in terms of making choices).

Conclusion

Our observations indicate that the DSS and independent school schemes in both Hong Kong and Singapore are in line with the global trends of privatization. We have suggested that the governments of the two places have adopted different approaches in the implementations of their schemes. The terminologies of choice, competition, innovation, diversity, quality and excellence have now become commonly used in their reforms and policy initiatives. With the mobilization of non-state and private resources and participations, the notions of “more privatization, fewer subsidies, and smaller public payrolls” have been brought in to the scenes in both Hong Kong and Singapore, which may also imply decentralized, deregulated and autonomous forms of governance, alongside with the neo-liberal and pluralist approaches (Cerny *et al.*, 2005; Cheng, 2001).

Nevertheless, the real situation is that the role of state/government has not been undermined in the process of privatization, but has probably been undergoing a sort of empowerment in both Hong Kong and Singapore. Although privatization may lead to some kind of a retreat or shift for the state/government in some areas of education provision, the role of the two governments in the two cities has been strengthened through further regulation of schools. In fact, the emergence of the private/market sector in education further needs the government to strengthen its various roles as “facilitator”, “regulator”, “auditor” and even “sponsor” in order to achieve the overall effective functioning of the newly-emerging education market, as well as the future expansion of private sector participation. One such regulatory mechanism is the recent institution of state-imposed quality assurance mechanisms in both Hong Kong and Singapore. From a public policy perspective, we can interpret the privatization of the two school schemes as local responses and implementations of the global trend of increased private ownership, financing and control of school (Bray, 1996). Policy initiatives of privatization, such as reinventing the vision for education in a knowledge-based economy, the rise of managerial authority in a new education governance framework, the diversification of educational provision and financing, and the adoption of market principles and practices, can all be found in both the DSS and independent school schemes in both places.

Putting all these observations within a broader socio-political context, the above discussion has clearly shown that there have been local adoptions by the two places on the changing state capacity in revitalizing the various non-state sectors and actors for engaging in public service delivery and social policy provisions. Alongside the general theme of privatization, the only major change that has taken place in the role of the government is that the “public-goods function” of education has now been coordinated through a wide range of forms of “governance”, in the sense as perceived by Hirst and Thompson (1995, p. 422):

The tendency in common usage (is) to identify the term “government” with the institutions of the state which control and regulate the life of a territorial community. Governance – that is, the control of an activity by some means such that a range of desired outcomes is attained – is, however, not just the province of the state. Rather, it is a function that can be performed by a wide variety of public and private, state and non-state, national and international, institutions and practices.

It is crucial to identify that the government does not “go away” during this process of privatization. Conversely, it has been argued that the continuing role of the

government as a major “facilitator”, and not a “provider”, of education enables it to remain very much in the driving seat, so to speak. The nature of the work it does has changed, indeed, from carrying most of the work of the coordination of education itself to determining where the work will be done and by whom. This devolution and detachment demonstrates strength, rather than weakness, on the part of the government itself. Hence, with the emergence of privatization policy, the government continues to play its role in governance activities in terms of the funding, regulation, provision and delivery of educational services (Dale, 1997, pp. 274-280).

In this way, this new direction points up the issue of accountability within this new state-education relationship, which involves in the shift from total governmental control to autonomous governing model by upholding different modes of accountability to different constituencies. Many of the current debates in education turn to the questions of: for whom is education provided, and who is to be held responsible for the problems of provision. Underlying these debates is the more fundamental question of how the “public-goods function” of education in relating to democracy and equity can be addressed when the governance of education is so fragmented. While the governmental control of funding, the curriculum, and the teaching profession has been strengthened, it is equally arguable that the government’s grip on education has also been tightened by decentralized, multiple modes of accountability. It is in this sense that the policy of privatization has occurred alongside the process of “re-regulation” in educational governance.

A vivid approach to explain the effectiveness of school privatization is the public-choice approach, which suggests two principles in guiding the increased privatization of educational services. First, education shall remain its function of preparing children for economic and social participation and democratic life; and helping to attain other pertinent social benefits. Second, options must be given to parents and students that will provide choices among schools, programs, and educational philosophies (Levin, 1987, p. 637). In short, school privatization should expand the production of privately valued educational outcomes, on the one hand, while maintaining the public functions of schooling, on the other hand.

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Corresponding author

David Chan can be contacted at: chan.david@cityu.edu.hk