Massification without equalisation: the politics of higher education, graduate employment and social mobility in Hong Kong

Siu-yau Lee

Department of Asian and Policy Studies, The Hong Kong Institute of Education, Tai Po, Hong Kong

Published online: 30 Jun 2015.

To cite this article: Siu-yau Lee (2015): Massification without equalisation: the politics of higher education, graduate employment and social mobility in Hong Kong, Journal of Education and Work, DOI: 10.1080/13639080.2015.1049024

To link to this article: http://dx.doi.org/10.1080/13639080.2015.1049024
Massification without equalisation: the politics of higher education, graduate employment and social mobility in Hong Kong

Siu-yau Lee*

Department of Asian and Policy Studies, The Hong Kong Institute of Education, Tai Po, Hong Kong

(Received 1 December 2014; final version received 1 March 2015)

This article explains why the massification of higher education in Hong Kong has, contrary to the predictions of received wisdom, failed to enhance the upward social mobility of the youth in the city. Building upon recent literature in political science, it argues that massification can take different forms, which in turn determine the effects of massification on various social groups. Through exploring three critical phases in the city’s higher education reform, this article demonstrates how higher education policies have been heavily shaped by the interests of the city’s elites, who, on the one hand, see the expansion of higher education as a solution to such social and economic problems as unemployment and regional integration but, on the other, remain reluctant to increase public spending on the education sector. As a result, higher education has expanded almost exclusively in the private sector. Due to poor planning and implementation, graduates from self-financed programmes are severely disadvantaged in terms of employability, resulting in wage compression and unemployment. The findings of this study shed light on the regressive nature of higher education.

Keywords: massification; social mobility; Hong Kong; privatisation; politics of education

Introduction

In the past few decades, higher education has been transformed in many countries, rejecting elitist for massified systems, with universities – often fully or partially funded by the government – competing for global reputation and talent. Hong Kong is no exception. Since the 1990s, its higher education sector has experienced rapid massification. According to official data, only 2579 students (2.2% of the relevant age groups) were enrolled as first-year students in local university degree programmes in 1980. By 2013,
however, the figure had reached 17,089 (21.3% of the relevant age groups) (University Grants Committee, UGC 2014). In comparative terms, although the gross tertiary enrolment rate of Hong Kong is still falling well below the average of wealthy countries in the Organisation for Economic Co-operation and Development, the gap between them closed considerably in the 2000s (Figure 1).

Contrary to the conventional assumption that higher education is a catalyst for upward social mobility, the rapid massification of higher education in Hong Kong has not yet resulted in a more egalitarian society. In fact, recent evidence suggests that the receipt of higher education is heavily correlated to family background and that educational inequality has worsened. For example, the enrolment rate of young people from among the top 10% of the richest families in the country (48.2%) for university degrees was 3.7 times that of those living in poverty (13%) in 2011. The same ratio was only 1.2 in 1991 (Chou 2013).

The question of why the massification of higher education in Hong Kong has failed to enhance upward social mobility in the city is relevant to Asian countries that are reforming their higher education sectors in a similar manner, such as Singapore and South Korea. However, previous literature has provided little insight into the issue. Although a large body of the literature asserts that higher education is crucial for disadvantaged individuals to participate in a knowledge economy and to achieve economic success (Manski 1992; Müller and Shavit 1998; Day and Newburger 2002;
Guri-Rosenblit, Sebkova, and Teichler 2007; Milburn 2012), another body of the literature suggests that higher education actually does very little to enhance upward social mobility (Haveman and Smeeding 2006). This assertion is unsurprising because these accounts are primarily based on data that were collected from different education systems. As a result, the data regarding government spending on higher education varied significantly.

In fact, recent comparative studies conducted by political scientists have revealed that the effects of higher education on social mobility are highly dependent on the willingness of the state to support the sector through public spending (Ansell 2008, 2010; Rauh, Kirchner, and Kappe 2011). Without sufficient public support, higher education – even if it is massified – can be prohibitive to the poor because of its high fees. This implies that higher education is highly political, as in other areas of public spending, because its benefits are not spread evenly across different sectors. Different countries have set up varied formal and informal political institutions; therefore, their methods of reforming higher education and the effects of such reforms on social mobility differ considerably from system to system. For example, the higher education system in Germany has remained highly elitist because its universities are controlled by the Länder (the sixteen states of Germany), whose internal competition and coordination have rendered higher education reforms slow and piecemeal (Ansell 2010).

A persistent issue involves explaining the massification of higher education in semi-democratic regimes. To date, most accounts regarding the politics of higher education have been conducted in democracies where policymakers often compete with rival political parties for popular support. Thus, the explanations offered cannot be readily applied to most Asian countries, in which the political power of ordinary people has not been institutionalised through regular elections. As such, the case of Hong Kong fills an important gap in the literature. By examining the reasons motivating its higher education reform, students of the politics of education can observe the political and economic utility of higher education in the view of the elites.

Adopting an institutionalist framework, this article processes traces the development of Hong Kong’s higher education system since the 1980s. It argues that the city’s higher education policies have been shaped by the interests of the economic and political elites, who favour the expansion of the higher education system but strongly oppose any sharp increase in public spending. Consequently, the massification of higher education has mainly been facilitated by profit-oriented private institutions that face stringent resource constraints. To maximise their profit and to secure their market share, some institutions compromise on the quality of education. This compromise gradually undermined the credibility of their programmes, thereby resulting in the low employability of their graduates.

In the following sections, I first explain the nature of the massification of higher education and develop a theoretical framework for the subsequent
analysis. Then, I examine the key events related to the massification of higher education in Hong Kong and explain how the policies formulated by the government have reflected the interests of the elites in the business and political spheres. This article concludes with a discussion on the effects of the reform on youth employability and upward social mobility.

**Nature of higher education massification**

Conventional accounts of higher education massification have almost exclusively been guided by a developmental perspective that views higher education as a means employed by national governments to boost the economic well-being of their subjects (Acemoglu 1996, 1998; Lucas 1988; Moretti 2004; World Bank 2012). By providing the labour market with more skilled labour, these accounts contend, higher education massification can facilitate skill-biased technical change and increase the overall productivity of the population, thereby helping it to better cope with the challenges of globalisation. This contention is based on the assumption that traditional accounts, as well as many state-sponsored studies, consider higher education massification to be among the most effective measures to support upward social mobility.

Nonetheless, comparative studies have identified significant variations among education systems. While some of these systems have indeed empowered the poor to acquire the necessary skills to share the benefits of overall economic development, other systems have strengthened structural inequality, leading many students of higher education to realise that the social effects of higher education are contingent upon a wide range of factors (Rauh, Kirchner, and Kappe 2011). In explaining the relationship between upward social mobility and higher education, therefore, it is important to look beyond higher education enrolment figures and examine the process of massification and the political and economic factors that motivate it.

To investigate the process of massification, recent studies have first distinguished two major types of higher education massification, namely partial privatisation and mass nationalisation (Ansell 2008). The former is characterised by high levels of coverage at a low level of state subsidisation and public cost. The higher education system in Hong Kong is an example of this type. As demonstrated in the following sections, the number of students enrolled in higher education programmes has increased exponentially since the 1990s. However, the Hong Kong government has been reluctant to increase spending on higher education. As a result, over 50% of tertiary students in the city have to fund their education through their own means (Legislative Council Secretariat 2012). By contrast, a mass public system of higher education is characterised by high levels of coverage, state subsidisation and public cost. This model is followed by Sweden, where higher education is almost completely
funded publicly. Furthermore, the government has increased the overall university budget in line with enrolments (Ansell 2008).\(^2\)

Contrary to the conventional assumption that public spending on higher education is progressive in nature, recent studies generally agree that it benefits the wealthy, especially the middle class, more than the poor, meaning that it is regressive in nature (Johnson 2006; Ansell 2008). This is because traditional higher education, unlike vocational training, does not generally put much emphasis on equipping its students with skills that are readily applicable to their future work. Households that have urgent financial needs are thus less likely to consider university an attractive educational option. Furthermore, admission to higher education is primarily based on academic merit. This criterion is highly biased towards students from the middle and upper classes, according to many studies. As a result, spending on higher education is disproportionately allocated to the wealthy, especially the middle class, who have the financial resources to support their children in performing well during public exams. This peculiar aspect of higher education implies that its massification is shaped by political and economic interactions that differ significantly from other types of social spending.

Consider the case of Britain, in which the idea of expanding its higher education system with increased public spending was – contrary to the assumption of many – initiated not by the Labour Party but by the Conservatives. In fact, the proposal of the latter to increase this spending was quickly rejected by the then-Labour government in the mid-1960s. The government favoured technical colleges over traditional universities because they helped substantiate its support among the working and low-middle classes (Ansell 2008). The strong opposition to the expansion of higher education slowed and challenged the process of massification. Consequently, even after the Conservatives won the general election in 1979, they expanded higher education enrolment without an equivalent increase in public spending, resulting in a significant decrease in public spending per student (Ansell 2008).

As mentioned previously, Hong Kong serves as a useful case based on which to extend recent studies on the politics of higher education massification to non-democratic regimes given its peculiar political system. Indeed, although Hong Kong – similar to Britain – has adopted the partial privatisation model in expanding its higher education system, partisan competitions and electoral calculations have never significantly influenced its policymaking process. The city has never been a truly democratic and independent entity. Furthermore, its suzerains, namely, Britain (pre-1997) and Beijing (post-1997), have needed to engage in ongoing co-optation in order to maintain their domination and the stability of the city. To this end, the business elites of the city have typically been chosen for their capacity to launch a large-scale capital outflow by withdrawing investment (Wong 2012). Special political status and rights were granted to ensure the compliance of
these elites. By contrast, ordinary citizens have few institutionalised channels through which they can influence public policymaking. Political parties are also constrained by Beijing. They possess no statutory status and receive no public funding from the state. Moreover, their members are not allowed to serve as the Chief Executive (CE) or principal government officials without surrendering their party affiliation. Consequently, the partisanship in Hong Kong is weak. As of 2009, the largest party in the city was composed of only approximately 13,000 members. The other parties generally reported less than 1000 members (Lam 2010). All of these findings suggest that the expansion of higher education in Hong Kong cannot be explained simply in terms of partisan competition.

To trace the development of higher education in Hong Kong, the following section explains how a partially privatised system has been developed to serve the conflicting interests of the political and economic elites, and discusses how such a system has ultimately undermined the upward social mobility of the youth in Hong Kong.

Massification of higher education in Hong Kong

Higher education was by no means a system designed to enhance social mobility when Hong Kong’s first university, the University of Hong Kong, was established in 1911. As then-Governor Frederick Lugard suggested, it was a platform for the British Empire to extend its influence into China. By providing Western education to the Chinese elites who were likely to become government officials in the future, the university in Hong Kong would serve the interests of the British Empire in the Greater China region (Mellor 1992). In other words, the university project was primarily aimed to attract Chinese elites who were likely to take up important economic and political roles upon graduation. In addition to the limited financial support from the colonial government, the project was also supported by donations from local business elites, such as J.H. Scott and Hurmosjee Mody. Although the colonial government has gradually increased its subsidies to university students, it has not enabled the significant expansion of the higher education sector. Unsurprisingly, for much of the colonial era, higher education was not an essential educational step for would-be professionals from less prestigious family backgrounds. Under the highly competitive public examination system, only a fortunate few in the working class escaped their poor family backgrounds and received university education. This condition held true even after the founding of the second university in the city in 1963, that is, the Chinese University of Hong Kong. By 1965, only 2.2% of school-age youth in Hong Kong were admitted to full-time degree programmes offered by the two universities (UGC 2014).

It was not until the late 1980s that The Hong Kong government began to expand the higher education sector. Through establishing a new univer-
sity and upgrading several existing polytechnics and colleges to university status, the colonial government increased the number of first-year degree places (Lee 2000). The Hong Kong UGC (1996) explained that this expansion was a response to the rising family wealth in the 1990s. This wealth aggravated the parental pressures on children to exploit educational opportunities (UGC 1996). However, this account is insufficient because the middle class in Hong Kong remained an insignificant political force and enjoyed few formal institutional channels through which to influence policy-making although the legislature was partially democratised in the 1990s (Lui 2003). Furthermore, evidence suggests that during the 1980s, the government was content with the supply of high-level manpower from overseas institutions (Cheng 2002). Therefore, a more plausible reason, as Lui (2014) suggests, is that the expansion of higher education during the 1990s may have been motivated by the need of the colonial government to assuage the public’s fear regarding the handover of power from Britain to China in 1997. In line with other large-scale infrastructural projects of the time (e.g. constructing a new airport), the purposes of higher education expansion were to assure Hong Kong citizens that the government was committed to the long-term development of the city and to prevent a large-scale outflow of talent and capital. The expansion was mainly funded by increased public spending, which was made available with the accumulation of revenue. As a result, the enrolment rate of students in the first-year-first-degree places of government-funded tertiary programmes increased significantly from 7417 (participation rate: 8.8%) in 1989 to 14,779 (participation rate: 18.1%) in 1996 (UGC 2014). These figures were by no means comparable with those of other massified higher education systems. Competition for university places in Hong Kong remained fierce.

A more concrete plan to massify higher education was proposed after the city suffered the Asian financial crisis. This crisis triggered an economic recession of unprecedented magnitude. To ameliorate the labour market crunch caused by the recession, the government proposed the further expansion of the higher education sector in 2000 so that by 2010, 60% of those departing senior secondary school would receive tertiary education (Tung 2000). However, the proposal of massification was heavily shaped by the elitism of education policymakers. In a report commissioned by the Education and Manpower Bureau, UGC commented that the government must strategically identify a small number of institutions as the focus of public and private support to produce world-class universities that can meet the highest international standards of research and teaching (UGC 2002). This comment clearly suggests that the government had no intention of compromising the selectivity of existing universities for the expansion of higher education (Mok 2009).

The proposal for massification was also limited by the budgetary constraints encountered by the government. The economic recession following
the financial crisis generated a record-high public budget deficit of 65 billion Hong Kong dollars (5.2% of gross domestic product) in 2001/2002. The Basic Law, which is the constitutional document of the city, requires the government to maintain fiscal balance; thus, elimination of the deficit became the government’s priority. Cutbacks were implemented across different sectors. Consequently, instead of increasing the number of publicly funded degree programmes, the government encouraged private education providers, many of whom were subsidiaries of existing universities, to offer self-financed two-year sub-degree programmes that catered to the needs of the youth. This proposal was supported by the political and economic elites because it seemed to accommodate two otherwise conflicting goals of the reform: on the one hand, this proposal enabled more youths to receive higher education without significantly increasing public spending; on the other hand, this proposal preserved the selectivity of publicly funded degree programmes. This idea was best articulated in the following statement made by the UGC (2002):

> The higher education sector will need to diversify its income from private and public resources, and then focus its resources to attain the highest quality of teaching and research. Because resources are always limited, it will be necessary to selectively identify outstanding performance where that occurs in institutions, teachers, learners and researchers, to ensure they receive the support to achieve international excellence in the application of their expertise.

The public demand for higher education was high; therefore, private education actors competed to open sub-degree programmes. As a result, the number of sub-degree programmes surged from 38 in 2001/2002 to 279 in 2007/2008 (iPASS 2013). Figure 2 shows the enrolment rates in sub-degree programmes during this period.

The expansion plan implemented by the government in 2000 paved the way for the development of a partially privatised higher education system. Although the quality and employability of graduates from self-financed programmes were doubted considerably in subsequent years, the government had no intention of delaying the process of massification. Instead, in order to attract foreign resources and to diversify the economy after the global financial crisis of 2008, the Hong Kong government envisioned the education sector as one of the six emerging industries that should be rapidly developed (the other five industries were education services, healthcare services, testing and certification services, environmental industries, innovation and technology, and cultural and creative industries). This strategic plan was developed with the mainland Chinese market in mind. Policymakers believed that these six industries were comparatively advantageous over their mainland counterparts. As the CE commented in 2009:
The government’s strategy for promoting the six industries is to seize the opportunities arising from our co-operation with Guangdong and align our efforts with measures already introduced to get immediate results. (Hong Kong Government 2009a)

Once more, the elites of the city were important in formulating this strategic plan. In 2008, the CE set up a Task Force on Economic Challenges (TFEC) that consisted of 11 members (including the CE, who chaired the group) to solicit the view of the elites on the effects of the financial tsunami that hit the Hong Kong economy and to identify business opportunities for consideration by the government and by the industries concerned. Table 1 lists the major affiliations of the members of this task force. Clearly, TFEC membership was primarily confined to the leaders of the major businesses in the city (finance and properties). Although no conclusive evidence suggests that all suggestions from the TFEC were taken seriously, as the major consultative body set up by the government after the global financial crisis, its membership symbolised the attitude of the government in strategic planning, which was highly pro-business and elite-focused.

In the process of reforming the higher education system of the city, the TFEC concluded that the government should continue to encourage the expansion of the private sector and the development of world-class universities (TFEC 2009). The development of a vibrant private higher education sector that can supply full-time degree programmes was anticipated to not

Figure 2. Enrolment in full-time self-financed sub-degree programmes, 2001–2007.
Note: Sub-degree programmes include higher diploma and associate degree programmes.
Source: iPASS (2013).
only alleviate the competition for university places but also attract talent and resources from other countries. Following the recommendations of TFEC, the government designated a number of sites and invited interested parties to set up private higher education institutions. As of 2013, the number of degree-awarding higher education institutions in Hong Kong had risen to 18, of which 10 are operated on a self-financed basis. Meanwhile, public universities have also leveraged on their reputation and resources to attract more foreign students, many of whom come from mainland China, and to increase their degree of internalisation (Figure 3). This action further pushed local students who were eligible for government-funded programmes into the self-financed sector. In the academic year of 2012/2013, 15,870 students enrolled in self-financed degree programmes. This number represented a significant rise from that determined during the early 2000s (there were 268 in 2001/2002) (iPASS 2013).

With the rapid expansion of full-time, self-financed degree programmes, a safe conclusion is that higher education in Hong Kong has evolved into a partially privatised system in which the tuition fees paid by students are crucial in sustaining operations. In fact, a common theme across the three phases of higher education massification in Hong Kong is the reluctance of the government to increase its spending. This theme is by no means a mere coincidence. Although the point when the Hong Kong government decided to pursue a low-tax balanced-budget regime is unclear, such a policy has

Table 1. Members of the TFEC and their backgrounds.

<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donald Tsang (Chairman)</td>
<td>CE of the Hong Kong Government</td>
</tr>
<tr>
<td>John C. Tsang (Deputy Chairman)</td>
<td>Financial Secretary of the Hong Kong Government</td>
</tr>
<tr>
<td>Victor K.K. Fung</td>
<td>Group Chairman of the Li &amp; Fung group of companies</td>
</tr>
<tr>
<td>Lawrence J. Lau</td>
<td>Vice-Chancellor of the Chinese University of Hong Kong</td>
</tr>
<tr>
<td>K.C. Leong</td>
<td>Chairman of Roctec Futures Trading Company Limited</td>
</tr>
<tr>
<td>Margaret Ko Leung</td>
<td>Vice-Chairman and Chief Executive of Hang Seng Bank Limited</td>
</tr>
<tr>
<td>Ayesha Macpherson</td>
<td>Partner of KPMG</td>
</tr>
<tr>
<td>Stephen Roach</td>
<td>Chairman of Morgan Stanley Asia</td>
</tr>
<tr>
<td>Shih Wing-ching</td>
<td>Chairman of Centaline (Holdings) Company Limited (a leading property agency)</td>
</tr>
<tr>
<td>Patrick Wang</td>
<td>Chairman and Chief Executive, Officer of Johnson Electric Holdings Limited</td>
</tr>
<tr>
<td>Mathias Woo</td>
<td>Executive Director of Zuni Icosahedron (a non-profit, charity arts organisation)</td>
</tr>
</tbody>
</table>

Source: Hong Kong Government (2009b).
been maintained with great consistency since the colonial era, and has been seen by the business elites – who have dominated the policymaking process – as the cornerstone of economic success. The need to avoid deficits and to maintain a low tax rate explains the wariness of the government to increase

Figure 3. Percentage of full-time undergraduates from the mainland in the public universities of Hong Kong.
Note: $\%$ of mainland full-time undergraduates = $\frac{\text{No. of full-time mainland undergraduates}}{\text{No. of total full-time undergraduates}}$.
Source: Hong Kong UGC (2012).

been maintained with great consistency since the colonial era, and has been seen by the business elites – who have dominated the policymaking process – as the cornerstone of economic success. The need to avoid deficits and to maintain a low tax rate explains the wariness of the government to increase

Figure 4. Public expenditure per tertiary student, 2003–2012.
Note: Public expenditure (current and capital) includes government spending on educational institutions (both public and private), education administration and subsidies for private entities (students/households and other private entities).
Source: The author’s calculation based on World Bank data (World Bank 2015).
recurrent public spending. Figure 4 depicts the public expenditure (current and capital) per tertiary student from 2003 to 2012, which clearly suggests that as the massification of higher education continued, the amount of public spending per student has, with the exception of 2009, gradually decreased.

In summary, the process of higher education massification in Hong Kong has been heavily shaped by the interests of the political and economic elites. The main reason for the rapid transformation of the higher education system from an elitist one to a partially privatised mass system is the dynamic opportunity structure that was presented to the elites of the city. The ongoing processes of globalisation and regional integration, coupled with an increasing demand for educational services, particularly during economic downturns, has presented the elites of the city with mixed opportunities and threats. On the one hand, higher education is a potentially profitable ‘industry’ that can attract not only local resources but also foreign investment and talents (Lui 2014). On the other hand, universities must excel in teaching and research to achieve this goal. This excellence requires a significant increase in investment. To accommodate these competing goals, the model of partial privatisation is adopted for the expansion of the higher education sector. This model enables the city to capitalise on the demand for higher education without significantly increasing public spending. Of course, it is impossible to tell if the interests of the disadvantaged have been considered seriously by the elites in the policymaking process. Nonetheless, the massification of education has improved little in terms of social mobility, as suggested in the next section. If at all, it has enhanced the social standing of the disadvantaged slightly.

**Effects of massification through partial privatisation**

Although enrolment in higher education has recently increased sharply, little evidence suggests that the upward social mobility of the population has improved. To date, enrolment in publicly funded degree programmes has peaked at approximately 18% of the relevant age groups. Furthermore, as mentioned in the introduction, these programmes have increasingly been dominated by youth from wealthy family backgrounds (Chou 2013). The poor are more likely than the wealthy to enrol in the self-financed degree programmes offered during the process of massification. Table 2 reports the detailed findings of Chou’s study regarding the growing inequalities in higher education.

The fact that the poor are highly likely to enter self-financed sub-degree programmes has significant implications for social mobility because employment data suggest that the premium attached to these programmes has been diminishing rapidly. In terms of monthly income from main employment, the difference between the graduates of sub-degree programmes and of upper secondary schools narrowed to approximately 2000 Hong Kong
dollars (roughly 256 US dollars) in 2011, whereas the gap between the graduates of degree programmes and of upper secondary schools was 15,000 Hong Kong dollars (approximately 1923 US dollars) (Figure 5). Moreover, the unemployment rate of the graduates of sub-degree programmes has exceeded that of the graduates of upper secondary school since 2009, as suggested in Figure 6. These findings cast considerable doubt on the employability of graduates from self-financed sub-degree programmes.

This result is by no means surprising. The rapid expansion of the private sector in higher education provision was poorly planned and monitored. Although all self-financed programmes must undergo a rigorous accreditation process administered by the government, their day-to-day operational practices, including admission and teaching, can hardly be monitored in a top-down manner. Thus, these practices are primarily determined by market conditions. Given limited budgets and keen competition, self-financed institutions have developed different strategies to maximise their profit and secure their market share. As expected, some institutions have compromised the quality of education (e.g. by admitting students who do not fulfil the entry requirements) to maximise profit (Wan 2011). A particularly astonishing case occurred in 2012: two self-financed community colleges admitted 5300 new students, which represented an increase of more than 200% in comparison with the admissions rate of the previous year (Chong 2012). Scandals like this, which are not uncommon, have weakened public

### Table 2. Relationship between educational attainment and family background, 1991 and 2011.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under poverty line (%)</td>
<td>Top 10% richest (%)</td>
<td>Under poverty line (%)</td>
<td>Top 10% richest (%)</td>
</tr>
<tr>
<td>Enrolled in university degree programmes</td>
<td>8.0</td>
<td>9.3</td>
<td>13.0</td>
<td>48.2</td>
</tr>
<tr>
<td>Enrolled in post-secondary programmes</td>
<td>16.0</td>
<td>16.4</td>
<td>30.0</td>
<td>23.6</td>
</tr>
<tr>
<td>Neither in full-time education nor employed</td>
<td>20.8</td>
<td>9.1</td>
<td>19.2</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Source: Chou (2013).
aThe poverty line is drawn at half of the median household income.
bUniversity degree programmes include all local and overseas bachelor’s degree programmes and beyond.
cPost-secondary programmes include all certificates, diplomas, associate degrees, and sub-degree programmes.
Figure 5. Median monthly income from the main employment of working population according to educational attainment (highest level attended), 2001, 2006 and 2011.
Notes: The figures include all persons with educational attainment (highest level attended), as represented by different types of diploma/certificate, associateship, or equivalent courses in the 2001 Population Census. No individual figures were available.
Source: Census and Statistics Department (2015a).

Figure 6. Unemployment rate according to educational attainment, 2007–2013.
Note: The unemployment rate is the proportion of unemployed persons in the labour force in the respective groups.
Source: Census and Statistics Department (2015b).
confidence in the quality of self-financed sub-degree programmes, thus resulting in the low employability of their graduates.

Furthermore, while the premium attached to (self-financed) higher education has decreased significantly, the financial burden associated with education has increased significantly for students from poor family backgrounds. Without government subsidies, students enrolled in self-financed programmes must use their own funds to continue their education. Some students end up amassing massive debts by the time they graduate. Previous studies suggest that students who must repay tuition fees have more incentive to enter into dynamic private sector services than those who have no university-related debts and can thus earn a higher income (Ansell and Gingrich 2013). However, the preceding analysis suggests that this general principle does not apply to the graduates of self-financed sub-degree programmes because policymakers have maintained a clear distinction between publicly funded and self-financed institutions, whether deliberately or not. Faced with heavy financial burdens and low social recognition, many self-financed, sub-degree students strive to enter publicly funded degree programmes and are again bewildered by the keen competition for admission. Consequently, many graduates end up with low-paying jobs or are even unemployed.

The expansion of higher education in Hong Kong has occurred almost exclusively in the private sector; therefore, the wage compression encountered by graduates of self-financed programmes indicates that the educational reform has achieved little in terms of enhancing upward social mobility. The rapid expansion of self-financed degree programmes since the late 2000s may have provided additional education opportunities to the graduates of sub-degree programmes; however, similar issues of employability and wage compression can extend from sub-degree programmes to the new self-financed degree programmes considering that publicly funded universities have a budget and a mandate to excel in teaching and research.

Conclusion

This article set out to explain why the massification of higher education in Hong Kong has, contrary to the predictions of traditional accounts, failed to enhance social mobility in the city. It argues that massification can take different forms, which in turn determine its impacts on different social groups. In the case of Hong Kong, the process of massification has been heavily shaped by the interests of the city’s elites, who see higher education massification as a solution to such social and political problems as unemployment and regional integration, but remain reluctant to increase public spending on the sector. Consequently, the massification of higher education in Hong Kong has taken on a partial privatisation model in which expansion occurs almost exclusively in the private sector. As a result, publicly funded degree
Programmes have remained highly selective and are increasingly biased towards wealthy students. In the process, graduates from self-financed programmes are severely disadvantaged in terms of employability despite their investment. This scenario results in wage compression and unemployment. In short, the expanded opportunities for higher education have barely improved the social standing of poor students, if at all.

The findings of this study concur with those of many previous studies on the drawbacks of educational ‘industrialization’ (Brown and Carasso 2013; Lui 2014). Nonetheless, the current results also differ in that they highlight the role of elites in the process. In fact, although partial privatisation may not be an uncommon strategy of massification, the case of Hong Kong still provides valuable new insights adding to the existing literature because the city’s political system has allowed its elites to enjoy special political status and rights. This research not only confirms the potentially regressive nature of higher education expansion by examining the motivations behind higher education reform, but it also sheds light on the political and economic utility of higher education in the view of the elites. This work connects this issue with the problems of employability and social mobility faced by tertiary students. Many Asian countries have expanded their higher education sectors in a similar manner; thus, further research may generalise the findings of this research by determining whether similar dynamics are observed in other systems.

Another avenue worthy of pursuit is the changing popular perception of higher education in Hong Kong. In the 1990s, higher education was viewed by many Hong Kong citizens as a ticket to upward social mobility (Wan 2011). This view justified the massification of higher education. However, as the sector continues to expand, it is necessary to examine whether this has led to any significant change in the educational preferences of the public. Although ordinary people in Hong Kong have limited influence in the policymaking process, their preferences will nevertheless determine the effectiveness of educational reform.

Disclosure statement
No potential conflict of interest was reported by the author.

Notes
1. Other examples include the United States, Japan and Britain.
2. Other examples include Denmark, Norway and Finland.
3. Employment information about graduates from self-financed degree programmes has yet to be made available.
4. The statutory body that is responsible for accrediting self-financed programmes is the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.
Notes on contributor

Siu-yau Lee is an assistant professor in the Department of Asian and Policy Studies, Hong Kong Institute of Education. His research focuses primarily on institutions and institutional change in authoritarian regime and housing and higher education policies in Greater China. He earned his DPhil in Politics and MSc in Modern Chinese Studies (Distinction) from the University of Oxford, where he was a Swire Scholar. His recent publications appear in Asian Survey, Modern China and Social Indicators Research.

References


