



By Glenn Shive

Hong Kong Universities Welcoming Mainland Students

**New Visa Policies Will Help Hong Kong Become
a Regional Hub for Higher Education**

THE HONG KONG GOVERNMENT has relaxed immigration controls on mainland students coming to Hong Kong for university study starting in September 2005. This is a key stroke in building Hong Kong as a regional hub for higher education. Rapid expansion of self-financed mainland students may become for Hong Kong's universities what the individual travel scheme has been for Hong Kong's retail and tourism sector. These students will likely raise academic standards, diversify perspectives in the Hong Kong student body, and enhance Hong Kong as a key link in a supply chain of young talent linking Greater China to the world.

CULTURE: HONG KONG, SAR



GOVERNMENT

Hong Kong, a Special Administrative Region (SAR) of the People's Republic of China (PRC) since July 1, 1997, has a high degree of autonomy, except in the areas of defense and foreign policy, and retains its own currency, laws, and border controls.

POPULATION

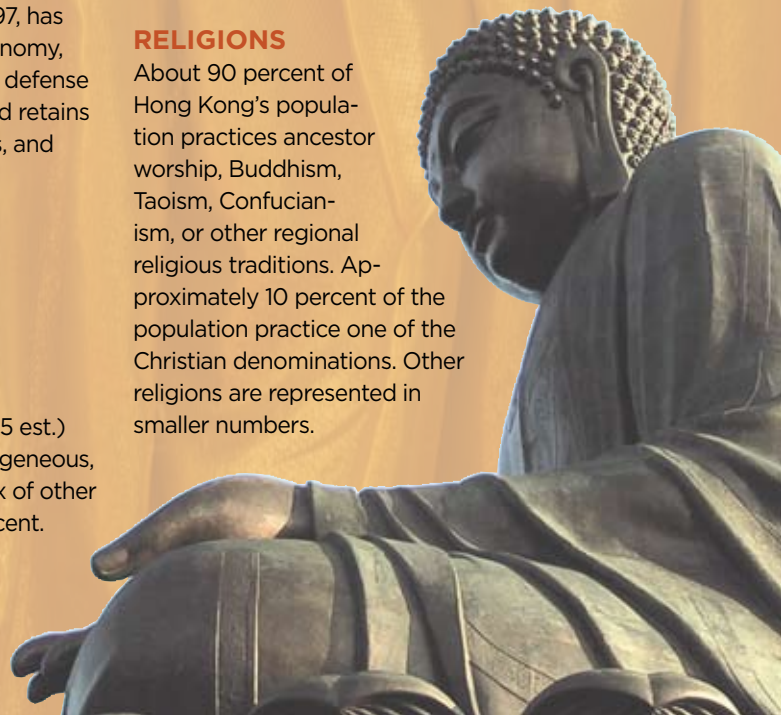
0-14 YEARS: 13.8%
(male 498,771/female 454,252)
15-64 YEARS: 73.5%
(male 2,479,656/female 2,591,170)
65 YEARS AND OVER: 2.7%
(male 404,308/female 470,529) (2005 est.)
Ethnically, the population is highly homogeneous, with about 95 percent Chinese and a mix of other peoples composing the remaining 5 percent.

GEOGRAPHY

Hong Kong is composed of three geographic areas: the New Territories, Kowloon Peninsula, and Hong Kong Island. Land area: 1,104 square kilometers.

RELIGIONS

About 90 percent of Hong Kong's population practices ancestor worship, Buddhism, Taoism, Confucianism, or other regional religious traditions. Approximately 10 percent of the population practice one of the Christian denominations. Other religions are represented in smaller numbers.



One of the Most Open Higher Education Markets in the World

The government's recent action will reduce barriers to mainland students in several ways. Undergraduate programs funded by government will have a collective quota of 10 percent of total enrollment or nonlocal students (4 percent of funded positions and 6 percent for self-financed students). More importantly, there will be no quotas for self-financed programs at postgraduate or subdegree levels. Part-time programs can also admit mainland students. Nonlocal students can enjoy multiple entries to Hong Kong and extend their stay or change academic programs once enrolled for study there. Mainland graduates from Hong Kong degree programs can reenter Hong Kong to take up work. Hong Kong and the mainland have agreed to the mutual recognition of academic degrees, and Hong Kong universities have begun to participate in the mainland's National Colleges and Universities Enrollment System. Recruitment activities on the mainland by Hong Kong universities for fall 2005 entrance are in full swing.¹

These relaxation policies will not diminish the number of funded undergraduate positions for Hong Kong students in local universities. Rather, it sets the stage for growth and diversification for Hong Kong's universities, especially in self-financed, associate degree and taught postgraduate programs. Even as more individual students will come to Hong Kong (inbound mode) to attend universities here, Hong Kong universities are also joining partnerships in the mainland to offer their degree programs (outbound mode) adapted to the demands of the market for higher education in the mainland.

We have come a long way from the handover in 1997 when higher education was generally considered to be on the "two-systems" side of the one-country two-systems equation. Then the main concern was whether the mainland would seek to exercise political or managerial influence over Hong Kong universities. This did not happen. Hong Kong's higher education resources continued to focus on educating young people to enter the Hong Kong workforce. The Jockey Club funded a successful scholarship scheme to bring several hundred undergraduates from the mainland each year to Hong Kong univer-



omy has made manufacturing in China much more cost effective. Hong Kong's reexport business to and from China is a major driver of growth. Per capita GDP is comparable to that of the four big economies of Western Europe.

be biliterate (i.e., master written Chinese and English) and trilingual (i.e. speak fluent Cantonese, Putonghua and English). Hong Kong has 11 degree-awarding higher education institutions.

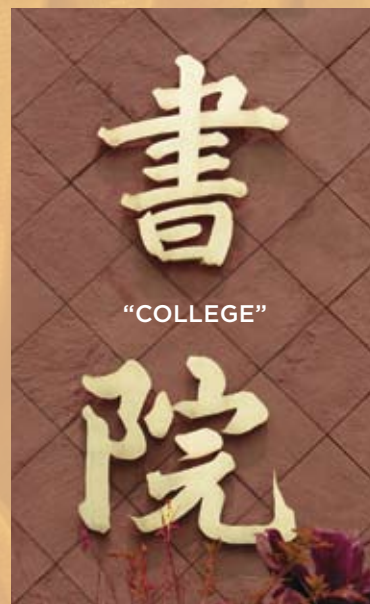
Sources: U.S. Dept. of State Bureau of Consular Affairs and the Government of Hong Kong's "Hong Kong Fact Sheet."

ECONOMY

Hong Kong is cosmopolitan and highly developed. Hong Kong has a free market economy, very dependent on international trade. It has extensive trade and investment ties with China. Hong Kong has been further integrating its economy with China since the administrative change in 1997 because China's growing openness to the world econ-

EDUCATION

In 2004-05, education spending amounted to \$59.5 billion, representing 20.8 percent of the total public expenditure. The government provides nine years of free and universal basic education from the age of six to 15. With both Chinese and English in common use, the government has been promoting the use of Chinese as the medium of instruction and enhancing the language proficiency of students. The aim is for students to





sities for degrees, and many graduate programs began to recruit highly talented students from the mainland. In these initiatives, Hong Kong was the donor. Institutionally, Hong Kong universities emphasized building relationships with just a few top-tier academic institutions in China.

By 2003, however, Hong Kong universities began to face serious budget cuts as the government acted to curtail its deficit. Many subdegree and graduate programs were phased into a self-financed basis. The government promoted self-financed higher education programs through subsidies and student loans for continuing education programs of universities and private agencies. Tung Chee Hwa announced in 2001 that by 2010, 60 percent of secondary school graduates in Hong Kong would have opportunities for further education. As universities felt the pinch of government cutbacks, the supply of new private places in Hong Kong had grown possibly even faster than local demand for them. Although this target seemed ambitious at the time, new educational capacity in this sector has grown so fast that, by 2004, Hong Kong had already reached about 53 percent of the relevant age group going into postsecondary programs. (See “Hong Kong’s New Post Secondary Education Marketplace,” *IE* fall 2003, pp. 32–35.)

Many offshore programs from United Kingdom and Australian universities, finding fewer students leaving Hong Kong for their campuses, began to change strategy and come here to establish top-up programs inside Hong Kong for graduates of the new associate degrees. One of the most open higher education markets in the world, Hong Kong now hosts nearly 1,000 postsecondary education programs from offshore providers that are registered with the Hong Kong Council of Academic Accreditation (HKCAA).

Vast but Problematic Opportunity

In the 1990s, Hong Kong universities tended to see linking with the mainland as a worthy obligation, especially as Hong Kong became

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part of the Peoples Republic of China. Recently, however, Hong Kong universities began thinking of the mainland as a zone of potentially vast, yet still problematic, opportunity to export higher education services. In a few years, there has been a subtle shift from an attitude of “find the best talent in China, and Hong Kong will pay” to “find good talent in China who can also pay” to come to Hong Kong to study at university.

This shift in Hong Kong occurred as China’s sustained economic boom of 9 percent annual growth rates created more and more demand for trained talent. Twenty years after the one-child policy was put in place, the single children of many urban, newly middle class families have begun to reach college age. Chinese universities essentially doubled their freshman intake in the six years from 1998 through 2004, and thus raised the percentage of 18-year olds who study beyond high school to 19 percent. Even so, there is still enormous pent-up demand from social/demographic and economic/manpower sources for university-trained people that the higher education systems in China cannot fulfill.

By 2000, many young Chinese had both the academic qualifications and the financial resources to go abroad to further their studies. About 45,000 went abroad for study in

2002. As the United States recoiled from the September 11, 2001, attacks and raised new barriers to obtaining student visas in China, the ever-growing demand for university study abroad in China shifted quickly toward other countries such as Australia, the United Kingdom, New Zealand, Canada, Ireland, and South Africa in search of open visa lines to English-medium higher education.

In this context, Hong Kong began to realize the potential value of its internationally oriented, English language university programs in a Chinese social ethos sitting on China’s doorstep. New questions arose: What might be the potential for Hong Kong to export its higher education services to the mainland? How would expanded numbers of mainland students fit into academic programs, campus facilities, and the broader Hong Kong society? What forms of outbound delivery of Hong Kong’s university education might be feasible in the mainland? What are the issues for managing the expansion of a new, self-financed (i.e., private), cross-border education sector in a publicly managed and funded university system in Hong Kong?

Additionally, how does the growing economic opportunity motive relate to the more traditional moral motive to serve China? How do these two motives relate to the growing aspiration of Hong Kong universities to become a true hub of quality higher education in the Asian region? These three fundamental motivations have become intertwined. Perhaps together they can form the basis of a new consensus of the role of exporting higher education services in the Hong Kong tertiary system.

New Subdegree Programs

Hong Kong universities and other providers of tertiary education have recently built new capacity to offer subdegree programs on a self-financed basis. This was done largely in response to the government’s initiative to provide 60 percent of those leaving school with further study opportunities by 2010. The self-financed, subdegree sector, often

managed by the continuing education arms of local universities, has grown faster than initially expected and may be in some areas overbuilt for the domestic demand in Hong Kong. They want to attract mainland students into the associate degree and higher diploma programs on full- or part-time bases. The new visa policies are likely to swell their numbers.

It may be, however, that mainland students will eschew these programs as relatively high cost and low status, or even as "dead-end" degrees. To attract mainland students, it will be important for subdegree programs in Hong Kong to show they have clear pathways to further study to bachelor degrees and beyond. This could happen in Hong Kong or in universities abroad that have articulation agreements and top-up degree programs with Hong Kong subdegree programs.

In recent years, universities in America, Australia, and the United Kingdom have partnered with universities and other subdegree providers in Hong Kong to offer easy transfer arrangements to the overseas campus for these graduates. Some universities from Australia and the United Kingdom, but generally not from the United States and Canada, offer bachelor degree completion programs here in Hong Kong for students who cannot go abroad for reasons of cost, work commitments, or family responsibilities. This is partly in response to the decline of Hong Kong students prepared to go abroad for full bachelor degree programs. The top-up programs offered in Hong Kong have attracted associate degree graduates who—if they could afford it—might otherwise have gone abroad to complete bachelor degrees in articulated programs. One observer from Australia guessed that about 25 percent of the subdegree graduates would go to the overseas campus while 75 percent would opt for the Hong Kong-based top-up programs leading to an overseas bachelor degree.

It is of great advantage to Hong Kong's recruitment capacity in mainland China to have international providers in Hong Kong offering a broad range of pathways to bachelor completion in association with local subdegree providers. Also, it is more attractive for the overseas university partners to come to Hong Kong if they can expect both Hong Kong and mainland students to feed into their bachelor programs from the subdegree streams.

Attractive Combination: Chinese Culture and English Language

One of the main attractions for mainland students to come to Hong Kong for university study is to have an international learning experience within a Chinese cultural context. This includes English-medium instruction by internationally active professors, sharing the campus with students from around the world, and options for postgraduate study in advanced countries such as the United States, United Kingdom, Australia, and Canada.

Having bright mainland students from all over China on Hong Kong campuses is an attraction for international students to come to Hong Kong universities on exchanges. Having international exchange students in Hong Kong is also an attraction for mainland students to come to Hong Kong. One group draws the other. The international connectedness of Hong Kong universities is a major draw for mainland students. Only a few elite universities in China have anywhere near the depth and diversity of international ties that reside in Hong Kong.

A greater flow of mainland students into and through Hong Kong will help create enduring cultural and social linkages in the younger generations. More Mandarin will be spoken on Hong Kong campuses, and more careers will cross the boundary between Hong Kong and the mainland at different stages. Hong Kong will absorb more mainland culture, while more young mainlanders will be influenced by Hong Kong culture, ideas, media sources, and lifestyles. The Hong Kong banking, travel, retail, and telecommunication sectors, among others, will benefit directly by more mainland student consumers sojourning in Hong Kong, and taking their acquired tastes and consumption habits back to the mainland after graduation. Many parents of mainland students will come here to visit with pride their sons and daughters at Hong Kong universities.

Longer term, the enhanced talent pool of graduates from increasingly competitive Hong Kong universities will benefit from access to a broad range of Hong Kong employers for whom human resources will be critical for their competitiveness in China and the world. It is clear worldwide that successful economies in the age of knowledge-based industries not only grow their own university graduates from their domestic populations,



VAL WOOLSTON

University of Maryland

NAFSA Member since: 1973

Favorite place to visit: Too many to list them all. I must be undiscriminating — Positano, Italy; Copenhagen, Denmark; Rock Hall, Maryland, Camden, Maine, and on and on....

Most memorable student: Again, that's not fair....I've been in the business too long and there are many.

Favorite NAFSA conference site: Baltimore, although Vancouver was fantastic.

Other than international education, what is your fantasy career? Working at Chicos.

What do you know now that you wish you had when you were younger? To take more vacations.

Why did you pledge to the New Century Circle: NAFSA's given me such a good education and introduced me to such good colleagues who are now Val friends that I simply wanted to give back and make sure there are opportunities for new NAFSAs.

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but attract young talent from elsewhere to study, work, and recreate in their cities.

Evolution of 'One-Country, Two-Systems'

These subtle but important changes in labor, migration, and cross-cultural influences will also be reflected over time in the evolving, multi-layered 'one-country two-systems' framework between Hong Kong and China. Expanding the role of Hong Kong universities in mainland China is an important issue for Hong Kong as it evolves the meaning of 'one-country two-systems' in its education, social, and cultural sectors. As with Closer Economic Partnership Arrangements (CEPA) I and II, this development will bring Hong Kong into closer, more interdependent relations with mainland China. Hong Kong has much to offer China in its impressive education capacity, including our rich and long-standing connections with higher

education and research systems around the world. The growth of mainland students coming into Hong Kong will stimulate the outbound delivery of Hong Kong's educational programs in the mainland. Returning graduates from Hong Kong to the mainland will spread the word about the quality of Hong Kong university education. In a virtuous circle, the success of Hong Kong academic programs taught on the mainland, in both intellectual and managerial terms, will then lead to more students who want to come to Hong Kong for further study.

These synergies with the mainland will strengthen Hong Kong's attractiveness to students from other countries such as the United States and Europe. Hong Kong, as part of China, should become the preferred place to study China where university students from the West get to know and "rub shoulders" with talented and aspiring leaders in all sectors of China's future. Hong Kong is

well-positioned to create new educational opportunities between China and the West that will enhance its role as a major hub for higher education in Asia. With unique practical experience in dealing with the complex higher education systems in the mainland, Hong Kong universities can become a key link in a new supply chain of young talent coming out and going back into China. Building on its strong university infrastructure, this can be Hong Kong's unique place in the emerging global geography of higher education and the mobility of young professional talent. **IE**

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Note

¹ The government tabled these policy changes at the Legislative Council on May 24, 2005. The Hong Kong Trade Development Council released a commissioned report on export of higher education services by F. Hung, G. Shive, and J. Diu on May 27, 2005.



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