Opportunities and tensions in the process of educational globalisation: The case of Hong Kong

Tai-lok Lui

Abstract: With the rise of Asian economies, university education in the region is no longer just a service to be consumed domestically. It is also perceived as an industry for a rising global city. How to capture the growing market and make the best use of such an opportunity for city building is now on the agenda of many cities in Asia. Hong Kong is a particularly interesting case as it is both a destination for many talented students from China and a bridge for international students to reach different parts (China in particular) of Asia. Educational globalisation seems to make sense politically as well as economically. Yet how to strike a balance between opening the door of universities to the outside world and meeting the education needs of the local population is by no means unproblematic. At stake are further changes in the universities, and major challenges to the political capacity of the government which has to turn higher education into a revenue generating service without doing it at the expense of local interests.

Keywords: education hub, the ‘industrialisation’ of higher education, institutional constraints, internationalisation, policy stickiness

Introduction

The fact that many East Asian countries and cities are quickly entering the developmental stage of becoming post-industrial economies has reshaped the agenda of development policy discussion within the region. Whereas in earlier years the focus of discussion was placed upon, first, the impetus of industrial growth and then later on the strategising of industrial restructuring, attention had gradually been shifted towards the exploration of new sources of economic growth outside of the old industrial foundation. Culture (broadly defined) and services are perceived as new potential areas for promoting economic growth under post-industrialism. New initiatives, ranging from the more familiar ones like finance, producer services, and tourism to novel proposals covering creative industries, medical services and education, have been put forward and also further articulated to policy change and infrastructural development. The idea of educational globalisation and the promotion of major city to the status of being an international and regional education hub is one of these post-industrial possibilities.

Such a ‘discovery’ of the economic value of education among East Asian cities poses new questions to our understanding of urban development, the role of the state, and the reconfiguration of education within the region. An emphasis on education and human resources has always been an important component of East Asian development strategy. In the earlier stage of economic development, East Asian states have played an active role in development services in collective consumption (Castells et al., 1990: 4), namely public housing, medical services, and mass education, for the promotion of production. Nowadays, upon the basis of earlier investment in the building of an infrastructure in education, East Asian economies are exploring the possibility of turning services like education and medical service into new economic assets. It is because of such a change in policy thinking that many East Asian cities are now taking a serious look at the potentials of globalising their higher education. In Hong Kong, the policy initiative of
building an educational hub (particularly at the university level) is conceived as a multi-functional strategy for the promotion of economic growth and part of the institutional building for improving longer term competitiveness. It is an attempt to enhance the cultural influence of the locale by providing education to students coming from other parts of the world and thus strengthening cultural linkages internationally. It is also a means of boosting economic competitiveness by the recruitment of talents globally and the cultivation of a multinational basis of human resources. Last by not least, it is an effort of building a new service industry. Like other services, education can also be a source of revenue by providing service to the global market. University education is no longer just a service to be consumed domestically. It is also perceived as an industry for a rising global city. For Hong Kong, and other Asian cities too, how to capture the growing market and make the best use of such an opportunity for city building is now on the agenda of future urban development.

This paper is an attempt to look at educational globalisation and the promotion of education as a new service industry in Hong Kong. Particularly, I shall examine the opportunities and tensions emerging in this process of making Hong Kong’s higher education both an institution for the cultivation and development of local human resources and a component of the overall strategy of economic and social development. The experience of Hong Kong bears wider relevance. Like other Asian economies, Hong Kong is looking for its new competitive strengths in the context of economic restructuring (with the relocation of its manufacturing across the border to the Pearl River Delta and other parts of Asia and a growing awareness of the need of broadening its service economy). Though education has never been solely seen as a tool of an economic initiative, there is increasingly an urge to change Hong Kong’s higher education from its previously domestic orientation into one with a new regional and global outlook. But whether such a strategy can be smoothly implemented and attains its expected outcomes is an issue that we need to look into.

My analysis focuses on the institutional constraints on globalising higher education in Hong Kong. Given Hong Kong’s status as China’s special administrative region and having established connections with the mainland, mainland Chinese students easily come to constitute the major component of the incoming student population. Instead of going global, future development of Hong Kong’s higher education faces the challenge of being overwhelmingly nationalised. Partly because of this, the opportunities emerged in the course of educational globalisation are quickly becoming a source of growing social tensions. As noted earlier, Hong Kong government’s involvement in the provisions of education started with a concern of supporting an effective reproduction of labour power. It is primarily a kind of productivist social policy, with economic growth and development being its overriding objective (Holliday, 2000: 708). Education provisions are expected to be a vehicle for the cultivation of a local elite, who, in turn, will be the key personnel in supporting further economic growth and development. How Hong Kong can (or cannot) make a change in its policy direction and turn its local human resources strategy into an industry targeting at revenue generation and employment creation would serve as a relevant case for future comparative analysis.

Whether Hong Kong can really further develop its education services and capitalise on the opportunity created by educational globalisation is not simply a matter of demand and supply but it also hinges upon its own internal politics. This touches upon one of the weaknesses of the global city literature in that it places its emphasis on structural as well as economic conditions in the shaping of the opportunity structure for cities to compete for higher position in the global urban hierarchy and neglects how governance and political alliance formation would impact on individual city’s capacity of responding to its challenges (Chiu and Lui, 2009; Chiu et al., 2012; also see Ward, 1995). It also touches on the institutional constraints on most of the globalising projects initiated by cities in East Asia and their governing bodies. They constitute what Campbell (2004: 8) describes as a process of constrained innovation. Actors’ options are restricted by the existing institutional setting when they try to initiate changes. Indeed, as I shall show in the following discussion, prior policy commitment will create hurdles to subsequent intended changes.
by building coalitions that benefit from the existing arrangements (Mahoney and Thelen, 2010: 8) and thus will resist changes. Existing policy narratives will also pose challenges to new cultural and political frames that justify changes (Thornton et al., 2012: 144). Particularly, the following discussion will alert us of the institutional stickiness of established policy and how inadequate state capacity (or capability) would undermine its ability of promoting changes and capitalising on new opportunities under educational globalisation. Without an adequate response to these institutional questions, the adoption of an entrepreneurial city outlook (Jessop and Sum, 2000), will only be a gesture. The actual outcome may well be very different from intentions and objectives spelled out in policy statements.

The ‘industrialisation’ of higher education

For a long time, elitism has been the guiding principle behind the development of higher education in Hong Kong. Prior to the 1990s, university enrolment was confined to a 2–3% of the current cohort of the student population. Students entered university after overcoming the hurdles of two public examinations. Emphasis was placed on competitive selection. Those ‘chosen few’ were rewarded by the colonial government their opportunity of receiving a highly subsidised university education. Such an arrangement primarily served the purpose of educating a local elite. But it also functioned as a channel of upward social mobility for the general public, allowing young persons of humble background to attain higher education and to obtain their qualifications for professional and managerial jobs in the growing labour market via a highly competitive screening process based upon their performance in public examinations.

Such an elitist system inevitably invited criticism. But it also worked as an ‘implicit social contract’ between students, their parents and the government on the one side, and that between the government and the taxpayers on the other. A heavily government-subsidised higher education system constituted a channel of upward social mobility. Despite the fact that entry to higher education was a socially selective process (Post, 2003: 1004), the formal openness of university to students of diverse social background did create a widely accepted consent that the channel itself, essentially based upon performance in examination, was largely meritocratic. Entering the local universities was generally perceived as a sign of (personal as well as family) achievement and a ticket to get access to prestigious and well-paid jobs; it thus constituted an aspiration shared among the young students. That only a tiny fraction of the student population would be able to attain university education almost guaranteed that the graduates would be reasonably rewarded when they entered the labour market. Meanwhile, given that their success in entering university was based upon a highly competitive entrance examination system, the graduates were expected to be ‘cream of the young population’ (and future leaders) and thus a human resources asset of Hong Kong society. So, heavy subsidy given to university education was justified by a kind of productivist policy framework (Holliday, 2000) as the upgraded human resources would promote economic growth and development. Seeing such human resources asset as an important ingredient of Hong Kong’s future success in economic and social development, the general public was happy with the government’s involvement in the financing of university expenses.

Changes began to take place in the 1980s. First, it was a response to the problem of ‘brain drain’ triggered the talks between Britain and China over Hong Kong’s political future after 1997. Political uncertainty and the consequential emigration (especially among the middle class) posed serious problem to Hong Kong. One of the emerging concerns was to ensure that there would be a smooth transition (political, economically as well as socially) during the change in sovereignty over Hong Kong by building public confidence on the basis of an uncertain political future. The crackdown of the Beijing student movement in 1989 further reinforced people’s worry of China’s authoritarian rule. The colonial government responded by launching major infrastructural projects (e.g. the building of a new international airport). And the expansion of tertiary education was one of such initiatives for restoring people’s confidence (Post, 2003: 991). As a result, university participation rates (UPR) was pushed up to
around 18%. The UPR in government subsidised places in Hong Kong stayed at that level since then.4

Second, encountering problems brought about by the Asian Financial Crisis, in 2000 the Government of the Hong Kong Special Administrative Region (SAR) made a drastic move of declaring its intention of reaching a target of having 60% of the young population taken some form of post-secondary education by the end of the decade. The policy rhetoric for such a change was that Hong Kong was moving towards a knowledge economy and there was a need of facilitating lifelong learning in order to continuously upgrading the quality of the human resources. Largely because of a lack of enthusiasm for popularising higher education, this policy commitment did not push for an increase in the UPR but rather paved the way for the proliferation of community colleges and their ‘associate degree’ programmes catering for those students that failed to enter local universities.5 Moreover, these sub-degree programmes were not financed by the University Grants Committee (UGC), the main body managing the development of higher education in Hong Kong by managing the finance of university education as a whole and that of individual institutions. They had to be self-financed and this very fact imposed significant restrictions on the development of those community colleges (in terms of, say, the range of programmes and courses to be offered by them). Meanwhile, local universities experienced a 4% budget reduction in 2000 as a result of the economic recession and a financial cut in government spending.

So far, changes in the institutional arrangement of higher education in Hong Kong have not touched the UPR ceiling. Both the colonial government and the SAR government were very cautious in handling the expansion of university enrolment. This, I believe, is partially related to the fact that policy thinking of higher education development in Hong Kong continues to focus on human resources concerns. The government is very careful in striking a balance between, on the one side, the investment of public money in human resources development to meet the changing demands in the broader economic environment and, on the other, the upholding of the quality of government-funded university education. In this regard, policy thinking concerning the development of higher education in Hong Kong has long been constrained by the existing university funding practice. Being state-funded university, the primary goal of the eight local universities remains that of providing higher education to the local students. That there is a quota imposed on these local universities in recruiting non-local students (no more than 20% of the total student intake) is an indicator of the above constraint. Publicly funded universities are expected to be effectively deploying their resources in training the local talents and future leaders. Such a constraint significantly restricts the scope of manoeuvring by local publicly funded universities in turning their programmes into income-generating education service for the non-locals. We will come back to this point in a later section.

The third major change was initiated by the Hong Kong SAR Government in 2009. The backdrop was the financial tsunami and its wider repercussions, and the need of a repositioning of Hong Kong's economy after the relocation of manufacturing industries across the border. It was suggested that, though still hanging onto the principle of ‘Big Market, Small Government’, the government was ready to ‘revisit the Government’s role in promoting economic development’ (Hong Kong SAR Government, 2009: 3). Based upon the recommendations of the Task Force on Economic Development, six new industries were identified, on top of the existing four ‘traditional pillar industries’ (namely, financial services, tourism, trading and logistics, and professional services), as new engines of economic development, job creation, mechanisms for transition to a knowledge-based economy, and long term competitiveness:

Apart from the four pillar industries, the six industries are crucial to the development of our economy. At present, the private sector part of these six industries directly contributes about 7% to 8% of GDP, and employs around 350 000 workers, or about 10% of the total workforce. With appropriate policies to remove obstacles to their development, the six industries will enter a new phase of development, propelling Hong Kong towards a knowledge-based economy. (Hong Kong SAR Government, 2009: 9)
These six industries included education services, medical services, testing and certification services, environmental industry, innovation and technology, and cultural and creative industries. The ‘industrialisation’ of education was composed of different dimensions. First, it was to turn Hong Kong into a regional education hub so that both local and overseas operators would be invited to develop international schools. Furthermore, Hong Kong-based education services could capitalise on the growing demands for quality education from the neighbouring region, especially mainland China:

On the development of education services, our objective is to enhance Hong Kong’s status as a regional education hub, boosting Hong Kong’s competitiveness and complementing the future development of the Mainland. ... Looking forward, we will explore the possibility of allowing Mainland senior secondary students to study in Hong Kong. For example, we may allow them to take short-term courses offered by our degree-awarding tertiary institutions, or pursue senior secondary education at non-public schools in Hong Kong. (Hong Kong SAR Government, 2009: 11)

Second, it was to encourage the development of a self-financing higher education sector. Two urban sites had been reserved for interested operators and the government was also committed to inject funding into the Start-up Loan Scheme to assist them in kicking start such self-financing education projects.

The 2009/10 Policy Address did not touch on the division of labour between the publicly funded tertiary education institutions and those self-financing higher education services operators. Indeed, the UGC has long recognised its role in a broader regional and international context. It ‘sees the Hong Kong higher education sector serving as the “education hub of the region” driving forward the economic and social development of Hong Kong, in the context of our unique relationship with Mainland China and the region’ (University Grants Committee, Hong Kong, 2007). How its policy will be articulated to the development of education services as an industry is unclear. That said, it is observed that gradually the institutional structure of higher education in Hong Kong has moved further away from its earlier local and elitist orientation. And being a global city, Hong Kong seems to enjoy all the advantages of institutional openness (and so its readiness of becoming an education hub) and population mobility (particularly its geographical and cultural proximity to mainland China) for the ‘industrialisation’ of education. However, as we shall see in subsequent discussion, such prima facie advantages have not been translated into practical and conducive institutional settings for the promotion of education services. It is one thing to say that Hong Kong is an open and global city, but quite another to describe it as a ready-made education hub.

‘Nationalisation’ under liberalisation

Before coming to a critical review of the initiative of turning education into an industry, here we shall take a look at the delocalisation of Hong Kong’s higher education. With the rapid increase in non-local students together with the ascension of the world ranking of Hong Kong’s universities, many see the industrialization proposal attractive and convincing. Indeed, on the surface, Hong Kong seems to be very successful in restructuring its universities and moving towards their internationalisation within a short period of time. As shown in Table 1, the total number of non-local students studying in the publicly funded universities rose from 1239 in 1996/97 to 13,661 in 2012/13. Further breakdown of the available statistics tells us that there were only 87 non-local undergraduates doing their undergraduate studies in Hong Kong in 1996/97 and the figure went up to 6,315 in 2012/13. The pace of internationalisation (or, more precisely, delocalisation) is impressive. Within the span of 15 years, non-local undergraduates have increased from a share of less than 0.5% to that of 11% of the total student population at that level of university education.

However, further breakdown of the social background of the non-local students in terms of their nationality will alert us to the fact that students coming from mainland China constitute an overwhelming majority of all students from outside Hong Kong (see Table 2). From 2000/01 onwards, the share of mainland Chinese undergraduates among all the nonlocals has always been well above 80%. In undergraduate, taught postgraduate, and
research postgraduate programmes, students from mainland China have come to form the significant majority.6

To some extent, it is true to say that universities in Hong Kong have a long way to go in order to achieve the internationalisation of their student bodies. Not only mainland Chinese students have constituted a significant majority, there is also considerable variation in the recruitment of students from other parts of the world among different universities within Hong Kong. For instance, among the 1750 undergraduate students coming from Asia (other than China) in 2012/13, 677 were studying in HKU, 433 in HKUST, and 246 in CUHK (these three universities having accommodated 77.5% of these Asian students). In the same year, there were (among 8399 non-local undergraduates in total) only 334 undergraduate students coming outside of Asia. 28.1% of them studied at HKU. In other words, the extent of internationalisation of the student population is highly uneven among the eight UGC-funded universities in Hong Kong.

This has been identified by the UGC as one of the inadequacies of the existing internationalisation practice: ‘That is not to deny the real achievement of some [universities] in their initiatives in Mainland China, but those initiatives do not amount to a full internationalisation strategy. We consider our institutions’ relationship with the Mainland not to be a part of internationalisation.’ (University Grants Committee, Hong Kong, 2010: 51) It is further commented that ‘although it is important to encourage Mainland students to enter Hong Kong universities, true internationalisation requires a much greater diversity of nationalities and cultural backgrounds’ (University Grants Committee, Hong Kong, 2010: 56).

The attractions of Hong Kong’s university education to mainland Chinese students (undergraduates as well as postgraduates) are many and universities in the Special Administrative Region have little difficulties in recruiting top quality students from China.7 Once the quota of admission of non-local students has been adjusted, Hong Kong has been overwhelmed by the supply of students from different regions of the mainland. But it is important to recognise that it all began with, first, the recruitment of postgraduate students in the 1980s and then

### Table 1. Non-local student enrolment (headcount) of UGC-funded programmes by place of origin, 1996/97–2012/13

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainland China</td>
<td>791</td>
<td>1000</td>
<td>1462</td>
<td>2230</td>
<td>3362</td>
<td>5754</td>
<td>7713</td>
<td>8724</td>
<td>10956</td>
</tr>
<tr>
<td>Other places in Asia</td>
<td>170</td>
<td>155</td>
<td>170</td>
<td>204</td>
<td>210</td>
<td>292</td>
<td>418</td>
<td>950</td>
<td>2104</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>278</td>
<td>222</td>
<td>148</td>
<td>170</td>
<td>156</td>
<td>171</td>
<td>262</td>
<td>400</td>
<td>593</td>
</tr>
<tr>
<td>Total number of non-local students</td>
<td>1239</td>
<td>1377</td>
<td>1781</td>
<td>2604</td>
<td>3728</td>
<td>6217</td>
<td>8392</td>
<td>1074</td>
<td>13661</td>
</tr>
<tr>
<td>Total number of students</td>
<td>8550</td>
<td>84538</td>
<td>81472</td>
<td>78731</td>
<td>78780</td>
<td>72618</td>
<td>74588</td>
<td>93934</td>
<td></td>
</tr>
<tr>
<td>% of mainland Chinese students to total enrolment</td>
<td>0.92</td>
<td>1.18</td>
<td>1.79</td>
<td>2.83</td>
<td>4.27</td>
<td>7.92</td>
<td>10.7</td>
<td>11.7</td>
<td>14.5</td>
</tr>
</tbody>
</table>


### Table 2. Mainland Chinese students’ enrolment of UGC-funded programmes by level of study, 1996/97–2012/13

(percentages of mainland Chinese students to all non-local students)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>5.8</td>
<td>37.1</td>
<td>92.0</td>
<td>93.6</td>
<td>93.2</td>
<td>92.9</td>
<td>90.8</td>
<td>82.9</td>
<td>75.2</td>
</tr>
<tr>
<td>Taught postgraduate</td>
<td>11.4</td>
<td>25.9</td>
<td>35.9</td>
<td>43.2</td>
<td>50.7</td>
<td>60.8</td>
<td>67.2</td>
<td>66.2</td>
<td>66.0</td>
</tr>
<tr>
<td>Research postgraduate</td>
<td>76.4</td>
<td>82.7</td>
<td>87.0</td>
<td>89.6</td>
<td>91.0</td>
<td>93.2</td>
<td>93.9</td>
<td>91.7</td>
<td>88.8</td>
</tr>
<tr>
<td>All*</td>
<td>63.8</td>
<td>72.6</td>
<td>82.1</td>
<td>85.6</td>
<td>90.2</td>
<td>92.6</td>
<td>91.9</td>
<td>86.6</td>
<td>80.3</td>
</tr>
</tbody>
</table>

*This also includes non-local students in sub-degree programmes.
much later the intake of mainland undergraduates with the aid of certain scholarship schemes. At the very beginning, it was conceived as an initiative to help China train its talents and build up its human resources in the context of growing demands for new knowledge and know-how in the early stage of economic reform and the rise of political pragmatism. Given the small number of mainland students (primarily doing their postgraduate research), spending government funding on these non-locals was not an issue of public concern. Indeed, many saw this as a means and/or channel to spread Hong Kong's influence across the border. Then, in the late 1990s, student recruitment from the mainland was extended to the undergraduates. At that time, though mainland China's economy had taken off and its people were becoming affluent, Hong Kong’s university education was still found unaffordable to most of the mainlanders. Such a scheme was made possible by the establishment of a special scholarship.

Hong Kong does not have any difficulty in recruiting quality students from the mainland. Indeed, despite being highly selective, incoming mainland Chinese students have quickly come to constitute a significant majority among all the non-locals in different campuses (see Table 2). As noted above, with mainland Chinese students being the overwhelming majority, the recruitment of non-local students has ended up with ‘nationalisation’ rather than internationalisation. In quantitative terms, the number of applicants from the mainland is always impressive. This indicates the potential demand for education services in Hong Kong. Yet, that said, the challenge is that despite Hong Kong’s success in recruiting quality students from mainland China, it remains difficult to see how such demands for education can be easily turned into some kind of revenue generating, and even exportable, service. The crux of the matter has to do with policy and politics.

The politics of turning education into services

The discussion of promoting education services as one of the future key industries for Hong Kong in the Policy Address 2009/10 concluded with a sentence that would undermine the original proposal itself:

Developing our education services will bolster the pluralistic, international and professional outlook of Hong Kong, and make the best use of social resources in the non-government sector to provide more opportunities for local students to pursue degree education. (Hong Kong SAR Government, 2009: 12)

The above sentence largely sums up the self-contradictory position of the Hong Kong SAR Government: on the one side, the government is eager to ‘industrialise’ education and to turn it into a kind of service for the facilitation of economic development and employment creation; on the other, it still has to address the concerns of local students and their parents such that it must ensure the proper deployment of social resources for meeting local demands for higher education. On the surface, the development of education services seems to be a policy that will kill two birds with one stone. It will facilitate an increase in the provision of higher education to the local population and at the same time will also be able to satisfy the demand for education from non-local students. But these two objectives are not without their tensions in between. And the failure of ironing out the tensions and incompatibilities significantly deter the industrialisation of education in Hong Kong.

This relates to the questions I have raised in the earlier sections. First, the ways and means through which cities can capitalise on potential opportunity are determined not only by their ability of identifying emerging demands and openings but also by their political capacity of turning policy initiatives into concrete and practical measures. Second, in this connection, pre-existing policies may well be sticky in the sense that both the bureaucrats as well as stakeholders are resistance to change. The tacit consent that has long been developed upon the basis of the established practice and policy will continue to shape the thinking of new policy initiative as well as the delivery of the intended policy outcomes. And third, making education a kind of revenue-generating service touches upon other policy domains (e.g. population policy) and issues of a different scale (e.g. the openness, or the lack of it, of China to potential service providers). This highlights the peculiarity of Hong Kong being a special administrative region within China. Its geographical proximity to China, the strongly developed social ties with
the hinterland, as well as the daily two-way mobility of people across the border would easily cultivate an expectation that Hong Kong is the most suitable place to make the best use of opportunities and resources opened by its regional integration with the mainland. Yet, the reality is that various institutional constraints (e.g. control of people’s mobility crossing the border) continue to affect the extent to which Hong Kong can fully capture the opportunity created by massive and growing demands in the Pearl River Delta. The idea of building education services as one of the future leading industries of Hong Kong hinges upon not the quantity of service demand but how existing institutional hurdles can be overcome.

Political and policy questions

The above quotation from the UGC’s report underlines the first two problems on the industrialisation of education services. It is interesting to observe that in the official narratives, even for the non-governmental higher education sector, the emphasis is still placed on the need ‘to provide more opportunities for local students to pursue degree education’. Having only a UPR of 18%, which is lower than those found in the neighbouring countries, the higher education sector in Hong Kong is expected to address the local concerns and demands. Thus, suggestions concerning the deployment of government’s loans and subsidy as well as the allocation of sites for the facilitation of the industrialisation of education services are by no means straightforward matters without public scepticism. Further expansion of higher education is expected to meet the local demand for education (without lowering the standard required for admission). Provision of education services to the non-locals can be a part of this new education hub initiative but it would still only be an appendix to a locally based education system.

Indeed, throughout the discussion about making Hong Kong into an education hub and making education a kind of profitable service, neither an ambitious attempt of reworking the existing higher education system nor some measure for drawing out a clearer division of labour between the government funded and the private education sector has been spelled out. The government funded sector is to play its part of being a component of the education hub strategy with a cap on the percentages of non-local students (20% at present). It is difficult to further internationalise these government funded universities because their major role is to satisfy the local demands for higher education. Such a restrained internationalisation strategy is intended to serve the purposes of (i) enriching the learning environment for local students; (ii) enhancing the international profile of local universities; and (iii) attracting potential talents (who may or may not stay in Hong Kong for future employment) from overseas. Though being multi-functional, it is simply not geared for massively bringing in fee-paying non-local students. And with the objectives stated above and that the public universities heavily rely on government funding, the recruitment of non-local students has been closely monitored in terms of their academic standard and personal quality. All these public universities are always on the alert of avoiding being criticised for selecting second-tier non-locals at the expense of local students. Many of these universities have been able to build up their reputation in mainland China and they are perceived as attractive and desirable academic institution for Chinese students. But with the constraints imposed on their student recruitment, these public universities simply will not be the suppliers of revenue-generating education services in the way as expected of full-swing changes towards making Hong Kong an education hub.

These public universities, of course, can explore the possibility of exporting their services. One option is to develop self-financed diploma and/or postgraduate programmes. The other is to set up their branches in mainland China and overseas. Regarding the former option, among the 4,471 non-local postgraduate students studying in Hong Kong in 2010/11, only 65 (1.5%) were enrolled in taught postgraduate programmes. The overwhelming majority was doing research-based postgraduate studies, with most of these students being supported by scholarship/studentship provided by public funding body and/or the universities. The limited subscription of taught postgraduate programme has little to do with lack of demand and/or that such programmes offered by universities in Hong Kong are unattractive.
The major hurdle affecting the provision of education services in the form of taught postgraduate programme has to do with the existing restriction of issuing student visa only to those are enrolled in full-time programme. A lot of these self-financed taught postgraduate programmes are torn between two competing markets. On the one side, there are demands from local working people who are inclined to take these programmes on a part-time basis (with many of these courses conducting their lectures in the evening). They attend these courses after work. These local students constitute the main source of demand (98% of all taught postgraduate students in 2010/11) of short-term or intensive postgraduate education. However, it is important to note that there are growing interests among the mainland Chinese students in these courses. And once Hong Kong opens its door to this market, the growth in the subscription to these programmes can be phenomenal. That said, if student in-take of these taught postgraduate programmes has reached an unbalanced composition and locals find it difficult to secure admission to their desired courses, then strong public reaction is likely to arise to counter-balance and restrain such development.

Concerning the export of education services across the border, the final decision rests in the hands of the Chinese Government and not the Government of the HKSAR’s. Hong Kong’s readiness, if any, will only be a small part in the bigger and final decision. It is China’s readiness to open its society to external cultural influence that really counts. The fact that Hong Kong has already been returned to China does not mean that it can export its education services across the border without securing prior institutional approval. Regional integration and the traffic of people between Hong Kong and mainland China surely benefit some services (e.g. tourism); but the effects do not necessarily spill over to other domains. And this is clearly so in the area of education services.

Scalar dynamics

The suggestion of making education a service industry and turning Hong Kong into an education hub is, in short, an attempt to rescale Hong Kong’s education. The practices of using English as the medium of instruction and global recruitment of teaching staff would no doubt equip Hong Kong’s universities with the basics of facing a global market. Their internationalisation initiatives would further help them prepared for global recruitment of students. However, the rescaling project can only be fully materialised by removing some of the key institutional barriers affecting the inflow of students to Hong Kong as well as the export of services to the mainland. On the Hong Kong side, as noted earlier, this will inevitably touch on the core of education policy and funding. Mainland Chinese students are attracted to Hong Kong’s established and publicly funded universities. Further opening of subsidised quota to non-locals will invite strong reaction from the public. Whether the HKSAR Government will have the political capacity to push the education hub initiative forward through the government-funded universities is an open question. More importantly, such an initiative would also involve policy changes in other domains. Policy concerning population movement and residence as well as that related to labour market and employment will be parts of the broader picture of the rescaling of education. But it is envisaged that all these policy domains will touch on the nerves of the local population, particularly the competition for employment in an increasingly fluctuating business environment.

At the national level, as noted earlier, the Central Government holds the key to the liberalisation of education services in China. Under the existing institutional arrangement (and, indeed, it is supposed to be two systems in one country), Hong Kong’s education services are largely fixed in their local milieu. Export of education services is constrained by such fixity and Hong Kong cannot unilaterally change the existing situation simply by the offering of more competitive products and services. The future of Hong Kong’s role as an education hub is, in fact, determined by China. While it is true to say that Hong Kong would like to aspire of becoming an international education hub for students coming from different parts of the world, its close and well established ties with mainland China are likely to further reinforce its focus on this market. It has already developed its reputation as well as the access to the China market. In
quantitative terms, demands for higher education in Hong Kong from students and their parents from mainland China are plenty. In qualitative terms, Hong Kong has long been successful in recruiting top students from mainland China. It will continue to welcome such high quality students coming to Hong Kong. Hong Kong’s comparative advantage in capitalising on China’s education demands is, as discussed above, one of the main driving forces for giving its universities an international profile within a short period of time. Yet, it is also contended here this strength would also be a source of weakness – the breadth of Hong Kong as an education hub is likely to be restricted.

Conclusions

As a global city, Hong Kong has tried to globalise its higher education and to develop itself into an education hub. Such an attempt is intended to make the best use of its position in the global urban hierarchy for turning higher education into a revenue-generating service and to further strengthen its global connections. While its openness does help universities in Hong Kong to make swift changes and, within a short period of time, they have made significant progress in going beyond its established role of training local students. Yet, the fact that Hong Kong being an important global city more in the areas of business and finance than those of knowledge and ideas, with its reputation lies more in its vibrant economy and less in the domains of culture and lifestyle, also means that its appeal to students coming from all parts of the world is not as wide as expected. In this regard, with the inflow of students from mainland China, Hong Kong has primarily become an education hub at the regional level. While this may fall short of the original policy objective, its new connectedness with human resources from mainland China can be an asset to be utilised for Hong Kong’s future development.

As noted in our discussion, despite its reputation of being a free market economy with minimal intervention from the government, the development of Hong Kong’s higher education is heavily dependent on public funding. And with its policy commitment to subsidising quality education for the local student population, it is very difficult for the HKSAR Government to restructure its universities by making them truly internationalised and ready for meeting global education demands. Indeed, the Government has not attempted to make major revision to the existing arrangements and local universities continue to commit to the objective of meeting local demands. This partly shows the stickiness of the existing institutional setting (cf. Chiu et al., 2012 on medical services). It also illustrates the dilemmas faced by Hong Kong as a globalising city. Should it really want to rescale and to ‘industrialise’ education, it can push for a ‘big bang’ by opening up its universities to non-locals and get ready for increasing the UPR by the facilitation of having more universities in Hong Kong. This would be a liberalisation of the existing university system. It would also involve changing university admission to a truly globally competitive process. Local students would be asked to compete face-to-face with the non-locals. Apparently, such a change would be contentious and would trigger political opposition. It will simply be too hot an issue for the government to handle. The dilemma encountered by Hong Kong can be taken up for future comparative studies of cities and universities in a changing socio-economic environment. Here Hong Kong presents itself as a case of having the government maintaining an arm’s length relationship with universities in the course of promoting changes in higher education. Given the government’s heavy involvement in subsidising local universities, the higher education sector is not really fully market-driven. To call for a ‘big bang’ would be a matter of political controversy. Yet, at the same time, neither is the government in Hong Kong development and directive in orientation. So, how to find the mechanism to facilitate drastic changes remains a hurdle to be overcome.

Without a major restructuring, the existing practice of restrained internationalisation makes it impracticable for Hong Kong to truly rescale its education. Hong Kong’s universities will continue to fare well in terms of their world rankings and academic achievement. Yet, Hong Kong is likely to remain a restricted education hub with its non-local students coming primarily from mainland China. That Hong Kong’s universities are offering an English-based higher education will continue to be one of their major
attractions. Mainland students will either see Hong Kong as their stepping stone for further education in other foreign countries or as a window for getting into its high-end finance and business services that serve regional as well as global markets. But having the bulk of its non-local students from a highly concentrated source is not quite the picture originally conceived for ‘industrialising’ education, exporting education services, and turning the city into an education hub. How to make it a serious contender for becoming a global education hub in the world remains a question that Hong Kong has to ponder on.

Notes

1 The equally popular policy initiative of developing medical tourism, i.e. provisions of medical services to non-locals, is part of this new mode of policy thinking.

2 In this paper, the expressions of education as a new service industry and the building of an education hub will be used interchangeably. This is partly because the notion of Hong Kong becoming an education hub is used in the official discourse. It was, though the enthusiasm had already dissipated, the government’s idea of making Hong Kong an education hub. It is also partly because the two ideas are inter-related. By making Hong Kong an education hub, foreign students at different levels will be attracted to local schools and education institution. They may come to Hong Kong to enroll in a particular programme and then move on to other options in the USA, Britain, Canada, Australia, and other countries. The idea of building a hub – and thus Hong Kong will become a springboard for students to pursue their education there or elsewhere – allows for a full blown development of education as a service to satisfy demands from the neighbouring regions. This, at least, was the vision in the idea of turning Hong Kong into an education hub.

3 Our discussion of educational globalisation and internationalisation focuses primarily on the recruitment of foreign students and the development of education services into a new industry. This is because, as will be shown in subsequent discussion, these are the government’s major objectives in promoting educational globalisation. Furthermore, given that Hong Kong was a British colony prior to its return to China in 1997, its universities have long undergone the processes of recruiting teaching staff from abroad and adopting English as the medium of instruction. In this regard, Hong Kong’s higher education has always been international in its orientation. With a new emphasis on internationalisation in recent years, we have also seen initiatives about exporting education services by setting up campuses outside of Hong Kong and developing collaborative projects with non-local partners. However, given the government’s emphasis on building an education hub, without denying the significance of other aspects of internationalisation of university education, in this paper I choose to focus on the delivery of higher education services to non-local students.

4 The UPR here only refers to entrance to local universities. Of course, many middle class families are able to support their children to continue their education abroad at the university level. And increasingly there are students considering the further education in the mainland. The possibility of studying abroad seems to have helped further reinforce the idea of capping the UPR at 18% and not to change it.

5 Scepticism of popular higher education persists. The popularisation of higher education is perceived as a threat to the maintenance of standard and quality of university graduates. The lowering of university students’ standard and quality is always a topic in the public discourse and discussion. What is relevant to our discussion here is that quite often expansion of admission quota is challenged on the ground that this is not economical – the government cannot justify its spending because funding will be spent on training lower quality university/college students.

6 More serious attempts of internationalising the student population have been carried out from 2008 onwards. Hong Kong’s universities have started to reach out to other Asian countries and the rest of the world to conduct student recruitment.

7 News coverage on the success of Hong Kong’s universities (mainly HKU, HKUST and CUHK) in recruiting the very top students from the mainland (often referred to as chuanyuan, meaning the number one scholar) has become a popular topic in local and mainland news reporting in the past few years. See, for example, ‘Gang ba gaoxiao jinnian zhao 1590 ming neidesheng’ (This year Hong Kong’s eight higher education institutions recruited 1590 mainland students), Shenzhen Special Zone Daily, 18 July 2013. University world ranking is one of the competitive advantages of Hong Kong’s universities in attracting quality students from the mainland. Exposure to an international and open cultural, social and political environment is another. Hong Kong can also be a springboard for top mainland students to pursue further studies abroad. And, lastly, lucrative scholarships would also lure quality students to Hong Kong. See ‘“Gangxiaoren” huizhaitian yibahuo ma’ (Would the “popularity of Hong Kong’s universities” add more fuel?), People’s Daily, 20 May 2013.

8 The relative organisational autonomy and a strong emphasis on academic freedom enjoyed by Hong Kong’s universities help them to retain reasonably strong control over university management and to avoid being directed by the government via top-down directives. Very often, the government tries to influence university development through changes in its funding policy.

9 The HKSAR Government has already worked on its population policy and opened its door to non-local talents. There are several schemes through which non-locals can secure their permanent residence in Hong Kong. Moreover, non-local graduates are allowed to stay to look for employment.
References


Educational globalisation in Hong Kong

© 2014 Victoria University of Wellington and Wiley Publishing Asia Pty Ltd