

'Ensure growth in uni places is affordable'

SMU president concerned about growing burden on finances

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WHILE a plan to boost university places will be good for the nation, Singapore needs to ensure it does not become "unaffordable", said Singapore Management University (SMU) president Arnaud De Meyer.

As the Government subsidises Singaporeans' tuition fees, increasing full-time university places by 3,000 a year by 2020 could place an increasing burden on finances, he said.

It is a challenge that universities around the world are facing as they struggle to cope with dwindling endowments and rising research and manpower costs, said Professor De Meyer at a creativity conference hosted by SMU yesterday.

"I'm sure the Government has worked out the cost of doing so... but I do believe that if you go too far (in increasing) the percentage of the age cohort that can attend higher education, that makes it almost unaffordable for governments to pay for undergraduate education," he noted.

His comments came after Prime Minister Lee Hsien Loong announced plans to raise Singapore's university partici-

pation rate from 27 per cent now to 40 per cent by 2020.

The decision came after a year-long review by a committee chaired by Senior Minister of State for Education Lawrence Wong. It had noted that an increase in university places had to be sustainable in the long run.

The Government subsidises about 75 per cent of every Singaporean's tuition fees at local universities, which are about \$9,000 a year for a non-medical degree.

Yesterday, in reply to queries from The Straits Times, the Ministry of Education (MOE) stressed that it had taken into account sustainability.

In 2010, it revealed, the Government spent about \$9.9 billion, or about 3.7 per cent of Singapore's GDP, on education. Of this, \$2.7 billion went to local universities.

"The committee has already considered fiscal sustainability when making its recommendations for expansion," it said.

The MOE added that it had considered other factors when deciding on the move, which it called a major investment to help Singaporeans compete with the world's best.

This included keeping educa-

tion standards high to preserve the value of a degree and minimise "potential downsides", such as graduates not being able to find a job.

It will also create differentiated institutions and programmes so as to cater to a wider spectrum of students, thus providing them with opportunities to develop their potential fully.

And it will ensure that university education remains affordable for Singaporeans even as it took care to keep it sustainable for the Government.

"While the Government still subsidises the major portion of university education, Singaporeans who benefit from a university place will also be required to pay their fair share, given that there are also private benefits that accrue to the graduate," it said.

But poorer students will still get help such as through bursaries and loans, it added.

Other academics also welcomed the move.

National University of Singapore economics don Jessica Pan

said the social returns of a better-educated populace might outweigh the financial costs.

Besides, she added, Singapore can well afford to increase its university participation rate because it is still lower than that of many other developed countries.

According to the Organisation for Economic Cooperation and Development's February 2012 report on higher education, Australia tops the list with 96 per cent, while Denmark has close to 60 per cent. Switzerland - to which Singapore is often compared - has about 40 per cent.

The Government has said the additional 3,000 places a

year will come from the Singapore Institute of Technology and SIM University.

Prof De Meyer welcomed this move, saying it was "a wise decision in the sense that the education there is probably cheaper than at a research-based university such as NUS or NTU (Nanyang Technological University)".

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