

Social Mobility and Education Quality: The government must directly subsidise lower-income self-financed degree students

by SIMON SHUN-MAN HO

JUNE 24, 2016



The dissatisfaction youngsters feel about their employment situation, salary growth, and upward mobility has become a talking point and a media issue. This dissatisfaction has been reflected in the youth street movements of the last two years.

One of my earlier surveys found that over the last five years, slightly over 20 per cent of the post-1980s generation had experienced downward mobility, and about 70 per cent had experienced no mobility at all. Only 10 per cent had experienced upward mobility. Over half believed that upward social mobility was less than 15 years ago.

A Legco research report published in late 2014 noted the number of managerial and administrative posts increased by less than 5 per cent during the period 1991 to 2011. The proportion of auxiliary managerial posts had increased in the same period; most of these jobs were filled by youngsters. The proportion of young employees working in lower-pay service/sales jobs increased from 21 per cent in 1991, to 34 per cent in 2011.



Simon Shun-Man HO

Simon Shun-Man HO is President of Hang Seng Management College in Hong Kong, and was host of the Metro radio programme "President's Dialogues with Distinguished Leaders" (www.hsmc.edu.hk).

TAGS

MBA Insights

Legco's 2015 manpower adjustment study found that less than half of new graduates were employed in managerial or professional jobs. Furthermore, the median monthly income of HK\$14,000 of fourth-generation (post-1980s) graduates was lower than that of their post-1960s and post-1970s counterparts.

Many social leaders argue that increasing social equality and mobility should be a major part of this administration's agenda, as well as the next. Higher social mobility is usually associated with more equal opportunities for all, greater recognition of personal effort, and higher work motivation. Insufficient social mobility is associated with negative consequences such as greater dissatisfaction with the gap between rich and poor, lower social harmony, and lower personal motivation to work hard.

Factors Affecting Social Mobility

Many factors affect social mobility and career advancement. There are global factors such as globalisation, economic structural transformation, and the M-shaped society, all of which are common to most advanced economies. There are national factors such as economic growth, demographics, the education system, labour market structure, and other public policies to take into account.

Slow economic growth after the global financial crisis clearly affected employment, incomes, and social mobility, for a short while. Personal attributes and one's family background also shape one's employment and chances of mobility. Recent research studies found that a wealthy family background results in a better education, and membership of the middle-class. This proves, once again, that not all players start the game of life from the same position.

In the survey study mentioned above, over half of the respondents felt that the most significant obstacle to their social mobility was a lack of educational qualifications. Only about a third of the respondents blamed the economic situation or government policies, and only 17 per cent attributed their lack of mobility to their less fortunate family background. About two thirds of the post-1980s respondents agreed that pursuing post-secondary education can increase social mobility, and 77 per cent agreed with the statement that "personal hard work and other non-family factors are more important than family background". This positive attitude is somewhat different from that which is sometimes reported in the media.

Equal Opportunities for Degree Education

Fair or equal educational opportunities can be seen as the minimum assurance for more social mobility. Although educational equality may not necessarily lead to social equality, educational inequality can deepen social inequality. Therefore, it is important to ensure maximum education equality, especially for lower-income families.

In terms of educational equality, the minimum the government can do is to ensure that educational resources are invested fairly, and effectively. Unfortunately, the quotas for UGC-funded first-degree places have been frozen at 15,000 for the last decade, so this can't satisfy the needs of the 26,000 school leavers who meet the minimum university entrance requirements. Most of the 11,000 students who are not admitted to UGC-funded first-degree programmes enter higher-cost self-financed degree-granting institutions, which have little or no government direct fee subsidies

(except for grants, loans and upper-years scholarships). This creates a heavy financial burden for many lower-income families.

To ensure more equal opportunities for university education, and to sustain Hong Kong's international competitive standing, many Hongkongers have urged the government to substantially increase higher-education funding by using its huge fiscal reserves. Government could also fund more young people to pursue quality locally accredited self-financed first-degree studies via a voucher scheme.

The Role of Government Policies

More university graduates (who make up about 25 per cent of the working population) means more competition for jobs. As ever, a good degree and strong professional knowledge are needed for success. But it's also important for today's young graduates to enhance their core transferable competencies, skills like languages, communications, critical thinking, problem solving, leadership, and creativity,

They should also research and explore career opportunities that lie outside Hong Kong. Families and institutions must play an important role in guiding these young people to better understand and improve themselves, to unleash their potential, and to realise their life goals.

To increase social mobility, the government needs to change its outdated education mindset by funding education as a long-term social investment. It has a responsibility to enhance education, internship, employment, business start-ups, and training opportunities, in terms of equality and quality, through public policies. Directly subsidising lower-income, self-financed degree students for quality education is one of the best equalisers for narrowing the acute socio-economic gap.

Another important responsibility of the government is to provide conditions that are conducive to economic growth that encourage innovations and free competitions. It needs to offer young people a fairer environment in which they can move upwards through their own hard work.

In the short-term, government policies can't change the worldwide trend for slow social mobility. But policies can certainly improve the situation.

The free market economy presents both challenges and opportunities. Some say that there were more opportunities in the 1970s than there are today. But many people from lower-income families have enjoyed highly successful careers or businesses, mainly through their own efforts and their "can do" spirit. In other words, opportunities are available for those who are prepared to take them.