Education in the Asia-Pacific Region:
Issues, Concerns and Prospects 28

Yin Cheong Cheng
Alan Chi Keung Cheung
Shun Wing Ng *Editors*

Internationalization of Higher Education

The Case of Hong Kong

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Series Editors' Introduction

This timely book identifies and addresses key issues, prospects and challenges concerning the internationalisation of higher education, with particular reference to the track record and recent experience in Hong Kong, as the Hong Kong government seeks to strengthen HK's position in becoming an increasingly significant education hub in Asia.

An education hub is generally perceived as being an internationally oriented centre for educational excellence, marked by a concentration of leading educational institutions; an educational centre able to attract high-quality international faculty and a large number of high-quality overseas students; and an educational centre that generates high-quality frontline research across a range of disciplines.

In terms of societal characteristics, an education hub occurs in: a knowledge-driven society, with resources committed to the cultivation of new knowledge and capabilities; a society where new talent and creativity contribute to commercial enterprises in the business sector; a society where education is seen as a service industry operating through various channels, such as established institutions, e-learning and external outreach (satellite campuses, partnerships, etc.); a society that valorises creativity, diversity, human capital, education and training; and a society that has a global vision for its students and for its educational institutions. Education hubs are often successful centres of business activity where knowledge-based industries and enterprises are able to recruit graduates from leading universities based in such centres. The perception in such societies is that there are multiple benefits (from such activities) for the society as a whole, both direct, in the form of revenues, and indirect, in the form of the development and enhancement of human capital.

In terms of Hong Kong government policy, the 2009 Policy Address given by the chief executive of the time was significant when it stated that the purpose of the development of education services [in Hong Kong] was to: *enhance Hong Kong's status as a regional education hub, boosting Hong Kong's competitiveness and complementing future development of the mainland*.

Other countries such as Malaysia and Singapore have linked the development of an education hub with a platform for innovation and enterprise. In the case of Hong Kong, the purpose of promoting an education hub is to shift the economy to one

which is knowledge-based, to diversify the economy away from property speculation and financial services and to instil a strong commitment to value added, with a focus on value creation and employment growth.

This book examines the internationalisation of higher education with particular reference to Hong Kong as an education hub in Asia. The volume is organised into three sections which examine internationalisation as a feature of the development of education hubs, the key role of education marketing and internationalisation as a part of international student development. Authors contributing to the volume point to the fact that in addition to the economic benefits derived by education hubs such as Hong Kong, such hubs are also an important part of 'soft power' with regard to their social, cultural and even political influence.

The book also examines case studies of Malaysian and Indonesian ethnic higher education students and students from Mainland China, in Hong Kong, with regard to how they fit into university life in Hong Kong.

The volume is an important contribution to the growing body of policy- and practice-orientated literature which examines key issues, concerns and prospects regarding the internationalisation of higher education with particular reference to the development and role of regional education hubs. Although Hong Kong is a relatively small regional education hub when compared to other education hubs in the Asia-Pacific and in other parts of the world, the insights gained from this case study of Hong Kong as a higher education hub will not just be of interest to those in Hong Kong but will also no doubt be of keen interest to researchers, policymakers and practitioners worldwide.

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Chapter 1
Internationalisation of Higher Education: Conceptualization, Typology and Issues

Yin Cheong Cheng, Alan Chi Keung Cheung, and Shun Wing Ng

Abstract Given the strong worldwide trend of internationalisation of higher education, what implications can be drawn from the ongoing progress for research development, policy improvement and practical innovation in higher education? Based on international literature, this chapter will review and discuss the complicated nature of higher education internationalisation and propose a conceptualization matrix to capture its major characteristics. A typology of higher education development will also be proposed to illustrate how internationalisation is related to the future directions and scenarios of higher education development in Hong Kong and beyond. It is hoped that both the development typology and conceptualization matrix can help policy makers, educators, researchers, social leaders and change agents to understand the related issues of internationalisation of higher education in a wider context. Taking Hong Kong as a case in the fast-developing Asia-Pacific region, this chapter will also introduce the key features of the book composed of three parts with ten chapters which provide comprehensive studies with quantitative and qualitative empirical evidence and diverse perspectives to analyse and review the key issues and challenges in different aspects of the internationalisation of higher education. It aims to draw implications and recommendations for future developments in both Hong Kong and international communities.

Keywords Internationalisation of education • Education hub • Education industry • Higher education • Internationaleducation • Human resources management • Hong Kong

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1.1 Global Growth of Higher Education

In meeting the fast increasing challenges from globalisation, international competition, economic transformation and technological innovation, the development of higher education for building up competitive human resources has become an important worldwide movement in the last two decades (Lane, 2015; Yeravdekar & Tiwari, 2014). This movement is evident in a tremendous growth in tertiary student enrolment in different parts of the world. The total global enrolment in higher education has jumped from 85 million in 1997 to 182 million in 2011, representing a 114 % increase (UNESCO Institute for Statistics, 2014). The fast growth of higher education will continue particularly in the Asia-Pacific region in the coming decades.

In such a global context, internationalisation of higher education has received central attention or strategic priority in international declarations, national policy statements, university strategic plans and academic articles since the turn of new century (Knight, 2014a). In general, it was often believed that the processes and results of internationalisation contribute to the development of student global competences, economic competitiveness, income generation, national soft power building, modernization of the tertiary education sector and transformation towards a knowledge/innovation society (Altbach & Knight, 2007; Knight, 2014b; Mohsin & Zaman, 2014; Mok & Ong, 2014; Yeravdekar & Tiwari, 2014).

As one of the indicators showing active internationalisation of higher education, the number of international students studying in overseas universities has grown by leaps and bounds in different parts of the world, and international education has become a booming business in the past two decades (Institute of International Education,2008;2014). Recently, it was projected that the number of international students will grow from 4.5 million in 2012 to 8 million in 2025 (OECD, 2014).

Given the strong worldwide trend of internationalisation of higher education, what implications can be drawn from the ongoing progress for research development, policy improvement and practical innovation in higher education? Taking Hong Kong as a case in the fast-developing Asia-Pacific region, this book composed of three parts with ten chapters provides comprehensive studies with quantitative and qualitative empirical evidence and diverse perspectives to analyse and review the key issues and challenges in different aspects of the internationalisation of higher education. It aims to draw implications and recommendations for future developments in both Hong Kong and international communities.

Based on international literature, this first chapter will review and discuss the complicated nature of higher education internationalisation and propose a conceptualization matrix to capture its major characteristics. A typology of higher education development will also be proposed to illustrate how internationalisation is related to the future directions and scenarios of higher education development in Hong Kong and beyond. It is hoped that both the development typology and conceptualization matrix can help policy makers, educators, researchers, social leaders and change agents to understand the related issues of internationalisation of higher education in a wider context. At the end, this chapter also introduces the key features of the book and its chapters.

1.2 Conceptualization of Internationalisation

To different people, institutions and countries, the nature, purposes and practices of the internationalisation of higher education may be different. Some people may adopt a narrow activity-based or technical approach to conceptualising and managing internationalisation. Limited by narrow conceptions, there may be some myths and misconceptions about internationalisation. For example, Knight (2011) pointed out five myths such as foreign students as internationalisation agents; international reputation as a proxy for quality; the more international agreements an institution has, the more it is seen as being prestigious and attractive; the more international accreditations an institution has, the more it is seen as being internationalised; and internationalisation for global branding. Furthermore, de Wit (2011) highlighted nine misconceptions in a predominantly activity-oriented approach towards internationalisation:

1. Education in the English language;
2. Studying or staying abroad;
3. Internationalisation is synonymous with providing training based on international content or having international connotations;
4. Having many international students equals internationalisation;
5. Few international students guarantees success;
6. There is no need to test intercultural and international competencies;
7. The more partnerships, the more the success of internationalisation;
8. Higher education is international by nature; and
9. Internationalisation as a precise goal.

Following the worldwide progress in the past two decades, the scope, nature and aims of internationalisation of higher education have been much expanded and enriched and should be conceptualised in a more comprehensive process-based approach instead of a narrow conception with focus mainly on some technical activities or provisions of international education. Knight (2008) has proposed a broader definition of internationalisation of higher education as 'the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education'. As further argued by Ennew and Greenaway (2012), internationalisation is a set of activities as well as a way of approaching the operation of a university, serving as a management philosophy and an organisational function covering a broad range of key components such as:

- An international curriculum (in terms of both skills and content);
- An international environment and experience (food, community, and entertainment);
- Inward and outward student mobility (which may include exchange, study abroad and fee-paying international students);
- Inward and outward staff mobility;
- Engagement with international networks (APRU, U21 and WUN);
- International collaboration, whether with universities, businesses, governments, NGOs or others;
- Research collaborations (whether at the level of individual subjects or at institutional level, formal or informal);

- Teaching (joint, dual degrees, split site programs, validations, franchises and articulations); and
- International operations (delivering teaching or research in a different location internationally).

(Ennew & Greenaway, 2012, pp. 4–5)

From the above discussion, we can see that the nature and purpose of internationalisation of higher education have become increasingly complicated, dynamic and multidimensional in the last few decades. It may have multiple purposes or motives including academic/educational motives (e.g. development of student/staff global competences, world-class academic capacity building, international benchmarking, etc.), economic motives (e.g. development of economic competitiveness, financial income, etc.), political motives (e.g. enhancement of national soft power, regional diplomatic influence, etc.) and social/cultural motives (e.g. facilitating societal transformations, multicultural adaptations in response to a globalised world, etc.) (Altbach & Knight, 2007; Ennew & Greenaway, 2012; Mohsin & Zaman, 2014; Yeravdekar & Tiwari, 2014).

In addition to having multiple purposes and motives, internationalisation may also include international mobility of key actors and elements and various types of international activities across borders in functional areas of higher education. The complexities and domains (or dimensions) in the conceptualization of higher education can be illustrated by a matrix as seen in Fig. 1.1. It seems that the discussion and analysis of internationalisation may not be limited to international mobility of students, teachers and programmes (Bista & Foster, 2014; Clifford & Montgomery, 2014; Healey & Michael, 2014; Jones, 2013; Quezada, 2014; Rhodes, Loberg, & Hubbard, 2014; Yee, 2014) but may also be extended to expertise, knowledge and institutions and even to developing a city as a regional education hub (Cheng,

A. Purposes/Motives of Internationalization					
• **Academic/Educational:** Student/staff global competences, World-class capacity building, International benchmarking, etc. • **Economic**: Economic competitiveness, Financial income, etc. • **Political:** National soft power building, Diplomatic influence, etc. • **Social & cultural**: Societal transformations in a globalized world, etc.					
C. International Activities	**B. International Mobility of Key Actors/Elements**				
	Students	Teachers	Expertise/ Knowledge	Programmes	Institutions
Delivery					
Exchange					
Export/ Import					
Marketization					
Entrepreneurship					
Competition					
Building Alliances/ Collaboration					
D. Functional Areas of Higher Education	Teaching/Learning, Curriculum, Professional & Development Services, Research, Consultancies, Knowledge Sharing, Technology Transfer, etc.				

Fig. 1.1 Internationalisation of higher education: a conceptualization matrix

Cheung & Yuen, 2011; Knight, 2014a, 2014b; Li & Roberts, 2012; Tadaki & Tremewan, 2013).

Given the fast expansion of higher education in recent years, internationalisation processes have become more complicated, including not only the traditional modes of international delivery, exchange and export/import of higher education services but also the emerging modes of international activities such as international marketisation, entrepreneurship, competition, building alliances and collaboration across borders (Ennew & Greenaway, 2012; Cheng et al., 2009; Knight, 2014c; Mazzarol, Soutar & Seng, 2003). Internationalisation happens not only in functional areas of teaching, learning, curriculum and professional and development services but also in that of research, consultancies, knowledge sharing and technology transfer across borders.

This conceptualization matrix can provide a comprehensive approach to organising various types of strategies for research and development of internationalisation of higher education as below:

1. *Focus on one key domain of internationalisation*: Some typical examples of research and development questions may include:

   What are key issues and dilemmas related to formulation of purposes/motives of internationalisation?
   What are the major local and international trends of the international mobility of students, teachers and programmes?
   What are the major concerns and conflicts in implementing various types of international activities?
   How can the functional areas of higher education (such as research, teaching and programmes) be internationalised in terms of the international mobility of key actors or international collaboration?
   This kind of research may help in understanding the characteristics of some key aspects of internationalisation and if necessary make some comparisons between higher education systems regionally or internationally.

2. *Focus on the relationship between key domains of internationalisation*: Examples of research and development questions may include the following:

   How is the international mobility of key actors (such as students, teachers and researchers) related to the purposes and motives of internationalisation in practice?
   How can the international activities contribute to the enhanced international mobility of students, teachers and programmes?
   In what functional areas of higher education can the international activities and international mobility of key actors contribute most to the achievement of multiple purposes of internationalisation?
   This kind of research may help to explore the complicated relationship between key factors or domains and to understand how changes in one domain (say, international activities) may result in or associate with enhancement of other domains (say, academic and economic motives) of internationalisation. Comparatively, this kind of research may have stronger implications for theory development, practical improvement and policy formulation.

3. *Adopting a holistic approach*: The conceptualization of research and development involves the key factors of most domains as a whole. One typical example of questions may be: How can the international mobility of key actors and elements work well with the full spectrum of international activities to create synergy, innovation and new capacity in key functional areas of higher education (such as learning, teaching, professional services, research and knowledge transfer) and achieve planned multiple purposes and motives of internationalisation? Given the emerging trend of developing education hubs, research with such a holistic approach can provide a more comprehensive perspective including multiple domains in a societal context to investigate the key factors and processes as well as the related issues of developing a city or a district as a regional education hub for the internationalisation of higher education.

1.3 Typology of Development

The discussion and analysis of internationalisation of higher education cannot be separated from the mainstream of higher education development in the local and global contexts. Presently, the development of higher education worldwide is often influenced by two key tensions (Cheng, 2004). The first tension is between *public funding* and *private funding/market driven*, and the second is between *global/regional orientation* and *local orientation*, as illustrated in Fig. 1.2. To a great extent, the global/regional orientation is in line with the internationalisation of higher education we discussed above.

With these two tensions, a new typology of four scenarios can be proposed for considering the directions of higher education development. *Scenario 1 development* is characterised by public funding and a global/regional orientation with emphasis on development of world-class higher education, international benchmarking, global branding, international exchange and collaboration and global competitiveness at individual (staff, students), institution and system levels. *Scenario 2 development* is driven by market demands/private funding and a global/regional orientation with emphasis on higher education's international marketisation and export, global entrepreneurship and industrialization. To some extent, this development with the focus on international marketisation and export is echoing some common practices taking international education as internationalisation of higher education.

Scenario 3 development is driven by the market demands/private funding and a local orientation. Different from Scenario 2, it emphasises higher education's local marketisation, privatisation, expansion and diversification of provision to meet the growing diverse demands in local communities. Comparatively, *Scenario 4 development* is the traditional model of higher education development, characterised by public funding and local orientation. It puts the focus on using public funding to develop higher education meeting the local needs in manpower planning, nation

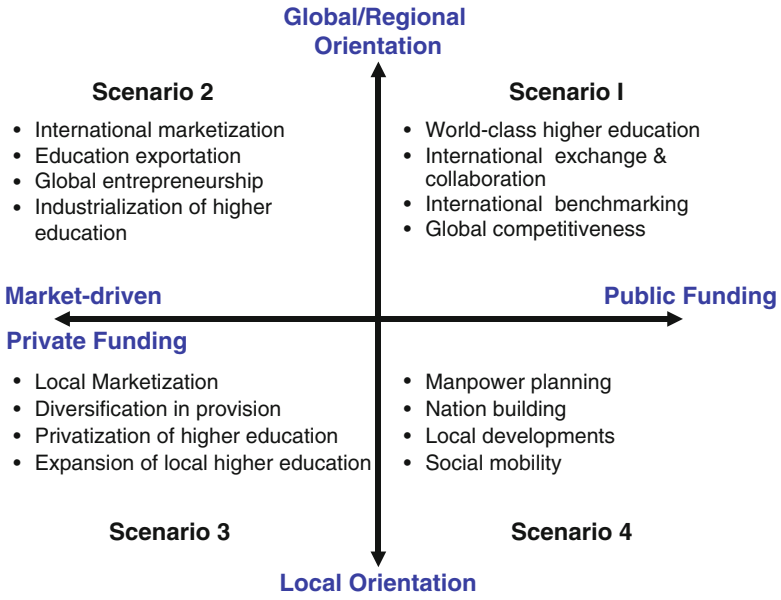

Fig. 1.2 A typology of higher education development: four scenarios

building, community development and social mobility. Internationalisation of higher education may not be the major concern in this model.

Conceptually, this typology of higher education development together with the above conceptualization matrix of internationalisation can provide a comprehensive and original framework to observe, study and analyse the complicated issues and concerns related to the fast development and internationalisation of higher education in the case of Hong Kong and other parts of the world. In particular, it can provide a new conceptual map to identify and understand the local and international significance of the issues raised and their related analyses in each subsequent chapter of this book in a globalised context. It can contribute to filling the gaps in ongoing policy analyses and developments worldwide related to internationalisation of higher education.

1.4 The Case of Hong Kong

In the 1960s and 1970s, Hong Kong, as a small British colony geographically and economically close to socialist China, operated in a relatively special and stable political environment, striving to achieve a steadily growing economy through developing its manufacturing industries and regional trade. Since the late 1970s, with the implementation of compulsory education, the school system expanded quickly in both primary and secondary education in order to meet the challenges of

rapid economic growth. In the 1990s, after the expansion of the school system and the transition of Hong Kong from a predominantly labour-intensive manufacturing economic system to an international financial and business centre, Hong Kong made a great effort to largely expand and upgrade its higher education system with aims to produce higher-level human resources and intellectual capacity to meet the emerging needs in future developments. Particularly in the past two decades, Hong Kong society has been experiencing numerous challenges as it undergoes a great transformation due to the fast-changing economic environment in the Asia-Pacific region as well as the political transition in July 1997, from a British colony to a special administrative region (SAR) of China (Cheng, 2015).

The expansion and development of higher education in Hong Kong in the 1990s were evident in terms of grooming universities. In addition to The University of Hong Kong (HKU) and The Chinese University of Hong Kong (CUHK) previously founded in 1911 and 1963, respectively, one new university (The Hong Kong University of Science and Technology, HKUST) was founded in 1991, and other five colleges or institutes were upgraded and granted with full university status, respectively, in the 1990s. The enrolment rate for undergraduates had been increased from 2 % in the 1970s to 18 % in government-funded programmes in the late 1990s (University Grants Committee, 1996). Currently, there are eight university-level institutions under the ambit of the government-appointed University Grants Committee (UGC), representing the major cluster of universities funded by the Hong Kong SAR government. They include HKU, CUHK, HKUST, City University of Hong Kong (CityU), Hong Kong Baptist University (HKBU), The Hong Kong Polytechnic University (PolyU), Lingnan University (LU) and The Hong Kong Institute of Education (HKIEd).

Each of the UGC-funded institutions is an autonomous body with its own ordinance and governing council. They have substantial freedom in controlling academic programmes and professional standards, recruiting and selecting staff and students, initiating research activities and allocating resources to internal functioning. Given they are largely supported by public funds, the government and the community at large have a legitimate interest in their operation to ensure their accountability through UGC. The UGC safeguards the academic freedom and institutional autonomy of the institutions, while it ensures value for money for the taxpayers. The UGC plays a key role in allocating funding to its funded institutions and offering impartial and respected expert advice to the government on the strategic development and resource requirements of higher education in Hong Kong (UGC, 2007).

As an international city and a meeting point of the West and the East, Hong Kong has a strong tradition to echo the global trends in its development and has initiated a series of reforms in both school education and higher education in the past few decades. In 1996, UGC published its report *Higher Education in Hong Kong* to encourage internationalisation of UGC-funded institutions with recruiting more international academics, increasing the ratio of nonlocal undergraduate and postgraduate students and strengthening the cooperation with other higher education institutions in Mainland China and foreign countries (UGC, 1996). In

1997, the former Chief Executive Tung Chee-hwa's policy address further promoted internationalisation by reinforcing cross-cultural learning, doubling the proportion of nonlocal undergraduates to 4 %, increasing the percentage of nonlocal research students from one fifth to one third and recruiting outstanding Mainland Chinese students (Tung, 1997). In 2004, Tung promulgated the notion of developing Hong Kong as a regional education hub (Tung, 2004). In 2009, Tsang Yam-kuen as Tung's successor continued the policy of enhancing Hong Kong's status as a regional education hub, boosting Hong Kong's competitiveness and complementing the future development of the Mainland (Lo & Ng, 2013; Tsang, 2009).

In a context of globalisation, the experiences of development and internationalisation of higher education in Hong Kong particularly in the past two decades may provide a strong case for understanding the dynamics of educational reforms and drawing theoretical and practical implications for research, policy formulation and implementation of higher education internationalisation not only in Hong Kong but also in other international communities (Cheng, 2015).

For many years, Hong Kong's higher education was mainly publicly funded and served the needs of the local community in development, as per Scenario 4 of Fig. 1.2. In particular, it served the purposes of the government in manpower planning, society building and social mobility.

However, since the economic crisis in 1997, the Hong Kong higher education sector has been facing substantial financial cuts from the government. Nearly all tertiary institutions funded by the UGC have started repositioning themselves to meet the challenges of globalisation and the impact of international competition. As indicated in Fig. 1.3, there are three directions of repositioning towards Scenarios 1, 2 and 3 (Cheng, Cheung & Yuen, 2011).

First, with resource support and encouragement from the government, the tertiary sector in Hong Kong has started going more regional and global, pursuing world-class education and building areas of excellence for global competitions, as per Scenario 1. In addition, the tertiary sector continues to internationalise its institutions by attracting excellent nonlocal students and professors and encouraging more international collaborations and exchanges in teaching, research and programme offering (UGC, 2004).

Second, with the backing of government policy, many higher education institutions have started offering self-financed programmes to meet the rising local demands for diversified undergraduate and postgraduate education and continuing professional education, as per Scenario 3. For example, as encouraged by the government, higher education institutions have been offering a large number of self-funded associate degree courses to meet the policy expectation of 60 % of all high school graduates enrolled in college education in recent years. In the past 10 years, each tertiary institution has contributed much to, and generated substantial revenues from, these self-financed programmes. This signifies the start of the industrialization of education to serve expanded local needs in the higher education market.

Third, some tertiary institutions have started expanding their self-financed programmes to Mainland China and the Asia-Pacific region to provide high value-

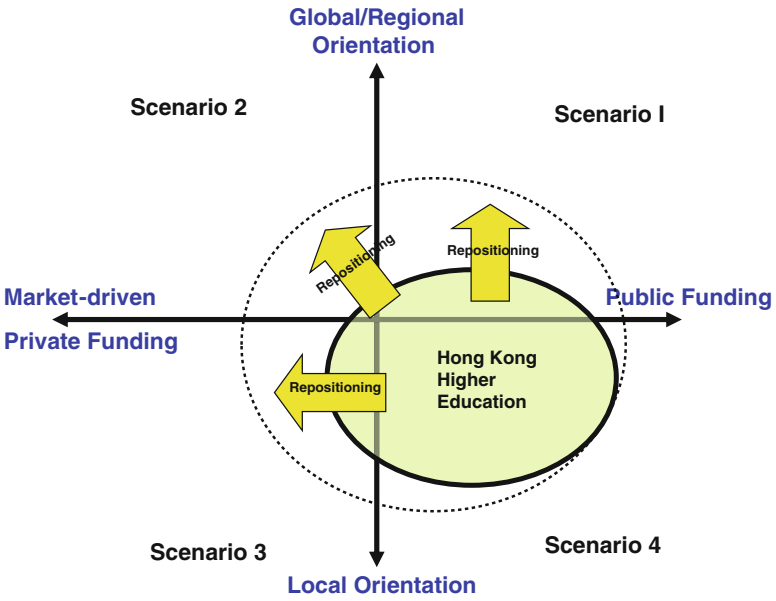

Fig. 1.3 Repositioning of Hong Kong higher education (Adapted from Cheng et al. 2011)

added services in recent years, as Scenario 2. For example, the world-renowned MBA and EMBA programmes offered by several Hong Kong universities are examples of this kind of high value-added education service. Despite Hong Kong's reputable universities and programmes, the size and the scope of education exportation to the international market are limited. Hong Kong still has a long way to go if it wants to export its higher education and share a substantial portion of the international market. The ongoing discussion on developing Hong Kong as a regional education hub focuses on internationalising higher education and exporting education services to Mainland China and the Asia-Pacific region on a larger scale.

Overall, the direction of development of higher education in Hong Kong is first 'to continue to serve local needs and at the same time to gear towards global relevance' and second 'to maintain the level of public funding and yet to further expand the self-financed markets' as indicated in Fig. 1.3.

The chapters of this book provide a collection of the latest empirical studies, analyses and reviews of a wide range of key issues related to the development and internationalisation of higher education in Hong Kong, particularly in the last two decades. The findings and implications from each chapter aim to inform further research development, policy transformation and practical implementation in different key aspects of internationalisation of higher education in Hong Kong and other parts of the world. The book is divided into three parts.

1.5 Internationalisation as Education Hub Development

Part I includes three chapters with a focus on internationalisation as education hub development. Developing Hong Kong as a regional education hub requires a more holistic approach to internationalisation of higher education potentially covering the international mobility of all key actors and elements (such as students, staff, programmes and institutions) and a wide range of international activities involved in all the key functional areas of higher education to serve the multiple purposes and motives of internationalisation as indicated in the above conceptualization matrix of internationalisation (Fig. 1.1).

Chapter 2 by Y.C. Cheng, A.C.K. Cheung and T. W.W. Yuen (*Developing Hong Kong as a Regional Education Hub*: *Functions*, *Modes and Requirements*) reviews and analyses the functions, modes, requirements and related issues of developing a regional education hub in the Asia-Pacific region. Taking Hong Kong as an emerging case, it examines the relationship between education hub development and higher education development as well as the strategic functions of an education hub for the future development of Hong Kong. The development of an education hub was found to be closely linked to the demands for higher education in the Asia-Pacific region as well as the internal dynamic of higher education and societal developments in Hong Kong. The mode of education hub development in Hong Kong should put more emphasis on world-class soft power building instead of marketisation for generating financial income. The requirements for successful education hub development include the huge demand for provision and internationalisation of higher education in the region, the strengths of the higher education sector, the policies and measures for attracting and supporting international students and education service providers and the leadership and support of key government bureaux or central agencies.

K. H. Mok's Chap. 3 (*The Quest for Regional Education Hub Status*: *Challenges*, *Possibilities and Search for New Governance In Hong Kong*) analyses the background of the rise of internationalisation of higher education and development of education hubs in Asia in general and Hong Kong in particular. He points out that with the strong intention of enhancing the global competitiveness of their higher education systems, governments across different parts of the world, especially those in Asia, have engaged in the quest for different forms of hub status such as education hub, student hub, talent hub and knowledge/information hub. To attract more overseas students to study in their countries (or create more educational opportunities for their citizens), some Asian governments have invited foreign universities to set up their campuses to provide transnational education programmes, while others have engaged in the quest for regional education hub status. This chapter sets out, against this wider policy context, to critically examine how Hong Kong stands in the journey of making the city-state a regional education hub, with a particular emphasis on examining the major challenges and possibilities, as well as the implications for university governance of the rise of transnational education programmes and the proliferation of providers in education.

While the Hong Kong government and the tertiary education sector have sought to develop the city into a regional education hub, Chap. 4 of W. Y. W. Lo (*Rethinking the Notion of Hong Kong as a Regional Education Hub*: *Towards a Cosmopolitan Approach to Internationalization of Higher Education*) examines the notion and significance of the education hub concept in the development of higher education in Hong Kong. It looks into the main initiatives made by the Hong Kong government to implement its education hub strategy and then critically examines the effects of the hub strategy with a focus on the tensions between Hong Kong and Mainland China. It also explores the special status of Hong Kong's higher education sector in China under the 'one country, two systems' constitutional framework. The chapter argues that a capitalist and instrumentalist interpretation of internationalisation of higher education is not sufficient to understand the importance of the education hub notion to the development of higher education in the city. It proposes cosmopolitanism as an alternative ideological rationale for internationalisation of higher education.

From these chapters in Part I, we can see that the development of Hong Kong as a regional education hub provides a more comprehensive approach to repositioning the higher education system of Hong Kong towards more global and regional oriented (i.e. Scenario 1) and more market driven and private funded (i.e. Scenario 2), as shown in Fig. 1.3. This repositioning intends to support the future developments of Hong Kong with grooming a new generation of world-class human resources and intellectual capital in meeting the emerging challenges and demands in an era of globalisation. With broadening the sources of private funding from local and regional markets, the provision and enhancement of higher education may be supported with more resources to meet the diverse expectations and increasing demands of stakeholders in a competitive environment.

1.6 Internationalisation as Education Marketisation

Part II of the book is composed of three chapters with a focus mainly on different aspects of international activities particularly related to marketisation of international education in processes of internationalisation of higher education in Hong Kong.

Chapter 5 of S.W. Ng and S.Y. F. Tang (*Critical Reflections on the Challenges and Strategies Associated with Internationalizing Hong Kong's Higher Education*) reports a research project on exploring the emerging issues and challenges of attracting Asian students to pursue higher education in Hong Kong. The study found that the strategies *associated with* internationalisation, at both the system level and the institutional level, attempted to address problems generated by the barriers to exporting higher education and so build on the attractions of studying in Hong Kong's higher education system. These strategies are mainly driven by brain gain and income generation. Drawing on the research findings, they suggest going beyond the profit-oriented vision and exploring the real mission of promoting higher

education services overseas that contribute to the enhancement of higher education receivers' learning experiences and preparing students to be future leaders in a humanised environment.

T. W. W. Yuen, A. C. K. Cheung, and C. Y. M. Yuen's (*A SWOT Analysis of Exporting Hong Kong's Higher Education to Asian Markets*) Chap. 6 explores the issues related to the export of higher education from Hong Kong to Asia with an analysis of Hong Kong's strengths, weaknesses, opportunities and threats in a competitive regional market. With the rapid economic growth and development of the Asian economies in recent decades, there has been a continued rise in the number of students from Asian countries studying outside their home countries. This chapter attempts to highlight the major conditions, limitations, challenges and opportunities for Hong Kong's export of higher education in relation to her potential of being a regional education hub in Asia. The evidence and observations in this chapter were mainly based on the study visits the researchers conducted to such Asian countries as India, Malaysia and Indonesia, which are important sources of international students in the region. The chapter concludes by examining the implications for the Hong Kong government and the higher education sector seeking to capture these growing Asian markets.

How to promote the export of higher education is one of the core concerns at both the government policy level and institutional implementation level in processes of internationalisation. Chapter 7 of A. C. K. Cheung, C. Y. M. Yuen, T. W. W. Yuen, and Y. C. Cheng (*Effective Strategies and Policies for Exporting Hong Kong's Higher Education to Asian Markets*: *Lessons from other Countries*) presents the findings of a study to explore effective strategies and policies for exporting Hong Kong's higher education in the Asian markets. They examined and compared the strategies and policies that are currently employed by Australia, the United Kingdom and Singapore. The data for this project were obtained primarily from a wide range of documents (e.g. government reports, policy addresses, official statistics, etc.) and in-depth interviews conducted in Hong Kong as well as in the four studied cities—Mumbai, New Delhi, Jakarta and Kuala Lumpur. Interviewees included government officials, academics, higher education institutions' representatives, consulate generals and officials from policy bodies. It was found that a set of favourable policies and strategies at the national level was behind the success of these competitors. Such policies are not confined to educational policies but include population and employment policies.

As illustrated in the conceptualization matrix (Fig. 1.1), there are some typical international activities in internationalisation of Hong Kong higher education, such as international exchange, export and import of education services, marketisation, entrepreneurship, competition and collaboration. The above chapters in Part II provide a spectrum of analyses on the issues of international marketisation of education and related activities. They also discussed the various challenges and strategies in active transformation of Hong Kong higher education from the fully government-funded mode towards the partially market-driven mode in the past fifteen years as illustrated in Fig. 1.3. How the UGC-funded institutions have transformed themselves with international marketisation in Hong Kong may be a good reference to

the international communities which aim to make transformation of their higher education systems in a context of international competition.

1.7 Internationalisation as International Student Development

Students are the most important actors in the internationalisation of higher education. The three chapters in Part III focus on the issues of international students' learning, development and adaptation to cross-cultural environments in the process of internationalisation. P.L. Choi and S.Y.F. Tang's Chap. 8 (*Cross-border Higher Education as Identity Investment*: *Cases of Malaysian and Indonesian Ethnic Chinese Students in Hong Kong*) provides a micro analysis of the issues by reporting a case study on two ethnic Chinese students, one from Malaysia and one from Indonesia, who chose to pursue higher education in Hong Kong. By placing the students at the centre of the investigation against the social, political, economic and educational contexts of their home countries, as well as the host territory, this life history study seeks to gain a holistic understanding of cross-border mobility. Findings suggest that the external push-pull factors were mediated by the students' personal backgrounds and dispositions in their decision-making. The data show that the two students benefited from the cross-border mobility in terms of redefining their ethnic identities and creating global academic and professional identities, but in addition, the implications of the purposes of cross-border mobility and study methods for student mobility are discussed.

With the concerns of international student's development and adaptation, Chap. 9 by Peter Bodycott (*InternationalStudents on Campus*: *Cultural Difference and Internationalisation Policy and Practice*) offers insights and ways by which higher education institutions and administrators can develop more effective internationalisation policies and management procedures to support international student adaptation. For many international students, fitting in to their new learning environment and developing intercultural relations is a significant challenge. The chapter examines how local and international students' cultural capital and expectations can influence intercultural understandings and practices. It argues for new policy, management and teaching approaches that reflect values in building understanding of cultural diversity and address the cultural and academic expectations of students and families. The chapter uses as an example students from Confucian-heritage societies studying in Hong Kong. However, the recommended policy, management principles and teaching approaches apply to students from all cultural backgrounds.

X. S. Gao's Chap. 10 (*To Stay or Not to Stay in Hong Kong*: *An Examination of Mainland Chinese Undergraduates' After-graduation Plans*) is concerned with the far-reaching academic, financial and social consequences for students themselves and their host communities of the dramatic rise in cross-border flows of students in

search of information, knowledge and credentials. Drawing on Ajzen's (1991) theory of planned behaviour, his study explores the decisions of a group of Mainland Chinese undergraduates and their plans for their careers and lives beyond graduation from a major university in Hong Kong. Twenty-three Mainland Chinese undergraduates participated in in-depth interviews about their educational experiences and the plans they had after graduation in Hong Kong. Analysis of the data revealed that most of the participants regarded Hong Kong as a transition point in their lives and had no intention of settling down permanently in the city, confirming the impression that these 'elite' students are highly mobile or 'floating'. In other words, they see their educational experiences as contributing to the realisation of transnational aspirations. The transnational nature of these students' educational migration suggests that host contexts like Hong Kong regard them not only as potential human resources for local economies but also as part of their expanding social networks, which are strategically important for these contexts to enhance global influence.

As indicated in the conceptualization matrix (Fig. 1.1), there are multiple purposes and motives of internationalisation of higher education, including academic/educational purposes, economic purposes, political purposes, social and cultural purposes. In the processes of internationalisation, there may be tensions or dilemmas in pursuit of these multiple purposes particularly in a short period with limited resources. How to manage these tensions and ensure the achievement of educational purposes for local and international students is a key concern in policy making and implementation at both system and institutional levels. The analyses in the chapters of Part III focus on the micro processes and their impacts of internationalisation of higher education on international students' learning and development which are the core part of education. The findings from these micro observations at the student level in fact urge the policy makers, education leaders, change agents and scholars to reflect on the deeper meanings of internationalisation and its multiple purposes as illustrated in the conceptualization matrix or the typology of higher education development (Fig. 1.2).

1.8 Concluding Remarks

In facing the challenges of increasing globalisation, international competition and transformation towards a knowledge economy, how to build up world-class human capital and expand regional soft power through various initiatives in the development of higher education has become a core policy concern of many leaders, policy makers, educators and researchers locally and internationally. Particularly, since the turn of the new century, internationalisation, diversification, marketisation and the export of higher education and the development of regional hubs in education have been the key trends and initiatives in many countries in the Asia-Pacific region and beyond. Compared with the huge development, there is a lack of comprehensive research and related literature to guide the policy discussion, formulation and practice in this area both regionally and internationally.

As an international city with an education system recognised for its international standing and reputation, Hong Kong has embarked on internationalising its higher education and developing itself into a regional education hub during the last decade. To international and local audiences, it would be interesting and significant to investigate and understand the multifaceted nature of the internationalisation of higher education in Hong Kong and its far-reaching implications in the global context of higher education. Some chapters (Chaps. 5, 6, 7 and 8) of this book, which were adapted from the findings of a comprehensive research program supported by the Trade Development Council of Hong Kong (Cheng et al., 2009) with substantially updated information, new perspectives and revisions, have investigated a wide range of emerging issues related to internationalisation of higher education in Hong Kong. In addition to reviews of documents and policies, both quantitative and qualitative methods have been used to collect data mainly from local and international field work, including data from various higher education stakeholders including providers (tertiary, non-tertiary sectors, etc.), policy makers and concerned bodies or councils, Consulates General and inbound students, and on-site surveys in the international education fairs and off-site surveys of local communities with students and parents in India (New Delhi, Mumbai), Indonesia (Jakarta) and Malaysia (Kuala Lumpur).

In the context of the fast expansion of higher education in the Asia-Pacific region, this book can provide the latest literature based on comprehensive reviews and empirical studies from the Hong Kong case to fill the existing research gaps for policy discussion and implementation and serve the urgent need for understanding and managing the key issues of internationalisation of higher education and development of regional education hubs worldwide. It is hoped that educators, administrators, scholars, researchers, change agents and policy makers will find the findings, analyses, implications and recommendations helpful and useful for the future development of their higher education in an era of globalisation and international competition.

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Part I
Internationalization as Education Hub Development

Chapter 2
Developing Hong Kong as a Regional Education Hub: Functions, Modes, and Requirements

Yin Cheong Cheng, Alan Chi Keung Cheung, and Timothy Wai Wa Yuen

Abstract This chapter aims to review and analyze the functions, modes, requirements, and related issues of developing a regional education hub in the Asia-Pacific region. Taking Hong Kong as an emerging case, it examines the relationship between education hub development and higher education development as well as the strategic functions of an education hub to the future development of Hong Kong. The development of an education hub was found closely linked to the demands for higher education in the Asia-Pacific region as well as the internal dynamic of higher education and societal developments in Hong Kong. The mode of education hub development in Hong Kong should put more emphasis on world-class soft power building instead of marketization for generating financial incomes. The requirements for successful education hub development include the huge demands for provision and internationalization of higher education in the region, the strengths of the higher education sector, the policies and measures for attracting and supporting international students and education service providers, and the leadership and support of key government bureaus or central agencies. The discussion and analysis in this chapter will contribute to the related literature, policy development, and initiative implementation in areas of education hub and higher education internationalization not only in Hong Kong but also in other parts of the world.

Keywords Internationalization of education • Education hub • Education industry • Higher education • International education • World-class education • Human resources management • Hong Kong

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2.1 Introduction

Since the turn of the new century, the fast increasing impacts of globalization, international competition, economic transformation, and technology advancement have challenged the survival and development of many countries in the world. Enhanced reforms and developments in education particularly higher education are often believed crucial to create the necessary new human capital for the future of individuals and the society in such a challenging and competing global context (Cheng, 2005, 2009a). For example, the then Chancellor of Exchequer of the UK, Gordon Brown (2004), commented that the mission of the government in this globalized world is to make the people the best educated, most skilled, and best trained, as this is the only way to success. As pointed out by Becker (2002), this is "the age of human capital" reflecting the fact that the well-being of a nation and its individuals depends on the skills, knowledge, and the enterprise not just of a tiny elite but of the people. Echoing the importance of higher education for the future, the notion of a "magnet society" has also been used to predict the concentration of high-pay jobs in the educationally more advanced countries, and hence the government of a society should help its people to achieve greater access to higher education and credentials (Brown and Halsey, 2006; Brown and Lauder, 2001).

The increasing emphasis on higher education in many countries since the 1990s has led to a tremendous growth in tertiary student enrollment in different parts of the world. As mentioned in Chap. 1, the total enrollment in higher education grew by 114 %, from 85 million in 1997 to over 182 million in 2011 (UNESCO Institute of Statistics, 2014). At the same time, the number of international students studying in overseas universities has grown by leaps and bounds. Internationaleducation has become a booming business, and the number of international students has been on the rise in the past two decades and will continue to rise at a phenomenal rate in the next 15–20 years. (Institute of International Education, 2007, 2008a, 2008b, 2008c, 2014). For example, OECD (2014) projected that the number of international students will grow from 4.5 million in 2012 to 8 million in 2025.

2.1.1 Emerging Education Hub

To meet the huge demands in higher education in general and international education in particular regionally and internationally, the question of how best to develop the country or the city itself as an educational hub to attract talented students and professors to come and provide educational services to both international and local students has become an increasingly important agenda for those countries or cities with the potential to do so (Aziz & Abdullah, 2014; Cheng, 2009b; Cheng, Mahmood, & Yeap, 2013; Douglass, Edelstein, & Haoreau, 2013; Ibnouf, Dou, & Knight, 2014; Mcneill, 2008; Mok & Bodycott, 2014; Mok & Yu, 2011). There are some countries with high potential to be education hubs in terms of strong provision of higher education to nonlocal students. The UK Council for International Student

Affairs (2014) indicated that there were 425,265 nonlocal students studying higher education in the UK in 2012. From the Higher Education Statistics Agency (2012), the total number of higher education students in the UK was 2,340,280 in 2012. It means that the number of nonlocal higher education students represents about 18 % of the total number of higher education students in the UK. With the same situation, the Australian Government Department of Education (2012) indicated that 230,923 nonlocal students were studying higher education in Australia in 2012, representing 18 % of the total number of higher education students in Australia (425,265 students) (Australian Government Department of Education and Training, 2012).

What are the advantages for a country or city to serve as an education hub? International experience suggests there may be three aspects (Knight & Lee, 2014; Lee, 2014;). First, it can contribute to the formation of an education industry that can be economically important (Douglass, Edelstein, & Haoreau, 2013). According to the latest statistics from Australian Government Department of Foreign Affairs and Trade (2014), education services have become Australia's fourth largest export. Its share in the cross-border degree study market rose quickly from 1 to 9 % from 1990 to 2003 (Marginson, 2007). Marginson (2011) pointed out that education became the nation's largest service sector in 2009. The British Council (2012) also pointed out that education services became Britain's fifth export sector. Education has been taken as an important "knowledge industry" in Singapore and accounts for more than 3 % of the GDP (Yonezawa, 2007).

Second, an education hub can contribute to internationalization of higher education that can be seen as a response by academic institutions to a globalized world (Altbach & Knight, 2007). As Cremonini (2009) argued, internationalization of higher education has followed globalization, and countries need to compete with others to become a magnet for world-class academics and the brightest students, as knowledge adds value to the countries involved. Internationalization of higher education can enhance cultural sharing with other countries and help improve the network of the countries involved. As the British Council Hong Kong, which is responsible for promoting British culture and education to Hong Kong, explained on its Web page: "We build engagement and trust for the UK through the exchange of knowledge and ideas between people worldwide" (British Council Hong Kong, n.d. a). Many scholarships granted by the British government actually aim at supporting prospective foreign political, economic, and social leaders to study in UK universities. David Miliband, Secretary of State for Foreign and Commonwealth Affairs, commented: "The Chevening Program is a really exciting way in which the Foreign Office tries to contribute to the development of the sort of internationalism that should be about more than governments and more than trade but be about people. And you represent our investment in the future of British relations with a very wide range of countries" (British Council Hong Kong, n.d. b).

Third, an education hub can contribute to attracting foreign students to study in local tertiary institutions and enhancing the international capacity of these institutions and local students (Lee, 2014; Knight & Lee, 2014). This will, in return, strengthen these institutions and their cities in the global scene. In the case of Hong Kong, serving as a hub of educational services would allow Hong Kong to develop and work with the human talents of Mainland China on one hand and provide a

bridge between human talents of the Mainland and the outside world on the other (Jiang, 2002; Mok & Bodycott, 2014).

2.1.2 Education Hub and Higher Education

Based on Knight (2014a), Knight and Lee (2014), and Cheng (2009b), an education hub may be defined by *a critical mass of cross-border education activities, international mobility of student, talent and knowledge/innovation, and related infrastructures and cultures*. How can an education hub be built up in a region? Success in the endeavor to build up an education hub does not come by chance and often depends on carving out correct strategies and taking into consideration unique strengths, weaknesses, and the background of the education system of the specific country or city (Chan & Ng, 2008). The international market for educational services, the international mobility of student, talent, and knowledge/innovation, and the development of related infrastructures and cultures are in fact complicated.

For example, as perceived by Marginson (2006), the global higher education market can be stratified into elite and mass sectors, with huge differences in terms of target groups and price sensitivity. Niche building may also be important to success in becoming a hub (Marginson, 2007). There is an increasing amount of research and studies in this direction (Gibbs & Knapp, 2002; Kehm & Teichler, 2007; Knight & Lee, 2014; Marginson, 2006). In fact, the major exporters of educational services in Asia, namely, the UK, Australia, and Singapore, all have designated agencies to help with market research and promotional work (Singapore Education, n.d.; Australia Education International, n.d.). Supportive policies taken by the government and the tertiary institutes are also important to facilitate hub development (Beaver, 2009; Carrington, Meek, & Wood 2007; Lee, 2008; Mok, 2008; Obst, 2008).

Higher education is a crucial element to an education hub, but how education hub development is related to the development and change of higher education in a competitive international environment remains an unexplored question. Even though the literature has been increasing in discussion of different aspects of education hub development (in terms of education export, education industrialization and internationalization, international education, education market, etc.), unfortunately, there is still a lack of research or literature that focuses on the issues of education hub development and higher education development as a whole.

2.1.3 The Case of Hong Kong as an Education Hub

The Hong Kong government has started to recognize the importance of education hub development in recent years. In 2007, the Hong Kong government released its Action Agenda on China's 11th Five-Year Plan and the Development of Hong

Kong, recommending the exploration of ways to attract more nonlocal students to study in Hong Kong and to develop Hong Kong into a regional education hub (Hong Kong Government, 2007). In 2009, education services were earmarked as one of six major areas of economic development (Task Force on Economic Challenges, 2009). Some facilitating measures have been taken. The admission ceiling for nonlocal students was raised from 10 to 20 % starting with the 2008–2009 academic year. Funds were provided to offer additional scholarships to both local and nonlocal students. A HK$18 billion Research Endowment Fund had also been set up to further support the research work undertaken by higher education institutions in Hong Kong (Cheung, Yuen, & Yuen, 2008).

In the past few years, the development of Hong Kong as a regional education hub has attracted a lot of public discussion in the local media, but there have been very few rigorous studies or reports to investigate the related issues seriously in a comprehensive way. Cheung et al. (2008, 2009) might be one of these very few projects. Without comprehensive investigation and analysis, the development of an education hub in Hong Kong may suffer from an underestimation of its complexity in a regional or global context and finally become only an agenda for political propaganda or debate without any concrete and successful progress in implementation.

Taking the case of developing Hong Kong as a regional education hub, this paper aims to review related issues in the trends of education development in China as well as the Asia-Pacific region. It then examines the relationship between education hub development and higher education development as well as the strategic functions of an education hub to the future development of Hong Kong. Finally, this paper provides some key recommendations that would help facilitate Hong Kong in becoming a premier education hub in the region. It is hoped that the discussion and analysis in this paper will contribute to the related literature, policy development, and practical implementation in areas of education hub and higher education not only in Hong Kong but also in other parts of the world.

2.2 A Big Picture: East Asia and the Pacific

According to statistics from the UNESCO Institute of Statistics (2014), higher education enrollment has been rising in many countries in the past few decades. The largest increase in enrollment was in the Asia-Pacific region, especially in China. The British Council (2012) pointed out that between 2002 and 2009 China topped the global growth of tertiary enrollment, accounting for more than 17 million out of the 55 million global total. It was estimated that the higher education enrollment in many countries will continue to grow at a phenomenal rate in the next 10 years. In the 1970s, the percentage of higher education enrollment in North America and West Europe constituted 48 % of the total world enrollment. However, the percentage had dropped significantly to 23 % in 2007. On the other hand, according to statistics provided by UNESCO Institute of Statistics (2014), over the past four decades, global higher education enrollment increased from 32.6 million in 1970 to

182.2 million students in 2011, representing 458 % increase. Almost half of these 182.2 million students were from the East and South Asia region in 2011.

In 2007, the percentage of high school graduates going to college was only about 26 % in East Asia and the Pacific. Using the 60 to 70 % level in North America and West Europe as a reference or benchmark, there will be a huge market for higher education in East Asia and the Pacific. For example, there were approximately 9.39 million student applicants for 3.63 million undergraduate places in universities in Mainland China in 2014, representing only 38.6 % enrollment rate (Youth Net, 2014). Clearly, the huge demand for higher education in China will continue to fuel the growth of tertiary institutions in the country and in the region as a whole.

In the rapid development of higher education in the Asia-Pacific region and Mainland China, there is a huge regional demand for quantity, quality, innovation, adaptation, and internationalization in education services. Hong Kong is an international city in the world with a highly performing system of school education and higher education well recognized regionally and internationally (OECD-PISA, 2006, 2009, 2012; Times Higher Education World University Rankings, 2010–2014). What kind of roles can Hong Kong play, what positioning can it take, and what contribution can it make in order to capture this fast growing regional demand for higher education? All these are important questions to be answered when Hong Kong is aspiring to develop itself as a regional education hub.

2.3 Development of the Pearl River Delta Economic Zone

There is a close relationship between the development of the Pearl River Delta and the future of Hong Kong. Though Hong Kong is an international city and world financial center with advanced infrastructures and international networks, it only has seven million people and an area of 430 mile^2. The small population and the size of Hong Kong pose some serious constraints to Hong Kong becoming a world-class metropolis like New York, Tokyo, and London. However, due to economic reform and the open-door policy of the past 30 years in China, the economies of Hong Kong and the Pearl River Delta economic zone have been gradually integrating. The zone consists of nine major cities: Guangzhou, Shenzhen, Zhuhai, Foshan, Jiangmen, Dongguan, Zhongshan, parts of Huizhou, and Zhaoqing, with over 50 million people and a total GDP of ¥4372 billion in 2011. (Wikipedia, Pearl River Delta Region, 2014 in Chinese). The Pearl River Delta provides "fertile soil" in the future development of many industries, including education in Hong Kong.

In 2008, the National Development and Reform Commission in China announced the outline of the plan for the reform and development of the Pearl River Delta. According to the plan, from 2008 to 2020, the Pearl River Delta economic zone will become "a center for advanced manufacturing, and modern service industries," and "a center for international shipping, logistics, trade, conferences, and exhibitions, and tourism." In addition, through "labor division, cooperation, and mutual

complementation" among Guangdong, Hong Kong, and Macao, the region will become "one of the world's mega metropolitan areas with the most abundant core competitive strengths" (The National Development and Reform Commission, 2008).

Based on this plan, there is an urgent and huge demand to raise the standard of human resources in the region, such as training and retraining a large number of professionals and providing a huge number of researchers and high-quality graduates with international prospects. In addition, there is also a need to provide international advanced research centers to support the repositioning of the region and to develop high value-added service industries. In other words, there is a huge market for education and business opportunities. The strong international standing of the university and professional sectors makes Hong Kong a decisive player in elevating human resources and competitiveness of the Pearl River Delta region in its future economic development. The university sector in Hong Kong will play a significant role similar to their counterparts in Shanghai in the economic development of the Yangtze River Delta. The structural and social transformations in the Pearl River Delta will provide Hong Kong with a historic opportunity to develop itself as an education hub to expand and industrialize its education services and further enhance its international and regional capacity and impacts.

2.4 Formation and Strategic Functions of an Education Hub

From the above discussion and the analysis in Chap. 1, we can see that the development of higher education in Hong Kong needs to reposition itself to drive the formation of a regional education hub which can serve two basic strategic functions: education industrialization and soft power building (or capacity building) for Hong Kong.

2.4.1 Education Industrialization

The development of the Hong Kong higher education sector needs to meet the growing demands of a huge market in Hong Kong, the Pearl River Delta, China, and the Asia-Pacific region. The sector can collaborate with professional communities and other related industries to industrialize education services and exportation. In addition, supporting measures in terms of structures and systems, laws and regulations, quality assurance and qualification verification, and related facilities are needed to be put in place for industrializing education (Cheng, 2009a; Cheng et al., 2009). These supporting measures will help further promote the growth of the education industry (e.g., the establishment of more tertiary institutions), reap short-term and long-term economic benefits, create other indirect social benefits (e.g., create more value-added positions and job opportunities), and contribute to the overall

development of the Asia-Pacific region and China (e.g., economic transformation and professional training) (Knight & Lee, 2014; Mok & Bodycott, 2014).

2.4.2 Soft Power Building

To develop a society amidst international competition, that society needs to have strategic power. There are two types of strategic power: soft and hard power (Nye, 2004). Hard power often refers to the control of precious scarce resources (e.g., petroleum), strong infrastructures, cutting-edge hardware and technology, and strong military forces in the context of international competition. Soft power refers to the control of high-quality human capital, impactful local and global human networks, and high-valued intellectual capacity. In order to transform economies and develop a knowledge-based economy, highly skilled professionals from almost every advanced technological industry and high value-added professions such as global businesses, finance, communications, and creative industries are much needed. In other words, human capital is the most important asset or soft power in today's global competition (Becker, 2002; Brown, 2004).

Looking at the direction of the future development of China and the Asia-Pacific region, Hong Kong, with the support of new developments of its higher education sector, has the advantages and strengths to become a regional education hub to attract, groom, preserve, and even export talents to the region as well as to the world (Lai & Maclean, 2011; Mok & Bodycott, 2014). Being an education hub will help Hong Kong build up local and global capacity and improve its competitiveness in the future development of the region. First, like a magnet society, it can attract, develop, and provide human capital that is much needed for high-level social and economic developments in Hong Kong (Brown & Halsey, 2006; Brown & Lauder, 2001). It can also help to promote growth points for new economies, new cultures, and new society building in a context of globalization and international competition.

Second, the export of educational services will not only generate profitable incomes, but more importantly, it will help Hong Kong establish an intangible regional network and leadership position, which will extend its long-term political, cultural, and social impacts in the region and beyond. This will contribute to the soft power building of Hong Kong in the region. Third, such an education hub with rich human capital and soft power will help Hong Kong maintain a leadership position in certain cutting-edge areas, which will attract more outstanding researchers and scholars to Hong Kong and in return elevate the status of higher education and further promote education industrialization in Hong Kong. Finally, an education hub can create synergy among various industries in Hong Kong, by attracting together talents from the region and beyond to support the developments of these industries and create a profound cultural atmosphere for developing Hong Kong as a world-class financial center and international metropolis, even a regional hub for other high value-added industries (e.g., medicine, creative industries, etc.) (Brown & Halsey, 2006).

2.5 Modes of Education Hub Development

In developing an education hub, the emphasis on each of the two strategic functions (education industrialization and soft power building) may vary substantially from country to country depending on the strengths of its higher education and related background. In Hong Kong, the foci of related public discussions, scholarly analyses, and even the policy direction released by the government also differ somewhat and will continue to be subject to change (Cheung, Yuen, & Yuen, 2008; Cheng et al., 2009; Hong Kong Government, 2007; Task Force on Economic Challenges, 2009). Some focus more on soft power building while others on education industrialization. Some emphasize both. Some use a more conservative approach to look at the local demand and supply of higher education, ignoring both strategic functions and having no understanding of the importance of an education hub.

Indeed, the concepts and functions of an education hub are dynamic. The relationship between education industrialization and soft power building may be interactive. Figure 2.1 provides an imaginary curve to show the possible modes of education hub development in Hong Kong in terms of education industrialization and soft power building. When soft power is established at a certain level, Hong Kong would be able to promote education industrialization. In the past 20 years, Hong Kong has already established a reputable tertiary education sector and professional communities with international standings (Cheng, 2004), as in *Stage A* of education hub development in Fig. 2.1. Based on the established strengths of

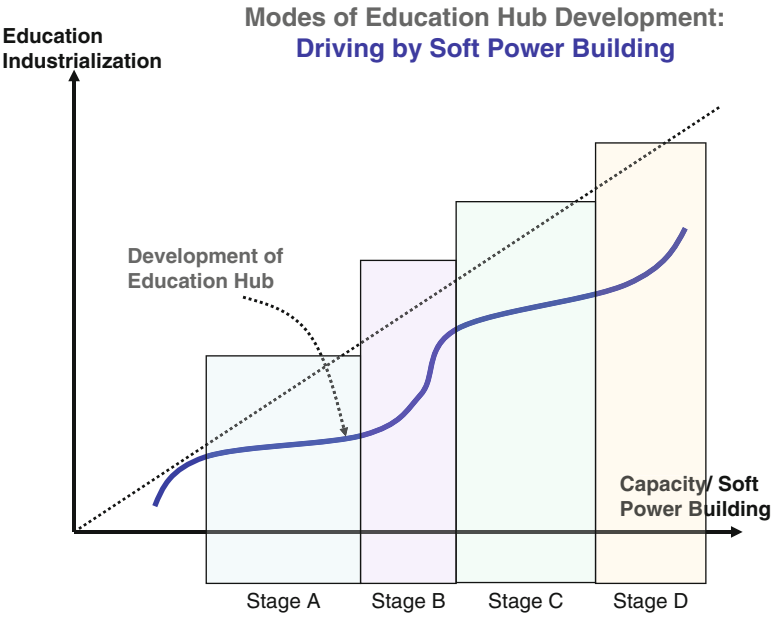

Fig. 2.1 Possible modes of education hub development

human capital, Hong Kong has started to promote education industrialization and create education markets as in *Stage B* of education hub development. When Hong Kong is able to reap great economic benefits and other beneficial resources from the industrialization of education services, it may reinvest these "dividends" into soft power building to attract more talented students, scholars, and professionals to Hong Kong and to groom its human capital at a higher level, as in *Stage C* development. With the further enhanced human capacity in both the higher education sector and professional communities, Hong Kong can scale up the export of its education services to support the future development of the Asia-Pacific region, China, and the Pearl River Delta region, as in *Stage D* of education hub development.

Though Hong Kong has a vibrant and internationally competitive higher education sector, it has only a limited number of tertiary institutions, research centers, teaching and learning development centers, expert teams, and professional communities. In addition, the development of the education industry is greatly constrained by the limited space in Hong Kong. With these existing constraints, Hong Kong should avoid trying to spread itself too thin or wide by doing too much at once at the early stage of education hub development. Otherwise, it will not only divert its energy, but it will also reduce its competitiveness in the increasingly intensified international education market. Therefore, the strategies for education hub development in Hong Kong could have the following three key features.

2.5.1 Capacity Building Driven

The policy and effort for education hub development should be driven by the function of capacity building for Hong Kong (Lee, 2014). The main focus should be on building local soft power, expanding its influence and network in the Asia-Pacific region, developing high value-added centers, and promoting synergy among industries. When sufficient soft power or human capital is built in certain areas, Hong Kong can then develop education industrialization in these areas. As indicated in Fig. 2.1, the curved line representing education hub development driven by capacity building tends to grow up below the diagonal line and closer to the horizontal axis (i.e., soft power building).

2.5.2 Developing a High-Level Education Industry

There may be a wide range of services in the education industry, some of which are intellectually intensive with high value and long-term impact but some are not. For example, those educational services just providing general taught courses at a lower level may not be so value-added with impacts. This kind of service does not require

high-level intellectual assets, exclusive qualifications, or world-class experts and is usually in the lower reach of the supply chain of knowledge and technology. Although it is easy to supply in large quantities, this market is usually competitive with many regional providers and difficult to sustain as an impactful high-return industry in the long run. Therefore, Hong Kong as a regional education hub should focus more on the development of a high-level, high-impact, high value-added, and intellectually intensive education industry that can provide high-quality human capital and soft power.

Hong Kong's higher education has excelled in some areas of studies, such as the MBA and EMBA programs that are especially popular among Asian students. Many of these programs have received regional and international recognition. For example, according to the Economist Intelligence Unit (2014) ranking, Hong Kong had three business schools in the top 100 full-time MBA ranking around the world. The Executive MBA of Hong Kong University of Science and Technology collaborated with Kellogg was ranked No. 2 in the world by Financial Times Executive EMA Ranking (2014). This kind of high-quality and high-impact program can help in branding Hong Kong as a premier education hub.

2.5.3 Coalition and Collaboration

Since the scale of the Hong Kong education system is relatively small, the effort for education hub development in terms of soft power building and education industrialization in Hong Kong can be based on collaboration and coalition across institutions, across studies, across industries, and across borders in order to create the necessary critical mass of academic and professional expertise, leverage effect, and synergy for provision of world-class education services (Knight, 2014b). In fact, some tertiary institutions in Hong Kong have been using these strategies for some time to develop various local and international collaborations to strive for international level performance in the areas of their research, teaching, innovation, and knowledge transfer (University Grants Committee, 2004a, 2004b). Singapore, a city-state smaller than Hong Kong, has initiated a good number of new measures in international collaboration in the past 10 years and has accumulated valuable lessons for education hub development, from which other countries or Hong Kong can take a reference (Cheng, 2004; Cheng et al., 2009).

2.6 Requirements for Being an Education Hub

Following the above discussion, we can further explore the important internal and external requirements for Hong Kong to establish itself as an education hub, as follows:

2.6.1 Education Demands in the Asia-Pacific region

To support and sustain the operation of an education hub in Hong Kong, there needs to be a large enough market in the region. As mentioned earlier, it is clear that a huge demand for higher and professional education is emerging in the Asia-Pacific region, China, and the Pearl River Delta region in the next 10–20 years. There is especially a high demand for high value-added and high-quality international education due to the impact of globalization and international competition. For example, the OECD's (2013) *Education Indicators in Focus* figures that between 2000 and 2011, the number of international students has more than doubled, almost 4.5 million tertiary students are enrolled outside their country of citizenship. The global demand for international education is expected to grow to somewhere between 3.7 million to 8 million by 2025 (Banks, Oslen, & Pearce, 2009; Chow & Marcus, 2008; OECD, 2014). Recently, the demand for overseas education saw the fastest growth in the Asian region. Bohm, Davis, Meares, & Pearce (2002) predicted that Asia will account for 70 % of the demand for international education in 2025. The OECD (2013) indicates that the largest numbers of international students are from China, India, and Korea, Asian students accounting for 53 % of all students studying abroad worldwide. Using a conservative estimate of US$25,000 per year per student, the total expenses would reach US$64 billion annually. This is a huge enough market to support and sustain Hong Kong as an education hub in the region.

The experiences of other countries indicate that education can be a significant contributor to the economy (Cheung, Yuen, & Yuen, 2008). As of 2014, the economic benefits of education exports reached US$21 billion and $13 billion annually in the UK and Australia, respectively. Because the population and the scale of education in Singapore are smaller than Hong Kong, there are many reasons to believe that the economic return for Hong Kong in exporting education services is at least $2.3 billion per year, if not more (Cheng, 2009b).

2.6.2 Strengths of Hong Kong's Higher Education

The strengths of the higher education sector should be an important component for developing an education hub. What are the strengths and limitations of Hong Kong higher education, in particular compared with its counterpart, Singapore, in the region?

University Rankings According to Times Higher Education's (2014–2015) World University Rankings, Hong Kong has four universities in the top 200 despite having a total of only eight government-funded tertiary institutions. Two of them are in the top 60: the University of Hong Kong (43rd) and Hong Kong University of Science and Technology (51st). These rankings provide some international evidence to show the strengths of the Hong Kong higher education sector's contribution to the formation of an education hub.

Comparable to Hong Kong, Singapore's two major universities, namely, the National University (25th) and Nanyang Polytechnics University (61st), are ranked 25th and 61st, respectively, in the top 100 universities in the world.

Higher Education Provision In 2014, the resident population in Singapore was about 3.87 million people, around half (53.8 %) of that in Hong Kong (7.19 million) (Singapore Department of Statistics, 2014; Hong Kong Government, 2014). There were also 229,330 high school students, around 58 % of those in Hong Kong (395,345). Singapore provided 59,748 full-time funded undergraduate places in its four government-funded universities, representing 26 % of its total number of high school students (Singapore Ministry of Education, 2014). In Hong Kong, 76,222 full-time funded undergraduate places were provided in its eight government-funded universities, representing 19.3 % of its high school student population (University Grants Committee, 2014). Comparatively, Singapore has a higher capacity to provide more undergraduate places in developing its education hub because a student's chance of getting into university in Singapore is better than his/her counterparts in Hong Kong.

Just looking at these figures alone, the provision of higher education in Hong Kong is far from sufficient to meet the local needs. If Hong Kong wants to develop its education industry and establish itself as the regional education hub, it needs to solve the problems of the very limited provision of higher education in fulfilling local demands.

University Subsidies and Investment The establishment and development of an education hub need substantial investment. In the 1990s, the Hong Kong government invested tens of billions of dollars to build up a higher education sector of international standing, bringing together over 3,000 local and international scholars and state of art academic facilities in eight tertiary institutions. In these years, most tertiary institutions in Hong Kong achieved substantial progress locally and internationally, and some of them also achieved international status in both teaching and research. But starting with the 1998–1999 academic year, public subsidies for all eight major tertiary institutions were greatly reduced due to financial crises. For example, their recurrent expenses were cut from 20 to 30 % in a few years. The total budget cut accumulated to US$1.6 billion in a period of 8 years, which had a significant negative impact on higher education and its development.

In contrast, facing the same economic downturn in 1997, Singapore took a swift turn to transform its economy by cultivating large numbers of high-quality talents. Since 1998–1999, Singapore has continued to increase its financial support to its tertiary sector. For example, the amount of recurrent expenses for its government-funded universities increased from US$380 million in 1989–1999 to US$1.96 billion in 2013–2014, an over 500 % increase (Singapore Ministry of Education, 2014). As shown in Fig. 2.2, while Hong Kong continued to cut university subsidies, Singapore took a different path by continuing to provide financial support to the growth of higher education during the same period of time. In 1998–1999, the recurrent expenses of higher education in Hong Kong were about 4.2 times (US$1.62 billion: US$380 million) that of Singapore. But in 2012, the expenses in both

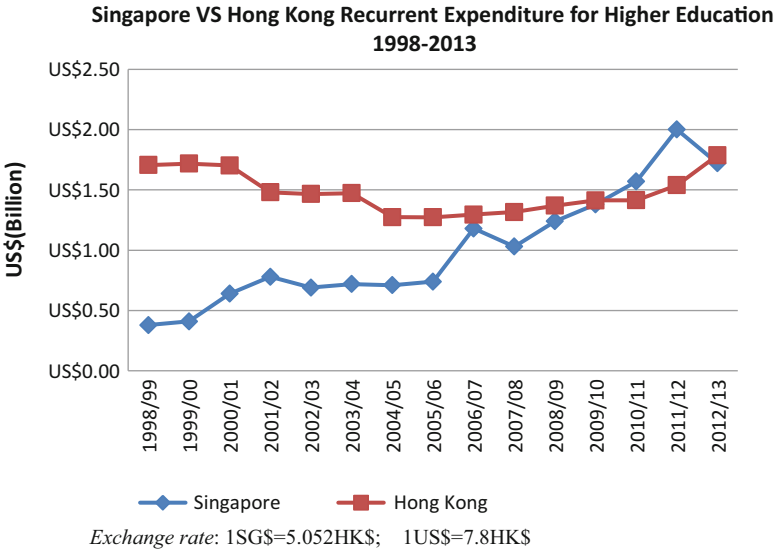

Fig. 2.2 Recurrent funding for higher education institutions in Hong Kong and Singapore (Singapore Ministry of Education 2014; University Grants Committee of Hong Kong, 2013)

countries were about at the same level (Hong Kong US$1.788 billion to Singapore US$1.72 billion) (Singapore Ministry of Education,2014; University Grants Committee, 2013). Since the population in Hong Kong is nearly double that of Singapore, the comparatively smaller subsidies could set a tight limit preventing Hong Kong from becoming an education hub in provision of higher education for both local and international students.

Expenditures on research and development (R&D) of a country can also have positive impact on both its technological advancement and its higher education sector. As indicated in the list of latest data from 2010 to 2014 from the World Bank (2014), Hong Kong spent about 0.75 % of its GDP on R&D. As compared with other countries such as Korea, Israel, Finland, Japan, Germany, the USA, Australia, France, the Netherlands, Singapore, and Chinese Mainland with percentages ranging from 1.98 to 4.04, the effort made by the Hong Kong government lags far behind in terms of its level of research funding as a share of GDP (Table 2.1).

Inadequate funding for higher education and research and development could have an adverse effect on the development and quality of higher education institutions. As an education hub, to create a critical mass of student, talent, and knowledge/innovation and enable education services to be internationally competitive and sustainable (Knight & Lee, 2014), an increase in investment in higher education in Hong Kong seems to be necessary. In 2008, the Hong Kong government injected US$2.31 billion in the higher education sector as an endowment fund for research which will no doubt enhance the quality of research work and boost the international academic standing of tertiary institutions in Hong Kong as a whole. However,

Table 2.1 R&D expenditure as percentage of GDP

Economic systems	Research and development expenditure as % of GDP
Korea	4.04
Israel	3.93
Finland	3.55
Japan	3.39
Germany	2.92
The USA	2.79
Australia	2.39
France	2.26
The Netherlands	2.16
Singapore	2.10
Chinese Mainland	1.98
Canada	1.73
The UK	1.72
Ireland	1.72
New Zealand	1.27
Hong Kong	0.75

Adapted from World Bank (2014)

the Hong Kong government should continue to make investment in higher education and research and development key priorities in their future policy to enhance the international competitiveness of its higher education.

2.6.3 Supporting Policies for International Students

In order to attract and recruit outstanding students from all over the world, Hong Kong needs to put into place a set of supporting policies and measures regarding recruitment, entry permits, residency, and employment. In the past, Hong Kong has been slow to understand the importance of absorbing talents from other countries to study in Hong Kong. Not until 2002–2005, did Hong Kong increase the ratio of nonlocal students from 2 % to 4 % and again to 10 % in 2005–2006. In 2008, the percentages increased to 20 %. In recent years, the Hong Kong government has established scholarships to attract nonlocal students and relax the restrictions of entry visas and employment. In addition to allowing working part time and during holidays, nonlocal students are also allowed to stay in Hong Kong to work after graduation. Furthermore, the government is in the process of building more student housings to accommodate the needs of nonlocal students. Although Hong Kong still does not have a comprehensive and long-term population policy toward nonlocal students, the aforementioned measures are important steps to help attract talented international students and make Hong Kong an education hub (Cheung, Yuen, & Yuen, 2008).

Comparatively, the number of nonlocal students in University Grants Committee-funded universities in Hong Kong was small, around 14,440 (full-time equivalent) in 2014. Among them, most were from Mainland China. Relatively speaking, at this point, Hong Kong doesn't have the scale to become an education hub or industrialize its education. It is estimated that the number of fee-paying students in Hong Kong may continue to increase in coming years, but the number is still relatively small (Cheng et al., 2009).

2.6.4 Supporting Policies for Education Services Providers

To become an education hub, there needs to be a series of policy measures for supporting tertiary institutions and other providers to develop and promote self-financed, cross-border, collaborative, and world-class education services and professional training programs. In the past few years, the Hong Kong government has initiated some measures (e.g., loans and lands given to providers, quality assurance in self-funded programs) to support the development of a self-financed tertiary sector. In terms of cross-border collaboration, since there is not yet a strong government to government (G-G) agreement with other countries and Mainland China, some tertiary institutions and other services providers find it difficult to export higher education or recruit overseas students in large scale. Without the strong policy support of the government particularly at the regional or international level, it is difficult for the tertiary sector or providers to industrialize education to meet the huge education demands in the Pearl River Delta region, China, and the Asia-Pacific region. It is recommended that Hong Kong should have a designated agency or bureau to develop supporting policies and G-G negotiations.

Partnership with other international institutions is another important element in becoming an education hub. In the late 1990s, Singapore started working with the Global School House scheme to partner with nine world-class universities such as the University of Chicago and MIT to attract international students. In 2000, Singapore Management University partnered with Wharton Business School at the University of Pennsylvania to cultivate business executives and leaders within the region. In 2007, the University of New South Wales in Australia opened up their fourth university in Singapore, and their target groups were fee-paying students from Mainland China, the Asian Pacific, and European regions. In addition, many major cities in China or regions (e.g., Beijing, Shanghai, Zhejiang, Guangzhou, Zhuhai, etc.) have collaborations with other renowned international tertiary institutions to offer courses in order to meet the increasing high demand for education services locally, to upgrade the level of tertiary institutions in China, and to link up with universities globally. Based on the aforementioned observations, the Hong Kong government can consider initiating related supporting policies for promoting international partnerships in development of an education hub.

2.6.5 Central Agencies

The development of an education hub and the industrialization of education require the involvement of various government bureaus, the implementation of overall supporting policies, and negotiations at the G-G level for cross-border education services. Therefore, there should be an inter-bureau steering committee to lead the development and the implementation of related policies, to coordinate activities among agencies and bureaus, to promote and achieve the development of G-G agreement on education, and to oversee progress and achievement in the development of an education hub and industrialization of education. The creation of a designated agency like the Australia Education International and the Singapore Tourism Board with a formal and central role should be considered to facilitate and promote the goal of exporting Hong Kong higher education services. Such agencies proved to be of great help to the success of the exporting countries in their initial development as exporters of education.

This agency could be supported by all interested parties such as the Hong Kong Trade Development Council, the Hong Kong Tourism Board, the Hong Kong higher education sector, the Hong Kong Education Bureau, and other related industries. The major responsibilities of this agency may include undertaking generic promotion abroad, collaborating with other institutions and organizations, establishing a quality database, engaging in research and strategic development, and developing a formal performance management framework in the work of exporting education services and developing Hong Kong as a regional education hub (Cheng et al., 2008, 2009).

2.7 Conclusions

Hong Kong had a late start in developing itself into a regional hub of education. Its potential for success quite depends on how it develops its policies and strategies to address its specific strengths and limitations and meet the emerging huge demands for high-quality education services in the Asia-Pacific region particularly Mainland China in coming decades.

Hong Kong's reputation as a safe, advanced international city has made it attractive to many potential international students from Asia (Cheng et al., 2009). Proximity and close relationship with Mainland China and the rigorous quality assurance mechanism governing her tertiary institutions also prove to be important (Cheung, Yuen, & Yuen, 2008). As the core part of an education hub, Hong Kong has a strong higher education sector which includes some world-renowned and Asia-leading higher education institutions. The international reputation of this sector is a crucial factor that can attract international students from different parts of the region and beyond to come (Mazzarol, Soutar, Smart, & Choo, 2001; Mullins, Quintrell, & Hancock, 1995).

Furthermore, the Hong Kong government has determined to make Hong Kong a world-class city, to which an education hub can make a very important contribution. As the Chief Executive of Hong Kong put it in his 2004 Policy Address, "we are promoting Hong Kong as Asia's world city, on par with the role that New York plays in North America and London in Europe" (UGC, 2004a, 2004b). The aforementioned elements are crucial to the success of education hub development in Hong Kong.

The competition for international education will continue to be intensified as more and more countries enter into the race. Much work remains to be done at both the government and institution level if Hong Kong is to be a prominent education hub in the Asia-Pacific region (Cheng et al., 2009). One of the immediate core policy issues that needs to be resolved is how best to build up soft power and achieve the strategic functions of education industrialization in Hong Kong. In order to compete with other key competitors in the region, comprehensive analyses, wide-ranging and coherent policies, and supporting measures are likely to be needed (Mooney, 2008).

Note This chapter was adapted from Cheng (2009a, 2009b) and Cheng, Cheung, & Yuen (2011) and substantially revised and updated with the latest data, key references, new perspectives, and information of higher education development worldwide.

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Chapter 3
The Quest for Regional Education Hub Status: Challenges, Possibilities and Search for New Governance in Hong Kong

Ka Ho Mok

Abstract The growing global interdependence has been recognized within higher education circles for decades, usually seen as "international education" and having its primary manifestation in student and faculty exchanges between countries. Over the last decade, especially after reaching the GATS agreement, higher education has been refined in part as a tradable commodity, and the amount of "globalized education" taking place is on the increase. With the strong intention of enhancing the global competitiveness of their higher education systems, governments across different parts of the world, especially in Asia, have engaged in the quest for different forms of hub status such as education hub, student hub, talent hub, and knowledge/information hub. Transnational higher education has become increasingly popular in Asian societies. Some Asian governments have invited foreign universities to set up their campuses to provide transnational education programs, while others have engaged in the quest for regional education hub status. The quest to become a regional hub of education inevitably leads to a new terrain of governance, complex and sometimes convoluted, which involves problems of coordination (and accountability and transparency), especially when dealing with multinational businesses, but which can bring to the state benefits in terms of flexibilities and forms of flexibilization and substitution which are not normally possible in administrative systems. This chapter sets out against this wider policy context to critically examine how Hong Kong stands in the journey toward making the city-state a regional education hub (When referring to "education hub" here, we adopt the definition by Knight that "an education hub is a planned effort to build a critical mass of local and international actors strategically engaged in crossborder education, training, knowledge production and innovation initiatives" (Knight, J Stud Int Educ 15(3):221–240, 2011, p. 277)), with particular reference to examining the major challenges and

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possibilities, as well as the implications, for university governance with the rise of transnational education programs and proliferation of providers in education.

Keywords Education hub • Transnational higher education • New university governance • Governed market • Varieties of regulatory regimes • Market-accelerationist state • Market-facilitating state

3.1 Introduction

The rise of transnational higher education in the Asia-Pacific region has undeniably reflected the growing pace of globalization and the subsequent pressures imposed by it. Singapore, Malaysia, Hong Kong, and South Korea, among others, are notable cases in which the states have explicitly declared their intentions to make these Asian countries/territories a regional hub of education thus leading to a rather dramatic development of transnational higher education in recent years as part of the states' coping strategies (Dou & Knight, 2014; Mok & Bodycott, 2014; Sidhu, Ho, & Yeoh, 2014). Apparently, the pressing need for a transformation to knowledge economy has exceeded the capacity of many states to promptly expand their public institutions to offer sufficient opportunities of higher education to their population. The proliferation of higher education providers, coupled with the global trends of marketization and privatization of higher education, has subsequently created a much diversified ecology of higher education and has also fundamentally blurred the line drawn between the public and private. "Transnational education" as a term here is applied to denote education "in which the learners are located in a country different from the one where the awarding institution is based" (UNESCO/Council of Europe, 2001). It could therefore include both collaborative and non-collaborative transnational arrangements, such as franchising, twinning, and joint-degree programs in the former and branch campuses in the latter. Obviously, cross-border education has become a major component of the transformations taking place within the higher education private sector environment, as well as a central element of how quality is recognized within higher education (East–west Centre, 2010). This chapter sets out to examine, within this particular context, the changing governance and regulatory reforms in Hong Kong in the face of the rise of transnational higher education. More specifically, the chapter begins with an examination of the policies backgrounding the quest to become a regional education hub, followed by a discussion of recent achievements, challenges, and possibilities. Moreover, we will analyze the Hong Kong situation in terms of new governance and what sort of regulatory regime would be most appropriate for governing the complexity of a growing number of transnational programs and diversified providers of education in the city-state.

3.2 Varieties of Regulatory Regimes in Governing Transnational Education

The emergence of transnational higher education in Singapore, Malaysia, and Hong Kong has been prompted by the irresistible trend of globalization and fueled by the inclusion of higher education as an industry under the GATS (General Agreement on Trade in Services) framework (Knight, 2002, 2014; Mok, 2013). However, due to the diverse politico-economic contexts of these societies, it is promoted and developed under different considerations by the different states; hence, a variety of governance and regulatory systems has been put in place between the state and transnational higher education providers. As for the theoretical framework of analysis, I will basically draw on a previous publication of mine (Mok, 2008a), as shown in the table below.

Table 3.1 shows varieties of regulatory regimes from the perspectives of state regulation on the one hand, and civil regulation on the other. A broad categorization of four types of states, namely, the market-accelerationist state, the interventionist state, the market-facilitating state, and the market-coordinating state, can then be discerned in accordance with a context of a strong or weak state and strong or weak civil regulations. In the Asia-Pacific region, developmental states, while prevalent throughout the 1970s and 1980s, have to undergo a series of decentralizations and deregulations today to make themselves more competitive and entrepreneurial to face the growing challenge of globalization. Yet, a closer scrutiny of the states' capacity, especially their governance regarding transnational higher education, may reveal new possibilities that could actually sustain the pivotal role of the state.

Overall, though the fundamental impetus behind the pursuit of transnational higher education in general and the quest for regional education hubs in particular may well be economic, some other reasons such as attraction for talents, enhancing flows of information and technology, may also account for regional hub projects (Knight, 2014). As I have argued elsewhere, though initially, domestic demands for higher education (as in the case of Malaysia where non-Malays are discriminated

Table 3.1 Varieties of regulatory regimes

	Civil regulation (strong/organized)	Civil regulation (weak/spontaneous)
State regulation (strong/centralized)	Authoritarian liberalism	State socialism
	Market-accelerationist state	Interventionist state
	State-corporatist regulatory regime	Command-and-control regulatory regime
State regulation (weak/decentralized)	Economic liberalism	Market socialism
	Market-facilitating state	Market-coordinating state
	Civil society regulatory regime	(Coordinated) market regulatory regime

Developed and modified from Levi-Faur (1998) by the author

against in their accessibility to public universities) are often the catalyst for a state to introduce or allow the advancement of transnational higher education (Mok, 2012), it ultimately boils down to "the competitive rush for international students and their money" (De Vita & Case 2003: 384, quoted in Chan & Ng, 2008: 291). Consequently, regardless of whether it is the grand strategies/initiatives of the so-called global schoolhouse (in Singapore) or the 'regional hub of education' (in Malaysia), higher education, as an exportable product of services, should then be kept under strict supervision of quality control to achieve sustainability and competitiveness in such a booming, fiercely competed market (Mok, 2012; Mok & Ong, 2012). As McBurnie and Ziguras (2001) have pointed out, Southeast Asia is now something like a laboratory in the development and regulation of transnational education. The region combines high demand and keen competition among service providers, and the regulatory regimes in host countries can range from relatively laissez-faire to strongly interventionist. The following discussion conceptualizes which form of regulatory regime would fit Hong Kong's governance of the rise of transnational education. Let's first examine the policy context for the growing prominence of transnational education and then discuss the most recent achievements / developments of transnational education in the city-state.

3.3 The Quest for Regional Education Hub Status and Transnationalizing Education

3.3.1 A Brief Policy Context

It is notable that the Hong Kong society, in succumbing to the same pressures of globalization and the pressing demands of the knowledge economy experienced by its Singaporean and Malaysian counterparts, has undergone a series of educational reforms since the mid-1990s. At the outset, the focus of these reform endeavors was on the promotion of quality education (Chan, 2008) and the massification of its higher education, rather than on becoming an exporter of higher education services. After being hit by the Asian financial crisis in 1997, the government of the newly established Hong Kong Special Administrative Region (HKSAR) conducted a comprehensive education review, and the consequential *Review of Education System Reform Proposal* highlighted education as a key factor in the global competitiveness of Hong Kong in its future development (Education Commission, 2000). Thus, in 2001, in order to improve both the quality and quantity of its higher education, a new policy target of doubling enrolments by 2010 was set by the then Chief Executive Tung Chee Hwa, which aimed to provide 60 % of secondary school leavers the opportunity of receiving tertiary education within a decade (Tung, 2000).

The importance of quality education was reiterated when the University Grants Committee (UGC), the executive arm of the government tasked with planning and implementing higher education policies in Hong Kong, stated clearly in its review report of 2002 that:

> The ambition to be Asia's world city[1] is a worthy one, but there is no doubt that realization of that vision is only possible if it is based upon the platform of a very strong education and higher education sector. There are very good reasons for that which have to do with what universities are and what makes them excellent. (UGC, 2002: 1)

This specifically commissioned review report, entitled *Higher Education inHong Kong* (or the *Higher Education Review 2002*), raised some controversial recommendations for the reformation of Hong Kong's higher education system. Among others, it recommended the government to strategically identify a small number of institutions and highlight them to be the focus of support from both the public and private sectors, in order to assure their capacity of competing with others at the highest level internationally. It also proposed to detach the pay scale of academic staff from that of the civil service, so that the authorities of universities could enjoy more freedom and flexibility in determining their own terms and conditions of service. Moreover, in terms of quality assurance, the report recommended strengthening the existing system and also increasing the proportion of public funding based on results of the Research Assessment Exercises (RAE) (UGC, 2002).

A further step of restructuring higher education in Hong Kong was taken after the UGC released two other review reports in 2004 (2004a, 2004b). These two reports primarily concerned role differentiation among the existing universities while simultaneously seeking to develop a deeply collaborative system of higher education. Each institution, under this "differentiated yet interlocking system" (2004a: 7), would have its own role and mission on the one hand and be committed to extensive collaboration with others for a greater variety of program offerings on the other. Another interesting point raised by these reports was concerned with the idea that the Hong Kong higher education sector—basically meaning the "publicly funded" higher education sector—should aspire to be "the education hub of the region" (2004a: 5). Yet according to UGC, the strong competitive edge of Hong Kong over its regional competitors in this regard was first and foremost "its strong links with Mainland China" (ibid.), followed by other elements such as its geographical location and cosmopolitan outlook, its internationalized and vibrant higher education sector, qualities also frequently claimed by Singapore on its bid for the global schoolhouse aspiration.[2]

In light of the previous discussion, it seems that as far as transnational higher education is concerned, it was initially regarded by the government as some sort of

[1] The positioning of Hong Kong as Asia's world city was first put forward by the then Chief Executive Tung Chee Hwa in his 1999 Policy Address. Subsequently, the Brand Hong Kong program was launched in May 2001 to promotion Hong Kong internationally as Asia's world city. Though some may simply sniff at the claim as somewhat exaggerated, the *Time* magazine, in January 2008, did accredit the city of Hong Kong together with New York and London as the three exemplars for and explanations of globalization ("A Tale of Three Cities," 17 January 2008).

[2] Since the issue of the *Higher Education Review 2002*, the Closer Economic Partnership Arrangement (CEPA) between Hong Kong and Mainland China was signed on 29 June 2003 and brought into force. Hong Kong political leaders, thereafter, have worked toward the policy direction of broadening and deepening its collaboration with Mainland China—particularly with Pearl River Delta—across all fronts, including education.

supplementary means to meet domestic demands under the tide of massification of higher education (Chan & Lo, 2007), rather than as a tool for more aggressive strategies. With limited resources due to its low-tax policy and particularly after the Asian financial crisis, the Hong Kong government has had to rely more on non-state financial sources as well as service providers (including overseas academic institutions) to cater for the further development of its higher education. Another feature worth mentioning is the fact that institutional collaborations between Hong Kong and Mainland China seized so much attention from the policymakers throughout the first decade of post-handover Hong Kong that it resulted in a population of nonlocal tertiary students, mainly Mainland Chinese.[3] It was only until 2007 that Donald Tsang, the then Chief Executive of Hong Kong, explicitly stated his intention to expand the population of international students by "increasing the admission quotas for nonlocal students to local tertiary institutions, relaxing employment restrictions on nonlocal students, as well as providing scholarships" (Tsang, 2007: 40). And more recently, in June 2009, based on recommendations made by the Task Force on Economic Challenges set up after the distressing impacts of global financial tsunami, the government has declared its resolution to develop six economic areas where Hong Kong still enjoys clear advantages, of which "educational services" is one.[4]

As Mok and Bodycott observed, "the key drivers for the quest of the regional education hub status are closely related to the changing socioeconomic context of the city-state in the wider context of the rise of major cities in China. Being a special administrative region, Hong Kong has to position itself as a highly competitive city in China. Differentiating the city-state as the most outstanding and unique gate-city to the mainland, the Hong Kong government has tried to diversify the economic activities by advocating new economic pillars in recent years" (2014, pp. 83–84). Lai and Maclean (2014) argued that the quest to be a regional education hub is not only for making education an industry but that such a development can in time provide the city-state with a skilled workforce and make the city a talent hub. As I have argued elsewhere (Mok & Bodycott, 2014), the education hub project would have far-reaching political and policy implications if it wes successfully developed in Hong Kong. However, the implementation has encountered various forms of difficulties, especially when a wider range of stakeholders from education, immigration, trade and development, housing, and public finance has come to work together to promote it. Without a coherent and cohesive policy framework guiding the project, the diverse expectations and outcomes of the hub plus the involvement of different actors often result in different policy

[3] For instance, there were 7,293 nonlocal students enrolled in the UGC-funded institutions in the academic year 2007/08, while 2,811 others attended various programs at different higher education institutions on a self-financed basis. For the former, only 542 of them (7 %) were students who came from countries other than the Mainland China; while for the later, only 619 of them (22 %) were non-Mainland Chinese (Cheng et al., 2009: 41 & 45).

[4] These six areas are educational services, medical services, testing and certification, environmental industry, innovation and technology, and finally, cultural and creative industries (Task Force on Economic Challenges, Hong Kong, 2009).

understandings, aims, and tensions (Cheng et al., 2009; Lai & Maclean, 2014). In particular, when a new administration headed by a new Chief Executive, Mr. CY Leung, was formed, his policy foci shifted away from developing the six economic pillars as launched by the ex-Chief Executive Donald Tsang to housing and poverty issues which indeed has slowed down the regional hub project even though the new administration occasionally mentions the importance of making Hong Kong a regional education hub. Certainly the contents and subsistence prescribed to the hub notion has significantly changed.

3.3.2 Recent Developments Toward an Education Hub in Hong Kong

Different from Malaysia and Singapore which have invited overseas universities to establish offshore campuses in their countries, transnational education in Hong Kong is mainly provided in the form of joint programs, distance learning, as well as twinning programs (for details of the comparison, see Mok, 2010 and various chapters related to Singapore and Malaysia incorporated in Knight's recent work 2014). In the context of financial constraints, all the local publicly funded higher education institutions have to develop more self-financing programs or joint programs with their overseas partners in order to recover costs and generate incomes (Chan, 2008; Yang, 2006).[5] To do so, continuing education units as well as community colleges have been established by these institutions, and the full-time self-financing local programs they offer have steadily increased from 41 in 2001/2002 to 559 in 2013/2014 (Fig. 3.1), with academic qualifications ranging from higher diploma (183), associate degree (142), and bachelor's degree (106) to top-up degree (128).[6] As for the nonlocal higher education and professional courses, the expansion of their numbers is even more impressive. Recognizing the fact that Hong Kong can offer very good market conditions for transnational higher education, especially with its geographical proximity to Mainland China, overseas institutions have become increasingly proactive in setting up their own academic programs in Hong Kong during the last few years to attract mainland students (Yang, 2006). Tables 3.1 and 3.2 below provide data showing the increasing number of transnational education programs offered by overseas universities in Hong Kong. Meanwhile, top universities from Mainland China have also begun to offer programs in Hong Kong and expanding their market share (currently they occupy 5 % of registered courses and 7 % of exempted courses), which is a phenomenon that unequivocally reflects the closer ties between both sides, particularly after they struck a memorandum on

[5] The budget cuts on government funding in higher education from 1999 to 2004, in particular, had driven the higher education sector in Hong Kong to look to the market for additional funding.

[6] Statistics provided by the Information Portal for Accredited Self-financing Post-secondary Programmes (IPASS), HKSAR: http://www.ipass.gov.hk/eng/stat_pg_index.aspx (Accessed on 20 Jan 2015).

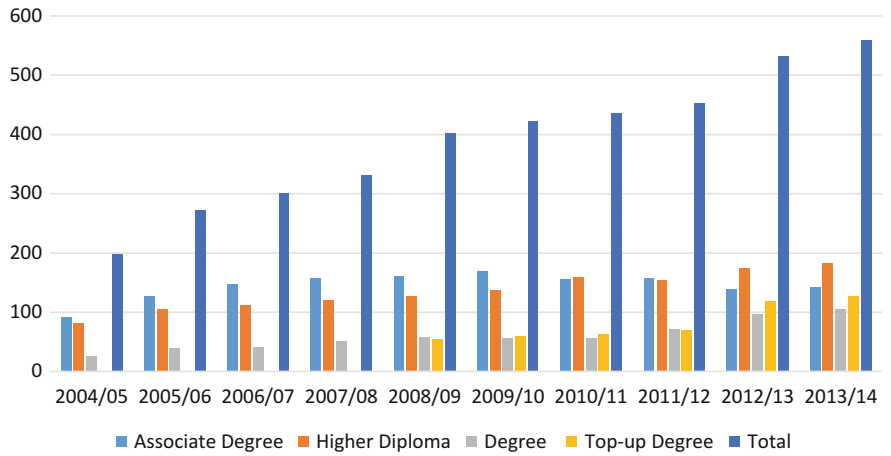

Fig. 3.1 Full-time accredited self-financing postsecondary programs (Information Portal for Accredited Post-secondary Programs, 2013)

Table 3.2 The no. of students in nonlocal courses (Education Bureau, 2015a, 2015b)

Academic year	The no. of students in registered courses	The no. of students in exempted courses	Total
2011/2012	102	176	278
2012/2013	7809	636	8445
2013/2014	12,583	21,616	34,199

mutual recognition of academic degrees in higher education in 2004. For example, Tsinghua University and Peking University, in collaboration with the HKU SPACE[7] and Hong Kong Shue Yan University, offer academic programs ranging from professional certificates to master's degrees in law, economy, literature, and architecture, respectively. Likewise, universities in Hong Kong have also started to export their education programs to the mainland by opening branch campuses in the mainland like the newly established Chinese University of Hong Kong campus mounted in Shenzhen (Table 3.3).

Yet despite the exuberance of nonlocal courses, the Hong Kong government has, so far, set out only a code of practice for these courses (HKCAAVQ, 2007), which is considered as moderately liberal.[8] Foreign universities can easily enter or quit Hong Kong's market. Currently, all courses conducted in Hong Kong leading to the award of nonlocal higher academic qualifications (i.e. associate degree, degree,

[7] HKU SPACE refers to the School of Professional and Continuing Education, the University of Hong Kong.

[8] For instance, in its preamble, the code of practice clearly states that it has "no mandatory effect and institutions should be able to put in place policies and guidelines to reflect their own mission and philosophy" (HKCAAVQ, 2007: 1).

Table 3.3 The no. of registered or exempted courses (1999–2015) (Education Bureau, 2015a, 2015b)

Year	No. of registered courses	No. of exempted courses
1998	21	93
1999	16	7
2000	6	12
2001	8	22
2002	16	47
2003	18	26
2004	18	55
2005	20	40
2006	32	46
2007	35	41
2008	15	60
2009	40	35
2010	21	46
2011	32	27
2012	60	49
2013	45	72
2014	36	50
2015	0	2
Total	439[a]	734

[a]There are two registered courses whose information is not available in the official website. The total number of registered courses till January 15, 2015 is 441 as I mention subsequently

postgraduate, or other postsecondary qualifications) or professional qualifications must be properly registered or be exempted from registration. Any overseas institution is required to obtain accreditation or other formal permission from the Education Bureau (EDB)[9] prior to its operation. However, this category is diverse, ranging from compulsory registration to formal assessment of academic criteria. The EDB will normally seek the independent expert advice of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ)[10] as to whether a course can meet the criteria for registration or be exempted from registration. Yet again, the relevant requirements are considered to be straightforward and non-burdensome.

[9] EDB was previously the "Education and Manpower Bureau" (EMB). Its manpower portfolio was transferred to the new Labour and Welfare Bureau in July 2007 thus streamlined to become the Education Bureau.

[10] HKCAAVQ is a rather new statutory body established under the HKCAAVQ Ordinance (Chapter 1150) which came into effect on October 1, 2007. It was previously the "Hong Kong Council for Academic Accreditation" (HKCAA). The new HKCAAVQ is appointed by the Secretary for Education as the Accreditation Authority and Qualifications Register (QR) Authority under the current Qualifications Framework (QF).

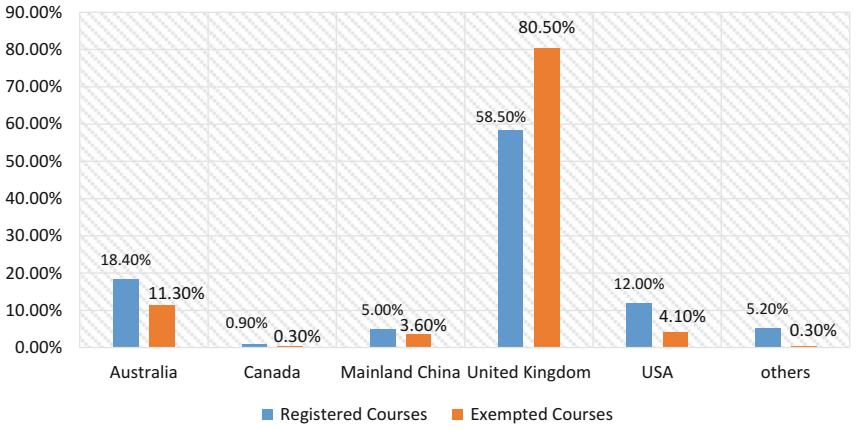

Fig. 3.2 The proportion of nonlocal courses (Education Bureau, 2015b)

Overall, it is noted that the Hong Kong government does not tend to directly curb and regulate the quality, content, level, and cost of courses offered by foreign educational institutions. Instead, the government relies heavily on the market mechanism, in which case its main role is reduced to simply providing sufficient information for various consumers to choose (Yang, 2006, pp. 41–42). In other words, dictated by the above principle, its regulation mechanism is largely about quality assurance in order to protect the consumers. In short, the most recent achievements of transnational higher education in Hong Kong are as follows:

- To date, the University of Chicago, Upper Iowa University and Savannah College of Art and Design have established their branch campuses in Hong Kong.
- As of January 15, 2015, a total of 1,175 nonlocal courses have become available to both local and overseas students, with the breakdown of 441 registered courses and 734 exempted courses.
- Among them, 58.5 % and 80.5 %, respectively, are offered by institutions from the United Kingdom, whereas Australian institutions take up another 18.4 % and 11.3 %, correspondingly (Fig. 3.2).[11]

When comparing the regional hub status with other neighboring countries/economies, the regional hub project in Hong Kong has not been so successful especially when we measure the performance in terms of number of international students (excluding Mainland Chinese students) and destinations of their origins. According to UGC figures, most of the nonlocal students embarking on their learning journeys in Hong Kong are primarily from Mainland China, with only less than 10 % coming from destinations other than Mainland China (Table 3.4 and 3.5).

[11] Statistics provided by the official website of Education Bureau, HKSAR: http://www.edb.gov.hk/en/edu-system/postsecondary/non-local-higher-professional-edu/stat-info/index.html (Last accessed on 17 January 2015).

Table 3.4 The major destination of nonlocal students in Hong Kong (UGC, 2013)

Academic year	The no. of students from mainland china	The rate of Chinese students to all nonlocal students (%)
2004/2005	3362	90.18
2005/2006	4370	91.56
2006/2007	5754	92.55
2007/2008	6751	92.57
2008/2009	7713	91.91
2009/2010	8429	90.31
2010/2011	8724	86.60
2011/2012	8936	82.97
2012/2013	10,963	80.25
2013/2014	11,376	78.39

Table 3.5 Other destinations of nonlocal students in Hong Kong (UGC, 2013)

Academic year	The no. of students from other places in Asia	The rate of Asian students to all nonlocal students (%)	The no. of students from the rest of the world	The rate of international students to all nonlocal students (%)	The rate of nonlocal students (%)
2004/2005	211	5.66	151	4.05	5
2005/2006	244	5.11	160	3.35	6
2006/2007	292	4.70	171	2.75	9
2007/2008	347	4.76	195	2.67	10
2008/2009	418	4.98	262	3.12	12
2009/2010	596	6.39	308	3.30	13
2010/2011	950	9.43	400	3.97	14
2011/2012	1355	12.58	478	4.44	14
2012/2013	2105	15.41	593	4.34	15
2013/2014	2494	17.19	642	4.42	15

3.4 Changing Governance and Regulatory Regimes

3.4.1 Market-Facilitating State with a Comparatively More Liberal Regulation

As noted, the Hong Kong government initially tended to see transnational higher education as simply a supplement to the local universities. It was therefore a sector allowed to generate its own revenue and operate under a free-market mechanism, with hardly any public resources committed to, nor proactive regulation imposed on, its development. Admittedly, since 2007, particularly since the Task Force on Economic Challenges pinpointed "educational services" as one of the key industries for Hong Kong's future development in 2009, the government has become

increasingly committed to the progress of transnational higher education; yet, despite this, a closer scrutiny reveals that it still refrains from any direct intervention or regulation on either the content or quality of courses offered by foreign educational institutions.

The reliance on market mechanisms implies a regulatory regime of transnational higher education that focuses primarily on providing sufficient market information for consumers to choose, as well as on defending their interests through quality assurance of the "products." Nevertheless, ever since the restructuring of the Hong Kong Council for Academic Accreditation (HKCAA) and thereafter the establishment of a more inclusive accreditation authority HKCAAVQ on October 1, 2007, a similar quality-assurance mechanism to that of Malaysia has been constructed. Though, in comparison, HKCAAVQ is not as inclusive and versatile as its Malaysian counterpart Malaysian Quality Assurance (MQA), a more rigorous—at least in formality—Qualifications Framework (QF)[12] and an associated Qualifications Register (QR)[13] is now in place and administered by the HKCAAVQ. This brand-new structure is made possible through the provision of the Accreditation of Academic and Vocational Qualifications Ordinance (Chapter 592), which became fully operative only in May 5, 2008. One of the functional differences between HKCAAVQ and MQA is that the former only assesses academic and vocational programs conducted by non-self-accrediting institutions, whereas the exempted list of self-accrediting institutions is indeed a significant one which includes all eight UGC-funded institutions[14] and the Open University of Hong Kong.[15]

Under this newly constructed Qualifications Framework, a four-stage quality-assurance process, as delineated by the HKCAAVQ, could be shown as follows (Fig. 3.3).

This new quality-assurance framework, though presented as rigorous, is still a fairly moderate approach as far as the "nonlocal higher and professional education courses" are concerned. These courses are regulated by the Non-local Higher and Professional Education (Regulation) Ordinance (Chapter 493) through a system of

[12] The Qualifications Framework is a cross-sectoral hierarchy of qualifications (seven levels in total) covering both academic and vocational qualifications required by various industries.

[13] The Qualifications Register is a centralized online database on qualifications, learning programs, as well as their providers/operators.

[14] The eight UGC-funded institutions are: City University of Hong Kong, Hong Kong Baptist University, Lingnan University, the Chinese University of Hong Kong, the Hong Kong Institute of Education, the Hong Kong Polytechnic University, the Hong Kong University of Science and Technology, and the University of Hong Kong. Among them, the Hong Kong Institute of Education's self-accrediting status is applicable to its teacher education programs only.

[15] Information from the section on "quality-assurance mechanism," official website of the Qualifications Framework, Education Bureau, HKSAR: http://www.hkqf.gov.hk/guie/QA_mech.asp (Last Assessed on 13 September 2009).

It is also worth noting that since all these UGC-funded institutions have today been increasingly involved in the provision of self-financing sub-degree programs, they have formed a Joint Quality Review Committee (JQRC) to oversee the quality of such programs and to assess these programs for classification onto the QR. (Information retrieved from the same section.).

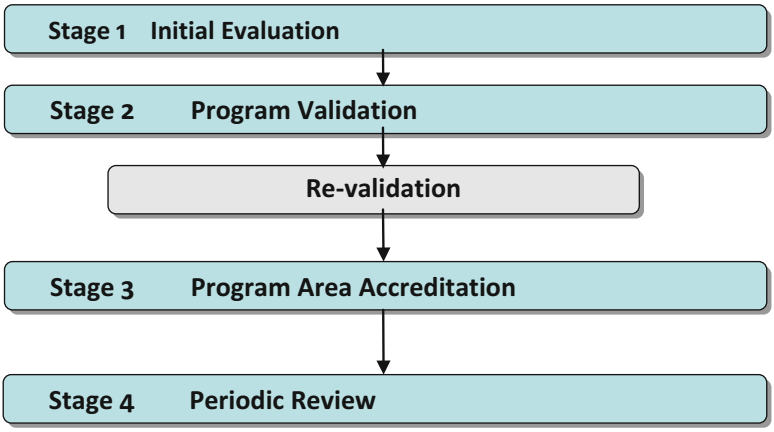

Fig. 3.3 Four-stage quality-assurance process, QF Hong Kong (HKCAAVQ, 2008). Note: Operators who have completed at least two cycles of program revalidation in relevant program area(s) can be considered for Program Area Accreditation (PAA). With PAA status, the operators concerned can develop and offer new programs within a defined scope of program area and at specified QF level(s). Also, the qualifications of these programs can be included in the QR without being subject to external quality assurance by the HKCAAVQ within the PAA validity period

registration; yet, the registration criteria set for nonlocal higher academic qualifications, for instance, are rather lenient and consist of only two points:

1. The awarding institution should be a nonlocal institution recognized in the home country;
2. Effective measures should be in place to ensure that the standard of the course is maintained at a level comparable with a course conducted in the home country leading to the same qualification. And it should as such be recognized by that institution, the academic community in that country, and the relevant accreditation authority in that country (if any).[16]

Moreover, nonlocal courses conducted in collaboration with the eight UGC-funded institutions and several other local institutions[17] are exempt from registration. Likewise, in respect to the standing of these courses in the local society, the Hong Kong government has taken a similar stance as its Singaporean counterpart that "it is a matter of discretion for individual employers to recognize any qualification to which this course may lead".[18] Thus, as McBurnie and Ziguras (2001) rightly observed, the Hong Kong government is adopting a far more liberal approach in

[16] Information from the Q&A section regarding "nonlocal higher and professional courses," official website of the Education Bureau, HKSAR: http://www.edb.gov.hk/index.aspx?langno=1&nodeid=1251 (Last accessed 13 September 2009).

[17] These institutions are: Hong Kong Shue Yan University, the Hong Kong Academy for Performing Arts, and the Open University of Hong Kong.

[18] This is the statement that all advertisements of registered or exempted courses, by regulation, should contain.

dealing with transnational education. Unlike its Singaporean and Malaysian counterparts, it simply performs the role of a "market facilitator" instead of a "market generator." The rationale behind this civil society regulatory regime is closely related to the tradition of the "free-market economy" to which it has been long committed. Hence, the objective of the ordinance, as claimed by the official website of the Education Bureau, is "to protect Hong Kong consumers by guarding against the marketing of substandard nonlocal higher and professional education courses conducted in Hong Kong".[19] Further elaboration of this neoliberal approach could be said to come from Nigel French, the then secretary-general of the Hong Kong University Grants Committee, when he suggested in 1999 that a key function of the regulatory regime is to provide the Hong Kong consumers with detailed information from providers regarding their offerings. Once this information is made publicly available, the government will leave individual consumers to decide, having ensured that their choices are informed ones (French, 1999).

Unlike Singapore and Malaysia, even since the government of the HKSAR announced its policy intent to develop the city-state into a regional hub of education, the government has never come up with concrete plans or specific strategies but still relies on the market (private sector) to respond to the quest for establishing a regional education center project. Strongly believing in the market, the HKSAR government is rather reluctant to get involved in creating a "governed education market" to compete with its regional competitors. If we analyze the Hong Kong case in the light of the definition of Knight's education hub as a "planned effort to build a critical mass of local and international actors strategically engaged in cross-border education, training, knowledge production and innovation initiatives" (Knight, 2011, p.227), Hong Kong certainly fails to fit such a category when making its case. Table 3.6 shows how three regional education hubs stand in the conceptual framework adopted for the present study. Regarding Hong Kong, when compared to the regulatory regimes of Singapore and Malaysia, our above observations clearly suggest that Hong Kong could be characterized as a "market-facilitating state," especially as the Hong Kong government has left the governance of the rise of a transnational higher education to the market, adhering to an independent professional body for quality assurance rather than a government-led quality-assurance system as compared to Singapore and Malaysia.

As I have argued elsewhere that the Hong Kong government is a believer in the market, while the education markets in Singapore and Malaysia are far more "governed markets" with strong state supervision and steering (Mok, 2008a, 2008b), comparisons among these different Asian education hubs can offer interesting perspectives in understanding the political economy aspect when launching hub projects in Asia. As Lai and Maclean (2014) argued, the major obstacles for Hong Kong as an education hub when compared to her Asian counterparts are lack of visibility, no strategic positioning, lack of a viable business plan, and inadequacy of

[19] Q&A section regarding "nonlocal higher and professional courses," official website of the Education Bureau, HKSAR: http://www.edb.gov.hk/index.aspx?langno=1&nodeid=1251 (Last accessed 13 September 2009).

Table 3.6 Varieties of regulatory regimes: how Hong Kong stands?

	Civil regulation (strong/organized)	Civil regulation (weak/spontaneous)
State regulation (strong/centralized)	*Singapore/Malaysia*	
	Authoritarian liberalism	State socialism
	Market-accelerationist state	Interventionist state
	State-corporatist regulatory regime	Command-and-control regulatory regime
State regulation (weak/decentralized)	*Hong Kong*	
	Economic liberalism	Market socialism
	Market-facilitating state	Market-coordinating state
	Civil society regulatory regime	(Coordinated) market regulatory regime

government coordination. Without these elements being put in place, the education hub project has indeed developed very slowly in the city.

3.5 Between the State and the Market: Searching for New Governance in Asia

Analyzing the recent developments of transnational higher education and the growing privatization in higher education in these three Asian societies, we can easily realize that they are experiencing fundamental changes in their governance and regulatory models, shifting to an interactionist focus (government with society), with a growing realization of government–society interdependence, as Kooiman (1993) has suggested.

With heightened expectations from their citizens for better and higher education, it is obvious that depending upon the provision of the states alone is no longer sufficient, particularly when most Asian states have experienced economic setbacks after the Asian financial crisis in 1997. Public universities in these societies consequently began to diversify their funding sources from non-state actors or sectors in the 1990s, and the market, the community, as well as the civil society at large, have subsequently been revitalized by governments in Singapore, Malaysia and Hong Kong to engage in higher education financing and provision. The rise of transnational higher education, coupled with the growing importance of the private sector in higher education, has suggested a more-or-less shift from the conventional centralized model of governance and regulation of these Asian states. Nevertheless, while they no longer monopolize the provision, financing, and regulation of higher education, a further review and comparison among these three cases demonstrate that paradoxically, the states' capacity may not necessarily fade away, and there are varieties of regulatory regimes which indeed epitomize the dialectical conflicts between market efficiency and state capacity.

While governments in Singapore and Malaysia have played a far more "market generator" role not only in setting out strategic directions but also proactively orchestrating developments in transnational higher education to meet their national agenda, the Hong Kong government is, conversely, far more committed to free-market economic principles, thus performing the role of "market facilitator" correspondingly. The Singaporean government is particularly effective and systematic in promoting transnational higher education as part of the larger project of its nation building. Yet, though significant state intervention and proactive guidance, even reduced to be as indirect as possible, would result in a well-managed and regulated hub of higher education, nevertheless, institutional autonomy/vitality and academic freedom would remain at risk in the long run.

The Malaysian government, in the same vein, took a similar path of development to boost its transnational higher education; yet, the lack of strategic and philosophical consistency in its planning has created a regulatory regime of simultaneous centralization and decentralization, which is a paradox shared also by its Singaporean counterpart but comparatively less noticeably. Overall, the highly selective approach adopted by both the Singaporean and Malaysian governments in directing developments of transnational higher education clearly shows that these two Asian economies are not altogether market-embracing states. Rather, they are market-accelerationist states which operate to the logic of the market but intervene in order to remove inefficiencies there. This new form of market-accelerationist state demonstrates that the developmental states in East Asia have not entirely given way to neoliberal globalization. The Singaporean and Malaysian governments are now pursuing "regulation-for-competition" rather than "regulation-of-competition" aim at enhancing the state's competitiveness through regulation in order to achieve its goals of economic nationalism (e.g., Malaysia's master plan of Vision 2020).

On the other hand, while in comparison, the governance and regulatory approach taken by the Hong Kong government toward transnational higher education is the most liberal one, several significant changes, as mentioned earlier, could well be traced during the last few years. These recent reforms all point to the direction of a stronger state regulation, as well as a more proactive role played by the state. For instance, apart from the very new efforts of constructing a more inclusive Qualifications Framework, the government has also become more aggressive in providing financial incentives to lure international students with talent and expertise,[20] while at the same time, relaxing immigration policies to facilitate their stay in Hong Kong. It also has the intention of raising the international student rate in Hong Kong beyond the current 10 % threshold and actively promotes business-related programs which are most popular among the Asian students.

It is thus intriguing for us to see that, as far as the governance and regulatory regimes of transnational higher education are concerned, both the market-

[20] The most recent example is the launch of Hong Kong PhD Fellowship Scheme by the Research Grants Council (RGC) in 2009. The Fellowship will provide a monthly stipend of HK$20,000, as well as a conference and research-related travel allowance of HK$10,000 per year for a maximum period of three years. A total of 135 PhD Fellowships will be awarded for the 2010/2011 academic year.

accelerationist states (Singapore and Malaysia) and the market-facilitating state (Hong Kong), after roughly two decades of experiencing and adjusting to the rapid development of transnational higher education in their societies, have gradually approached a similar direction of reform: Singapore and Malaysia may have to reduce their strong flavor of state intervention in order to maintain the vitality and efficiency of their sectors of transnational higher education; while on the other hand, the Hong Kong government may be forced to wield its state capacity more proactively in industrializing the same sector, so as to make it more conducive to the territory's economy. After all, it is not easy either in theory or practice for us to strike a balance between a market economy and a strong regulatory state. More importantly, the variations regarding the regulatory regimes of these Asian transnational higher education systems are closely related to the governments of Singapore, Hong Kong, and Malaysia having not decided which are the best and most effective governance/regulatory methods for monitoring the rapid growth of transnational education programs. Such differences are clearly revealed by the ways these systems differ in terms of information provision/accreditation issues, program delivery, and social issues such as equity/equality issues arising from the rise of transnational education in these Asian societies. Most important of all, the success and sustainability of these hub projects heavily depend on the changing political economy context. More recently, the Singaporean government has had to scale down its global schoolhouse project when the government encountered significant local resistance, particularly when local Singaporean citizens lodged complaints about the intensified tension and competition between the locals and international immigrants/students. In this context, the Singaporean government had to scale down its ambitious targets by making policy adjustments not only to the education hub project but also the immigration policy, making the education hub project a policy instrument for attraction of/retaining talents and population supplement.

The above analysis has clearly shown the exponential knowledge growth, especially with the rise of transnational higher education in Asia and the Pacific. The growing popularity of different forms of Transnational Higher Education (TNHE) inevitably poses challenges to the conventional universities/higher education institutions and undoubtedly drives higher education to continually transform itself to enhance the capacity to adapt to the rapid changing social and economic environments. Hence, we would anticipate a continuous redefinition and reformulation of the "university" into new and transformed roles, including research and relations to other social entities dedicated to research, technology development, and innovation. The increasing blurring at the margins of the institutional forms of higher education, especially universities, and other organizations within society, such as business and financial firms, would become increasingly common features of higher education (Mok, 2011). Against the context of the growing prominence of TNHE, governments in Asia have to develop appropriate policy frameworks to protect the interests of the students enrolling in these programs. We need to theorize more about why the government has a role considering (a) student choices do not drive quality, (b) risk of conspiracy over provider products, (c) issues of regional inequality and inequity, and (d) higher education is a time-extensive product, and hence, the government needs to monitor

financial security to protect students. In this regard, the question is not whether the government has a role but what form should that intervention take to be effective.

3.6 Conclusion

This chapter has discussed the growing proliferation of providers of higher education, especially when transnational higher education has become increasingly popular in Hong Kong. The quest for becoming a regional hub of education has inevitably diversified educational programs in the city-state, and this development has also changed the relationship between the state and the market in educational provision and financing. In addressing the increasing complexity of the organization and delivery of transnational education, comparative education researchers and analysts have to critically examine the changes taking place in the governance and management of transnational higher education, with particular reference to analyzing the regulatory regimes governing and assuring the academic quality of the newly emerging transitional education programs. After a close scrutiny of changing governance and regulatory regimes of transnational higher education in Hong Kong, especially in comparison to Singapore and Malaysia, we have found much complexity among the heterarchies and hybrid organizations when global education is rapidly expanding. Given the proliferation of higher education providers, coupled with the mobility of students and the diversification of educational services, the conventional public–private distinction is rendered inappropriate. We, therefore, should conduct research into developing a better understanding/conceptualization of changing governance and regulatory regimes of higher education in the context of questing to establish a regional hub of education in Asia. One more concluding remark here deserves attention: the sustainability of hub projects rests upon not only political will and policy directives but also the changing political economy context as clearly suggested in the above discussion. Thus, we must be sensitive about the complexity factors accounting for variations of education hub developments in Asia.

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Chapter 4
Rethinking the Notion of Hong Kong as a Regional Education Hub: Toward a Cosmopolitan Approach to Internationalization of Higher Education

William Yat Wai Lo

Abstract Hong Kong has signaled its intention to develop itself as a regional education hub for a decade. However, the policy is being criticized because Hong Kong has neither diversified its student population ethnically and culturally nor expanded its share in the global higher education market. This chapter explores the significance of the education hub concept in the development of higher education in Hong Kong. It begins with a brief examination of the existing approach to the concept of education hub and internationalization of higher education. It then looks into the main initiatives made by the Hong Kong government to implement its education hub strategy. This is followed by a critical examination of the effects of the hub strategy with a focus on the tensions between Hong Kong and mainland China. It also explores the special status of Hong Kong's higher education sector in China under the "one country, two systems" constitutional framework. The chapter concludes by arguing that a capitalist and instrumentalist interpretation of internationalization of higher education is not a sufficient condition to underpin an effective education hub notion. Instead, it sees cosmopolitanism as a better ideological rationale for the development of internationalization of higher education in the city.

Keywords Education hub • Internationalization • Cross-border education • Education industry • Transnational academic capitalism • Human capital • Cosmopolitanism • Hong Kong

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4.1 Introduction

The phenomenon of the education hub has become an important research topic in the field of international education owing to the emergence of a global higher education market. The intensification of global mobility and the emergence of other cross-border activities have unleashed higher education consumption and delivery from the restrictions imposed by national borders. In this context, a number of cities, zones, and countries have announced their intention to develop themselves into education hubs. A significant feature of the education hub strategy is to allow the scale and effect of the higher education system of a particular area to spill over national borders. Engaging actors outside of the national borders thus is an essential component of an education hub (Knight, 2013). This understanding of the education hub notion highlights the significance of connectivity in the discussion of the education hub strategies adopted by societies.

Hong Kong is one of the acclaimed education hubs. Since the policy was announced during the concession period, sustaining economic growth is considered as the key motivation for Hong Kong to position itself as an education hub. Such an economic perspective on the hub notion makes developing the education industry and providing human capital relevant for evaluating Hong Kong's hub strategy (Lai & Maclean, 2011). In relation to cross-border attractiveness, as a former British colony and as the special administrative region (SAR) of the People's Republic of China (hereafter mainland China or China), Hong Kong plays the role of being a bridge to international higher education for mainland Chinese students. For years, students from the mainland have been attracted by the international reputation and education quality of universities in Hong Kong. This phenomenon intensified after Hong Kong opened its higher education system to outsiders under the education hub policy (Lo, 2013). Today, mainland Chinese students comprise the majority of the nonlocal student population in Hong Kong. This "China factor" has driven researchers to reflect upon the relevance of the hub notion to the development of the Hong Kong higher education sector (Knight, 2011). More importantly, this factor also urges researchers to rethink the positioning of Hong Kong's higher education sector by considering the relationship of the city with mainland China.

This chapter examines the significance of the education hub concept in the higher education development in Hong Kong. There are five sections. The first section addresses the significance of academic capitalism in the understanding of education hub and internationalization in the literature. The second section then examines the main initiatives made by the Hong Kong government to implement its education hub strategy. The third section turns to critically examine the effects of the hub strategy with a focus on the tensions between Hong Kong and mainland China and to explore the special status of Hong Kong's higher education sector in China under the "one country, two systems" constitutional framework. On this basis, the chapter attempts to construct a cosmopolitan vision for the internationalization of higher education, which stresses the importance of bringing a global perspective to understanding the concept of education hub and the positioning of Hong Kong in the global higher education system.

4.2 The Current Agenda: A Capitalist Approach to Internationalization

The emergence of education hubs is considered to be a response to the intensification of cross-border higher education activities. In practice, cross-border education involves the movement of students and scholars as well as that of program and education providers across national borders. Thus, the concept of an education hub refers to a strategic configuration of these cross-border actors and activities (Knight, 2011). Conceptually, the prevalence of cross-border education and the corresponding policy of building education hubs attest to the rise of an academic capitalist regime within the context of globalization. Following Kauppinen's (2015) theory of transnational academic capitalism, globalization, and the associated process of internationalization of higher education allows the academic capitalist regime, in which the boundaries between higher education, markets, and states are blurred, to operate transnationally. On this basis, an education hub is an illustrative example of the capitalist approach to the internationalization of higher education.

To further illustrate the link between the notion of education hub and the transnational dimension of academic capitalism, it is important to address the predominance of neoliberalism, which refers to the adoption of market values and market modes of operation in higher education, in the policy discourse on the development of cross-border higher education. Indeed, since the notion of "education as a tradable item" advocated by the World Trade Organization (WTO)/General Agreement on Trade in Services (GATS) has framed the global agenda for higher education development, higher education is gradually being perceived as a profitable investment that can increase national income (OECD, 2004; Oleksiyenko, Cheng, & Yip, 2013; Verger, 2009, 2010). Against this background, many countries have attempted to expand their higher education sectors by importing foreign higher education provision. The providers of higher education consider transnational mobility as a new commercial possibility that enables them to enter new markets. Hence, a wide variety of cross-border higher education activities, such as campus branches, twinning programs, franchises, and double and joint degree programs, have begun to emerge and spread across the world. Many students also begin to perceive foreign qualifications as an investment that can enhance their economic benefits and social status (Bodycott & Lai, 2012; Li & Bray, 2007; Oleksiyenko, 2013; Xiang & Shen, 2009). In this regard, the emergence of cross-border education not only increases the number of choices in the market but also provides students with cheaper and easier access to foreign education, as they can study at home or close to their homes. This dimension of cross-border education illustrates the importance of an education hub in developing an education industry.

The war for talent presents another dimension of the transnational academic capitalism-related phenomenon in higher education. The concern with "education as human resource development" is the key feature, which focuses on the role of education in improving national competitiveness in the knowledge economy (Knight, 2004; OECD, 2008) in this dimension of the transnational operation of the academic capitalist regime. From this perspective, education in general and building education

hubs in particular are seen as ways of developing human capital. "Talent competition" and "brain drain and gain" hence become keywords in the illustration of a human capital approach to internationalization of higher education and education hub strategy. These keywords reveal the strategic agenda of recruiting talent in the education hub initiatives in different societies. As explained by Lee (2014), competition for talent in the education hub agenda involves developing local talent, attracting foreign talent, and repatriating diasporic talent. While there is divergence among societies in their implementation of talent recruitment strategies, bringing in the best brains to develop research activities and to enhance knowledge and innovation remains a core agenda in education hub initiatives (P. T. Ng, 2011). In short, this dimension of transnational academic capitalism manifests the education hub notion in the global competition for talent and human resource development.

This capitalist approach to the internationalization of higher education substantially informs the understanding of hub strategies in the existing literature. For example, in her widely cited paper on regional education hubs, Knight defines an education hub as "a planned effort to build a critical mass of local and international actors strategically engaged in education, training, knowledge production, and innovation initiatives" (Knight, 2011: 233). The choice of words, "education, training, knowledge production, and innovation initiatives," indicates that the education hub concept does not merely pertain to education but also involves other economy-related arenas (Knight, 2011: 234). Knight further proposes that there are three models of education hubs, namely, the student hub, the talent (skilled workforce) hub, and the knowledge/innovation hub, reflecting different functionalities of cross-border education. Specifically, the student hub model focuses on the link between the education industry and internationalization. Increasing the share of the country in the global higher education market is a key concern in this approach. The talent hub approach, which carries a mission of human resource development, combines the hub notion with the vocational and professional training functions in the knowledge economy context. The knowledge/innovation hub attempts to explore the international competition for knowledge advancement, foreign investment, and international influence (Knight, 2013: 380–384). In sum, the conceptualization of education hubs reveals that the hub strategy essentially involves the positioning of a country/zone/city in a political and economic landscape from global and regional perspectives. More importantly, this conceptual framework of multi-arena involvement explicitly recognizes that the education hub strategies in different societies are more or less constrained by economic imperatives. These economic imperatives reveal the significance of academic capitalism in policy discourse and implementation.

4.3 The Education Hub Initiatives in Hong Kong

According to the University Grants Committee (UGC), a government-appointed funding body, developing Hong Kong into an education hub is "a policy of investment in the competitive knowledge economy by providing educational services to a

population that is non-local with a strong emphasis on inward pull" (UGC, 2010: 54). This notion emphasizes the link between education and economic development. Government documents indicate that the vision of building Hong Kong into an education hub is associated with the economic development of the city in the postindustrial context. Hong Kong experienced an economic decline between the late 1990s and the early 2000s and hence needed a new force for economic growth. Thus, when Tung Chee-hwa, the former Chief Executive of the Hong Kong government, pledged to develop the city into an education hub in 2004, he considered education as an industry that can be exported to satisfy the growing demand for education in neighboring countries and regions. In his words, "apart from catering for local needs, they [the education, medical, and health care services of Hong Kong] can be further developed into industries to serve people in the Mainland and elsewhere in Asia. We will study how our immigration and related policies may support such development" (Tung, 2004: para. 32; words in parenthesis added by author). The idea of exporting education services was consolidated after the 2008 global financial crisis as indicated in the 2009 policy address of Tsang Yam-kuen, the successor of Tung. He noted that "the self-financing higher education sector has room for further expansion and is an important component of education services" and "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" (Tsang, 2009: para. 28). Since then, the education industry is seen as one of the six economic pillars of Hong Kong that serve the goals of "enhancing Hong Kong's status as a regional education hub, boosting Hong Kong's competitiveness, and complementing the future development of the Mainland" (Tsang, 2009: para. 26), thereby diversifying the economic structure and maintaining the status of Hong Kong as a global city (Mok & Cheung, 2011).

To implement these ideas, in 2004, the UGC suggested that the population of nonlocal students should continue to grow in the following years (UGC, 2004). In 2010, the UGC increased the allowed proportion of nonlocal students from 10 to 20 % in undergraduate programs of its subsidized institutions (UGC, 2010). To provide an "inward pull for nonlocal population," efforts were put on promoting an integration of international students with local students and maintaining an internationalized teaching and learning environment, thereby enhancing the international reputations and visibility of universities in Hong Kong (UGC, 2010: 55–61). Meanwhile, the government also relaxed its regulations on immigration and employment. Under the current regulations, nonlocal students are allowed to take part-time jobs and internship programs during their study period and to stay and work in the city after completion of their degrees. Furthermore, the Hong Kong government provided new scholarship opportunities to attract nonlocal students into the city. The $1 billion HKSAR Government Scholarship Fund was established in 2008 to recognize outstanding local and nonlocal students. In 2012, a targeted scholarship scheme was established for first-year, nonlocal, full-time students from ASEAN countries, India, and Korea (Education Bureau, 2013). To further increase the number of nonlocal students, the Hong Kong government aimed to develop the

self-financed higher education sector and allow higher education institutions in the city to accept nonlocal enrollees in their self-financed programs (TFEC, 2009a, 2009b).

These actions have successfully boosted the growth of the nonlocal student population in Hong Kong. Figure 4.1 shows a significant upward trend in the number of nonlocal students enrolled in UGC-funded programs. The population of nonlocal students increased from 1239 to 14,510 between 1996–1997 and 2013–2014. The ratio of nonlocal students also grew from 1 to 15 % during the period. According to the Education Commission Working Group, the number of nonlocal students who are enrolled in self-financed post-secondary programs in Hong Kong has reached approximately 7772 or 7 % in 2010–2011 (Table 4.1). It is noteworthy that nearly one fifth of students in taught postgraduate programs are nonlocals. As for research postgraduate programs, mainland Chinese postgraduate students have outnumbered the local ones since the 2007–2008 academic year. In 2013–2014, mainland Chinese students comprised around 68 % of the student population, whereas local students only comprised around 22 % (UGC, 2015). These figures show that the government and universities have successfully increased the population of nonlocal students in the higher education sector of Hong Kong.

Nevertheless, given that most of the inbound students are from mainland China, the significance of increasing the number of nonlocal students in developing Hong

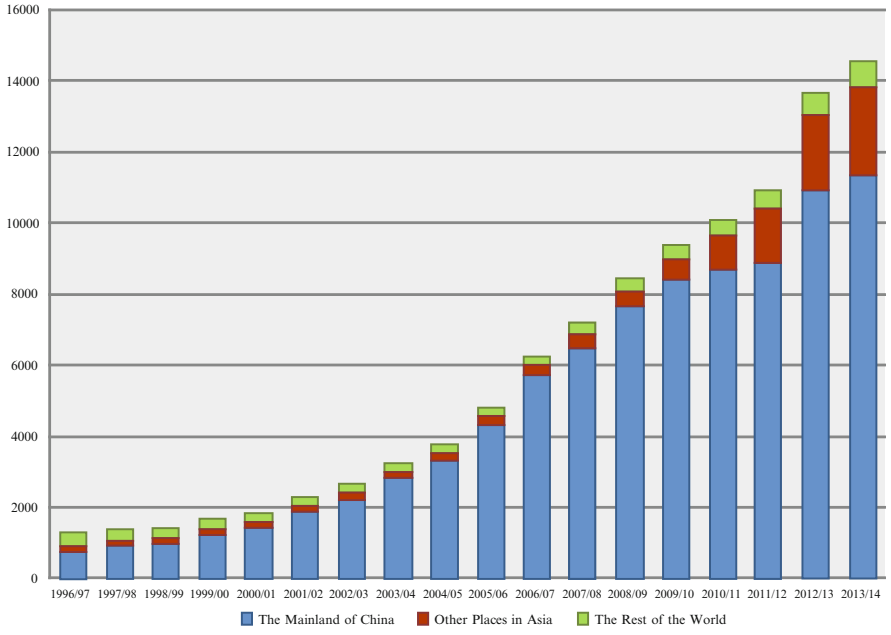

Fig. 4.1 Number of nonlocal enrollments in UGC-funded institutions by origin (UGC, 2015) (Note: Both full-time and part-time students studying undergraduate, postgraduate, and sub-degree levels are included)

Table 4.1 Nonlocal student numbers for self-financed post-secondary program for the 2010–2011 academic year

Level of study	No. of nonlocal students	Total student population	% of nonlocal students
Sub-degree (full time)	510	52,154	1 %
Undergraduate (full time)	501	17,019	3 %
Taught postgraduate (full time and part time)	6761	35,351	19 %
Total	7772	104,524	7 %

Education Commission Working Group (2011)

Kong into a truly international education hub has become questionable. Figure 4.1 shows that the number of mainland Chinese students studying in publicly funded institutions increased remarkably from 791 in 1996–1997 to 11,374 in 2013–2014. From 2000 to 2001 onwards, mainland Chinese students have accounted for around 80 % of the entire nonlocal student population in Hong Kong. The government considers the strong relationship of Hong Kong with mainland China as a competitive advantage. Tapping into the Chinese market is considered a viable method of expanding the education export industry of Hong Kong (TFEC, 2009a, 2009b; Tsang, 2011; UGC, 2004). However, the growing population of mainland Chinese students in the higher education sector of Hong Kong has been widely criticized. Critics argue that expanding the recruitment of students from mainland China does not support the goal of internationalizing the higher education sector of Hong Kong even though mainland Chinese students are counted as nonlocal students. They argue that this education hub strategy "does not really fall within the remit of internationalization and is (rightly) referred to as contributing to the "mainlandization" of local universities" (Lai & Maclean, 2011: 256). This criticism demands a reevaluation of the current education hub strategy.

4.4 Reviewing the Policy

What are the purposes of building an education hub? I believe that this is the core question guiding us to clarify the rationales and objectives of the education hub strategies. Based on Hong Kong's education hub initiatives discussed in the previous section, we can recognize that Hong Kong has shown strong interests in becoming a student-oriented hub that primarily aims to generate revenue by expanding the nonlocal student population. However, Knight (2013: 385) argues that Hong Kong "can be described as more an education gateway with China than a thriving regional student-oriented education hub." Other recent studies suggest that Hong Kong has failed to foster a thriving regional education hub in terms of providing direct public investment and strong coordination (Chan & Ng, 2008; Cheng, Cheung, & Yuen, 2011; Lai & Maclean, 2011; Shive, 2011). These studies state that the strategies and actions of Hong Kong are characterized by a noninterventionist approach, and

hence the development of the city into an education hub has been slow. Despite expressing its intention to export its education services and to use its strong links with mainland China and its cosmopolitan outlook as competitive edges over its regional competitors (UGC, 2004), Hong Kong has exerted limited efforts toward achieving such a goal, especially at the institutional and individual levels. According to Yang (2012), Hong Kong universities and academics have insufficient incentives, especially financial ones, to compete for a larger share in the global higher education market because the major universities in the city are primarily funded by the government. Universities in Hong Kong not only remain relatively unknown outside of the region (Cheung, Yuen, Yuen, & Cheng, 2010, 2011) but also remain less active in the Chinese market compared with other higher education exporting countries (Yang, 2012). Thus, despite providing some incentives, such as scholarships, employment, and residency permits, the policy of developing the city into a regional education hub to generate income, let alone to create a true global regional educational hub, is deemed less successful and has even been strongly criticized. For example, Skidmore (2012: 94) remarked that "The idea of transforming Hong Kong into an "education hub" seems impractical, unwise and unnecessary. And the incentives for the eight UGC institutions to move in this direction appear insufficient to motivate the required efforts."

Furthermore, to analyze Hong Kong's strategy in developing an education hub and its positioning in the global higher education system, it is important to address the fact that the evolution of the higher education sector of Hong Kong is substantially characterized by its integration with mainland China (Lo, 2013). For years, mainland Chinese students have viewed Hong Kong as an attractive destination for higher education (Li, 2011; Li & Bray, 2007). They are drawn by the foreign language climate and the relatively high position of Hong Kong universities in international academic circles. Also, the fact that local higher education institutions offer generous financial support and scholarship to their outstanding students and financial support is an important factor for attracting students from the mainland to study in Hong Kong. Nonetheless, the city may not be the final destination for many mainland Chinese students. As reported by Li and Bray (Li, 2011; Li & Bray, 2007), a considerable number of these students take Hong Kong as a stepping stone and are preparing to pursue further studies or employment opportunities in foreign countries. Consequently, the opening of the Hong Kong higher education sector to mainland Chinese students leads to concerns over the effects of the education hub policy on the human capital of the city (Cheung, 2012). Given China's changing environments and policies for returnees, returning to mainland China is an increasingly attractive option because returning graduates from Hong Kong are usually considered as "returnees from overseas." This situation has incited opposing arguments that criticize the pragmatic rationales of mainland Chinese students for choosing Hong Kong as their study destination. Critics argue that mainland Chinese students consume a large amount of the educational resources of Hong Kong without committing themselves to the city. The UGC has responded to this criticism by arguing that despite the policy of allowing the UGC-funded institutions to admit nonlocal students up to a level equivalent to 20 %, only 4 % of these students are funded by

Table 4.2 Annual tuition fee for local and nonlocal students in UGC-funded programs between 2012–2013 and 2015–2016

Name of UGC-funded institutions	Annual tuition fee for nonlocal students		Annual tuition fee for local students
Academic year	2012–2013	2015–2016	2012–2013 and 2015–2016
City University of Hong Kong	HK$120,000	HK$120,000	HK$42,100
Hong Kong Baptist University	HK$110,000	HK$120,000	HK$42,100
Lingnan University	HK$110,000	HK$120,000	HK$42,100
The Chinese University of Hong Kong	HK$120,000	HK$120,000	HK$42,100
The Hong Kong Institute of Education	HK$100,000	HK$110,000	HK$42,100
The Hong Kong Polytechnic University	HK$100,000	HK$120,000	HK$42,100
The University of Hong Kong	HK$135,000	HK$146,000	HK$42,100
The University of Science and Technology	HK$100,000	HK$120,000	HK$42,100

Note: Inapplicable to double degree programs
CityU (2015), HKBU (2015), LU (2015), CUHK (2015), HKIEd (2015), PolyU (2015), HKU (2015), HKUST (2015)

the government; the remaining 16 % are self-financed or funded by institutional resources and thus provide revenue (Liu, 2012). Moreover, the government has recently decided that all the approved UGC-funded places should be used to admit local students, although the 20 % nonlocal students quota remains unchanged (Education Bureau, 2015). Adding another complexity, the UGC-funded institutions have also widened the tuition payment gap between local and nonlocal students in recent years. Between the academic years 2012–2013 and 2015–2016, six of the eight institutions have increased the tuition fee by 8–20 % (Table 4.2). Nonlocal students have to pay a higher tuition fee, around three times more costly than that for local students. As depicted in Table 4.2, the levels of annual tuition fee for nonlocal students vary from HK$110,000 to HK$146,000 in 2015–2016, while there is a standardized tuition fee of HK$42,100 for local students. In this regard, a local boundary has seemingly been drawn by tuition fees, despite the call for internationalization.

However, despite the criticisms directed toward the lack of commitment of mainland Chinese students to Hong Kong, a survey indicated that not only were 80 % of nonlocal student respondents interested in staying and working in Hong Kong, but a large proportion of local student respondents believed that the mainland Chinese students who were staying and working in the city would bring different degrees of competition in terms of employment opportunity and salary level (for details, see CMCR, 2011). These contradictory views and findings reveal a paradoxical situation in which Hong Kong citizens are increasingly being threatened by competition from mainland China as the city intensifies its connections and integration with the mainland. This situation is obviously related to the historical and political context in which Hong Kong is culturally and politically distinct from mainland China. Yet as Hong Kong has been continuously integrating into the mainland since 1997, it is felt

that the concept of "two systems" has now been overshadowed by that of "one country." To sum up, there is a sense of being under threat among people in Hong Kong, which to a certain extent reflects their attitudes toward the inflow of mainland Chinese students. More importantly, this sociopolitical situation provides one more reason for us to reevaluate and broaden the notion of Hong Kong as a regional education hub.

4.5 Future Prospects: A Cosmopolitan Vision for Internationalization

Whose interest does an education hub serve? I argue that asking this question helps us to reframe the discourse on education hub development in Hong Kong. There are three types of answers in the existing literature.

The first type of answer is based on the interests of Hong Kong as a city-state. It is supported by existing analyses and commentaries that criticize the development as unsuccessful in terms of strengthening the education export industry and diversifying the student population of the city. This perspective focuses on the competition brought by the opening of the Hong Kong higher education sector, which has incited tensions between locals and nonlocals (mainly referring to students from mainland China). This situation has resulted in the criticisms discussed earlier.

The second type of answer derives from considering Hong Kong as part of China. For instance, several arguments state that Hong Kong can act as a bridge for the international mobility of mainland Chinese students and that Hong Kong can develop a "supply chain" capability in which mainland Chinese students are able to study in Hong Kong for a certain period and then pursue further studies in foreign universities (Postiglione, 2005; Shive, 2011). This positioning of Hong Kong is in anticipation of these students returning to China, thereby reemphasizing Hong Kong's contribution to internationalization of higher education in China (Lo, 2011; Yang, 2002). This idea can be further illustrated with the "one country, two systems" principle. With the emphasis on "one country," Hong Kong is obliged to serve the interests of China, which drives the city to provide mainland Chinese students with wider access to higher education. Simultaneously, the idea of "two systems" reminds Hong Kong, as a special region in China, about its responsibility of providing mainland Chinese students with a different learning experience. In this sense, the term, "education hub," reveals the different perspectives and possibilities that can be brought about by cross-border education.

The third type of answer rests on a reexamination of the ideas of "internation," which are used as key elements of cross-border education and education hub (Knight, 2013). Attempts have been made to clarify and enrich this approach to internationalization of higher education in the existing research literature. For example, Haigh (2008) acknowledges that the prevalence of academic capitalism constitutes a commercialized agenda in the internationalization process. He believes that making citizenship education a priority is an effective way of promoting a constructive alignment between educational and economic imperatives and defines

this educational approach as a mission of nurturing "planetary citizenship," which provides an ethical basis for learners to understand their responsibilities and obligations in a multicultural and interdependent world. Similarly, S. W. Ng (2012) argues that "citizenship" and "cultural awareness" are important elements for balancing neoliberal market values and retaining liberal and civic values in the internationalization process. Stier (2004, 2010) classifies these ideological rationales for internationalization into three normative assumptions: instrumentalism, idealism, and educationalism. While instrumentalism presents the neoliberal agendas embedded in the capitalist approach to internationalization, idealism and educationalism reinsert the ideas of pursuing respect, tolerance, democratic values, intercultural competence, and intercultural sensitivity in the discourse and implementation of internationalization.

In light of these ideological debates, my colleague and I have attempted to evaluate the relevance of the concepts of "national borders" and "national outlook" to the discussion on internationalization of higher education in Hong Kong (Lo & Ng, 2013). Based on the thesis of cosmopolitanization by Beck (2006, 2011), we argue that the capitalist approach essentially presents an exclusive duality, in which national and international dimensions are mutually exclusive. This unequivocal model theoretically retains national boundaries in the understanding of globalization and justifies a universal agenda of market competition at a global scale. However, we argue that the capitalist approach and its logics of unequivocalness have oversimplified local, national, regional, ethnical, or religious cultures and traditions and therefore cannot properly respond to the proliferation of transnational and translocal risks in the context of globalization. Therefore, we believe that the logic of equivocalness should be adopted in the internationalization process. This logic represents a form of inclusive pluralism, which perceives national and global dimensions as a side-by-side existence. Importantly, it also promotes a cosmopolitan empathy, with which we are able to address both opportunity and threat attached in global risks, recognize local/national differences, and adopt a mélange principle interpenetrating local, national, ethnic, religious, and cosmopolitan cultures and traditions while acknowledging the impossibility of living in a world without borders. The adoption of these principles implies a fundamental transformation from a national outlook to a cosmopolitan vision, which involves a global sense or a sense of borderlessness in analyzing and countering social problems (Lo & Ng, 2013: 37-38). This cosmopolitan vision for internationalization of higher education urges us to see Hong Kong as part of the global higher education system. This understanding of the positioning of Hong Kong in the global higher education system consolidates the argument about adopting the initiatives of enhancing the connectivity among people from around the world through internationalization as a project of nurturing humanity and global citizenship (Cheng et al., 2011; S. W. Ng, 2012). It also justifies seeing the "supply chain" process in the arenas of talent flow and knowledge generation as part of global brain circulation and global knowledge production whereby nonlocal students are prepared for and connected with the global academic community. From the idealistic perspective, this cosmopolitan vision is primarily concerned with the moral world (Stier, 2004) and therefore is prescriptive. Nevertheless, as Beck (2011) reminds us, we have been experiencing the disappear-

ance of borders in different aspects of life and activities, which unfolds the reality of cosmopolitanization. On this basis, we believe that the cosmopolitan vision is not a utopian ideal but a reflexive practice presenting a form of cosmopolitan realism (Lo & Ng, 2013). In other words, it is normative rather than prescriptive.

4.6 Conclusion

This chapter has reported the challenges that Hong Kong has been facing during its development into an education hub. Knight (2013) believes that these challenges may result from the noninterventionist approach employed by the city to plan and develop its hub activities, in contrast to how other education hubs have been placing substantial investments in terms of planning, policy preparation, funding, and infrastructure. However, the issues in this chapter are raised not to challenge the noninterventionist approach adopted in the education hub strategy and the internationalization process in Hong Kong but to question the capitalocentric ontology of internationalization of higher education adopted in many systems. This inquiry guides us to have a deep reflection on the capitalist approach to internationalization that is characterized by economic imperatives and to impose a cosmopolitan vision that reveals the limits of national perspective and national sphere in, and inserts the sense of borderlessness into, the discourse on internationalization of higher education.

Note This chapter was mainly revised and adapted from the author's previously published articles, Lo (2015) and Lo & Ng (2013).

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Part II
Internationalization as Education Marketization

Chapter 5
Critical Reflections on the Challenges and Strategies Associated with Internationalising Hong Kong's Higher Education

Shun Wing Ng and Sylvia Yee Fan Tang

Abstract This article reports the findings of a research study that explored the emerging issues and challenges involved in attracting Asian students to pursue higher education in Hong Kong. The study found that internationalisation strategies at both the system and institutional levels attempted to address problems associated with exporting higher education and make studying in Hong Kong's higher education system more attractive. These strategies were mainly driven by brain gain and income generation. Based on the research findings, higher education services should be promoted overseas in a way that transcends profit motivations, enhances students' learning experiences and prepares students to be future leaders in a humanised environment.

Keywords Internationalisation • Higher education • Education hub • Globalisation • Promotion strategies • Educational services • World Trade Organization

5.1 Introduction

Given the rapidly globalised world of disintegrating country borders and supranational network of capital and knowledge, the pace of transnational education is increasing (Bauman, 2002; Shields, 2013). The internationalisation of higher education requires that higher education services be exported by recruiting overseas students. Singapore, Malaysia and Hong Kong are no exception to this global trend (Mok, 2008). They are internationalising their higher education campuses by recruiting more nonlocal students and striving to develop into regional education

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hubs. Due to the great demand for higher education among Asian countries, it is strategically important for Hong Kong to embark on its internationalisation process by recruiting students from the region. Hong Kong is well prepared to become a regional education hub in the wake of the emergence of Asia and particularly China and India as great powers in the twenty-first century (Cheung, 2009; Ng, 2012a). Although Hong Kong has comparative advantages over other Asian competitors, it must overcome several major hurdles before it can successfully export its higher education services (Ng & Tang, 2008; Ng, 2011). A research study was conducted to explore Hong Kong's development as an education hub, the emerging issues and challenges associated with internationalising Hong Kong's higher education and its far-reaching implications.

As a part of the larger study, this article presents the findings related to the incentives, challenges and strategies associated with internationalising Hong Kong's higher education. It analyses relevant policy documents and interviews with various stakeholder groups including government bodies, higher education institutions (HEIs) and students from select Asian countries who studied in Hong Kong. The issues and challenges identified in the study have implications that may help higher education stakeholders recommend strategies for internationalising Hong Kong's higher education at the system and institutional levels.

5.2 Background of the Study of Internationalising Hong Kong's Higher Education

Many believe that Hong Kong's higher education must be internationalised to prepare local institutions for the next wave of Hong Kong's economic growth. The *Report on Hong Kong Higher Education* published by the University Grants Committee (UGC) of Hong Kong in 2002 proposed that Hong Kong was capable of exporting its higher education services and eventually becoming a regional education hub. According to the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) Mr Tung Kin Wah (2004), 'We are promoting Hong Kong as Asia's world city, on par with the role that New York plays in North America and London in Europe.' The UGC shared the view of the Chief Executive and Secretary for the Education and Manpower Bureau (EMB) that Hong Kong could be developed into a regional education hub in the higher education service sector (UGC, 2004). Due to Hong Kong's strong link to the Chinese mainland, its cosmopolitan outlook, its internationalised higher education and its geographical location, the UGC believed that Asia was a key presence on the world map of higher education and thus that internationally competitive centres of excellence could be established and reach critical mass in Hong Kong.

In the 2006–2007 policy agenda, the EMB (2006) elaborated on the new and ongoing education initiatives that a high-level inter-bureau steering committee chaired by the Chief Secretary for Administration had put forward to examine the

strategic issues related to the promotion of Hong Kong as a regional education hub. These initiatives included positioning and prioritising a policy that included immigration control, boarding facilities, financial assistance, promotion strategies and helping local institutions offer services outside Hong Kong. In the 2009–2010 policy address, the Chief Executive pledged to develop education services as one of the six key industries for economic growth (Tsang, 2009; Mok & Cheung, 2011). In the 2011–2012 policy address, the Chief Executive responded to the UGC's call for more hostels by authorising active collaboration with local institutions and projecting a HKD$2 billion increase in funding (Tsang, 2011). It was thought that these initiatives would further enhance the attractiveness and competitiveness of Hong Kong's higher education services.

The internationalisation of higher education is strongly linked to the intention of exporting higher education services to other countries. The literature related to exporting Hong Kong's higher education services must be reviewed, as it provides a backdrop for examining the international development of Hong Kong.

5.3 Increasing the Demand for Higher Education Services in Asia

The last two decades have seen a significant growth in the mobility of higher education programmes and providers through physical and virtual modes of delivery. According to the Organisation for Economic Co-operation and Development (OECD) database, Asian students will dominate global demand for higher education in the coming decades. There were 2.7 million tertiary students studying outside their countries of origin in 2005, an increase of 5 % over the previous year (OECD, 2009). Bohm, Davis, Meares and Pearce (2002) found that the global demand for international higher education was set to grow considerably. Within Asia, China and India will represent the key growth drivers, generating over half of the global demand for international higher education by 2025 due to their blooming economies. This was evidenced by the international student enrolment figures provided by the Institute of International Education (2015). The number of international students studying in the USA increased by 72 % from 2000 to 2014. It grew by 8 % last year and reached a high record of 886,052 in 2013–2014. 50 % of these students hailed from the top three countries of China, India and South Korea (Table 5.1). International students contributed over USD$27 billion to the US economy in 2013.

Commercial and financial interests have become the overriding concern when internationalising universities in different parts of the world (Knight, 2006; Tobenkin, 2014). In fact, transnational higher educational services have gradually aroused the attention of the General Agreement on Trade in Services (GATS), a treaty of the World Trade Organization (WTO) that entered into force in January 1995 as a result of the Uruguay Round negotiations. The treaty was created to

Table 5.1 Top places of origin of international students in the USA (Institute of International Education, 2015)

Countries	514,720 international students in 1999–2000 (%)	886,052 international students in 2013–2014 (%)
1. China	11	31
2. India	8	12
3. South Korea	8	8
4. Saudi Arabia	0–1	6
5. Taiwan	6	3
6. Japan	9	2
7. Vietnam	0	2

Table 5.2 Four modes of supply of education service (Ng, 2012b)

Modes	Criteria and examples	Supplier presence
Mode 1: Cross-border supply	Service delivered within the territory of the member, from the territory of another member (distance education, e-learning, virtual universities)	Service supplier not present within the territory of the member
Mode 2: Consumption abroad	Service delivered outside the territory of the member, in the territory of another member, to a service consumer of the member (students go to another country to study)	
Mode 3: Commercial presence	Service delivered within the territory of the member, through the commercial presence of the supplier (local branch or satellite campuses, twinning partnerships, franchising arrangement with local institutions)	Service supplier present within the territory of the member
Mode 4: Presence of a natural person	Service delivered within the territory of the member, with supplier present as a natural person (professors, teachers, researchers working abroad)	

extend the multilateral trading system to services in the same way the General Agreement on Tariffs and Trade provided a merchandise trading system (WTO, 2007a). Education is one of the 12 service sectors covered by the GATS and was included in the new service negotiations that began in January 2000 (WTO, 2007b). It covers four modes of supply for the delivery of educational services in cross-border trade (Table 5.2): cross-border supply, consumption abroad, commercial presence and presence of natural persons (Ng, 2012b).

The GATS framework regulates higher education as an industry and includes transnational education. HEIs in different regions around the world export higher education services in the name of internationalisation. In fact, the pace at which higher education has been internationalised has grown rapidly in recent years as a result of the rapid disintegration of country borders and the emergence of a supra-national network of capital and knowledge (Bauman, 2002). Internationalisation activities may include the international movement of students between countries;

international links between nation states provided by open learning programmes and new technologies; bilateral links between governments and HEIs in different countries for the purpose of research collaboration, curriculum development, student and staff exchange and other international activities; and export of education in which services are commercially offered in other countries, with students studying either in their home countries or in the countries of the providers (Egron-Polak & Hudson, 2014; Harman, 2005). Due to the great demand for higher education among Asian countries, it is strategically important for Hong Kong to embark on its internationalisation process by recruiting students from the region.

5.4 Higher Education Promotion Strategies

Major host countries are stepping up their marketing efforts to capture this rapidly growing market in the Asian region and ensure that an increasing number of overseas students come to their countries (Ng, 2011). The promotion strategy of an educational institution within the international market requires both sophistication and sensitivity. Managing the quality of higher education is of paramount importance. Ng and Tang (2008) reiterated an essential starting point for forming an international education marketing strategy. HEIs must focus on developing an image of quality curricula and a reputation for institutional quality in the Asian countries. Doing so can help an institute develop a good level of recognition and thereby lend it a comparative advantage in the market. Egron-Polak and Hudson (2014) also found the ability of institutions to recruit quality staff to be a critical success factor. Moreover, forming international strategic alliances helps to lower the cost of establishment (Mazzarol & Hosie, 1996). Giggs (1993) found that a twinning arrangement in which two institutions formed alliances and collaborated in degree provision could help to enhance an institute's quality and competitiveness in Asia. Possessing offshore teaching programmes and recruiting offices in the Asian countries may also help to facilitate enrolment and generate funds for the institutes (Nelson, 2002). For example, many foreign universities have established offshore programmes and campuses in Singapore since 2000 (Olds, 2007).

In addition, a competitive advantage can be achieved through the effective use of information technology and technical superiority (Mazzarol & Hosie, 1996). Learning mediated by technology can help to decrease education time compared with traditional teaching methods. Because telecommunications and information technology networks link offices and homes around the world, a greater use of open and distance learning via multimedia may help to export higher education overseas (Lundin, 1993). The effective use of government promotion agencies can also contribute to the export of higher education. The governments of Australia, Canada, the UK and the USA have made considerable investments in setting up and maintaining professionally run, well-resourced education information and promotion centres in Asian countries (Mazzrol, 1998). The literature has highlighted not only the importance of financial support from governments but also the financial performance of

tertiary institutions (Tobenkin, 2014). To manage quality, governments can help higher education providers obtain sufficient funding to undertake research programmes that meet international standards. Davis (1989) observed that relying heavily on private recruiting agents to promote higher education overseas involved a certain amount of risk given the various instances of unethical practice. Furthermore, the differences between overseas markets must be recognised when adopting different market entry strategies (Jiang & Carpenter, 2013). In fact, studies have found that possessing a strong alumni base and a large market share with student populations and campus size factored in providing a competitive advantage in marketing and promoting a country's higher education services (Choi et al., 2014).

Knight and de Wit (1995) and de Wit (2002) conceptualised two kinds of strategy in the higher education internationalisation process: programme and organisational strategies. Programme strategies refer to the academic activities and services of an HEI that integrate international considerations into the institution's main functions (Gopal, 2011). Organisational strategies refer to the initiatives that help to institutionalise the programme strategies. As such, equal attention should be given to both kinds of strategy. Mazzarol and Soutar (2001) cited six key factors to consider before exporting higher education services: foreign market language, market sophistication, regulations, experience and psychological distance, market outlook and competition. These strategies can be categorised into the following dimensions, as identified by Qiang (2003): governance, operations, support services, academic programmes, research and scholarly collaboration, extracurricular activities and external relations and services.

5.5 Method of Investigation

The current study was informed by the complexities of internationalisation, including its varied underpinning rationales, strategies, benefits and risks to HEIs and societies (Knight, 2006). Given that the Hong Kong government intended to develop Hong Kong into a regional education hub, the project team commenced its fieldwork study with the stakeholders involved in policymaking, advice and execution and the programme delivery of Hong Kong's higher education services. The study aimed to explore the incentives, issues and challenges associated with internationalising Hong Kong's higher education and the strategies recommended by higher education service providers for its promotion. The study was conducted conceptually within the naturalistic inquiry of the interpretive paradigm (Radnor, 2001). That is, it sought to understand the experiences of higher education stakeholders and examined the framework according to which these stakeholders constructed their own social realities (Lincoln & Guba, 1985), made sense of the world (Chapman & Pyvis, 2006) and generated meaning (Prescott & Hellsten, 2006).

The project team used purposive and snowball sampling methods. It conducted 21 individual in-depth interviews with representatives from departments of eight publicly funded and two non-publicly funded higher education institutions; three

with representatives of policy-related bodies including the Immigration Department of Hong Kong, Standing Committee on Internationalisation of the Heads of Universities Committee (HUCOM), the Education Bureau and the UGC; three with consulates general of India, Malaysia and Indonesia; thirty with nonlocal students enrolled in both undergraduate and postgraduate programmes; and three with alumni from the Asian region. Finally, seven focus group interviews were conducted with thirty nonlocal students, who volunteered from select Asian countries including India, Indonesia, Malaysia and a few others. These countries were potential target countries from which Hong Kong could recruit more students during its development as a regional education hub.

In addition, relevant documents related to higher education provision and regulations were collected from government officials in Hong Kong and from the websites of the policy-related bodies and higher education providers. These documents yielded insights into the current practices and situation of higher education provision and policies in Hong Kong and helped to triangulate the collected data. The documents were chosen because the project team believed they would provide sufficient information and maximum variations on analysis of the current situation and the expectations placed on Hong Kong's higher education services. Each sample was chosen 'to extend information already obtained, to obtain other information that contrasts with it, or to fill in gaps in the information obtained so far' (Lincoln & Guba, 1985, p. 201). After each interview, each nonlocal student was invited to introduce another student for a possible interview. Sampling was completed when the data obtained from previous respondents were replicated and repeated by additional interviewees.

The project team designed an interview schedule that included open-ended questions related to the issues, challenges, attractions and strategies associated with internationalising Hong Kong's higher education. Each interview lasted about 1 h, which allowed for the respondents to relax and converse naturally. The audio-recorded interviews were transcribed and analysed using both open and axial coding (Strauss & Corbin, 1998). Recurring themes and relevant information were grouped into categories.

5.6 Interpretive Analysis of the Findings

5.6.1 Factors Facilitating the Export of Hong Kong's Higher Education

Although Hong Kong declared its goal of becoming a regional education hub, some already-established attractions must facilitate the export of higher education services to overseas students from the selected Asian countries. For a detailed discussion of the various views of stakeholder groups about Hong Kong's attractions, see the full report of this study (Cheng et al., 2009). The following offers a gist of the

stakeholders' views and shows that there are two attractions. First, Hong Kong is an international financial city that provides social and cultural attractions and political stability. Furthermore, its geographic proximity to and business and cultural ties with the Chinese mainland are major attractions to overseas students. Second, stakeholder groups pointed out the attractions of Hong Kong's higher education services, including its high-quality English-medium teaching, international exposure, good support services and low tuition fees compared with those of Western countries. One student from Malaysia and India observed the following:

> China is a big market. Hong Kong is a place where we can learn a lot about Chinese trade. That is why I come here to study. (Student Informant 9)

5.6.2 Challenges Associated with Internationalising Hong Kong's Higher Education

Hong Kong has taken steps to internationalise its higher education services and develop itself into an education hub. Nevertheless, as indicated by the attractions identified by the various stakeholder groups, an equal amount of inadequacies may impede the export of those services. These inadequacies are multifaceted and exist at the levels of policy formulation, coordination and implementation across sectors in Hong Kong and within the local higher education sector. The issues and challenges associated with the supply of cross-border education require Hong Kong to revisit different aspects of its internationalised tertiary education policy.

5.6.2.1 Diverse Views of Internationalisation

The successful development of Hong Kong into a regional education hub relies on a shared vision and concerted efforts expended by various sectors. Nevertheless, diverse stakeholder views may hinder the pace of internationalisation. For example, two policymaking stakeholders (i.e. senior officers at the Immigration Department and the EDB) indicated that the internationalisation of Hong Kong's higher education was tied to different areas such as education, immigration and public finance. The HUCOM representative suggested that the development of Hong Kong into an education hub could be examined in the context of the higher education internationalisation, a multifaceted issue that carried different policy aims such as making profits, attracting talent to Hong Kong and nurturing global citizenship in the globalised world. The HEIs in Hong Kong currently focus on the recruitment of nonlocal students who mainly come from the Chinese mainland. In fact, these institutions are lagging behind in internationalising their campuses. Therefore, they must explore the development of common overseas markets, as indicated by the following comment:

> It seems to me that HUCOM has had an agenda to internationalise higher education. However, in reality, the HEIs have recruited students mainly from the Chinese mainland. It is actually not internationalization but nationalisation. (HEI Informant 3)

There is also a diversity of views held within the local higher education sector. One purports that HEIs must work together to promote Hong Kong's higher education to overseas markets and compete against one another over the recruitment of overseas students. One HEI representative doubted that the academic staff members at various levels within the organisational environment of an HEI had a shared vision of bringing overseas students into their institution.

5.6.2.2 Lack of Visibility of Hong Kong's Higher Education Services

The visibility of a country's higher education is considered a key promotion strategy (Mazzarol & Hosie, 1996). However, as many of the student respondents expressed, Hong Kong's higher education is not widely known to overseas markets. This is especially true when it is compared with the reputations of the higher educations of Australia, the UK, the USA and Singapore in the Asian markets. The following comment is typical of the views of students from India and Indonesia:

> It is hard for me to locate information about Hong Kong's higher education in the city where I live. I usually obtain information about higher education in Singapore at the education expos, but I seldom find a stall for Hong Kong. (Student Informant 22)

Mazzarol (1998) argued that the government could play a role in promoting higher education. However, two HEI stakeholders found the government-led promotion for Hong Kong's higher education services to overseas markets to be inadequate. As a result, such promotion work is left to individual HEIs and the assistance of the Hong Kong Trade Development Council. One HEI representative expressed the following:

> I don't know how much the government has led the HEI to promote our services overseas. We usually have to do our own promotion. (HEI Informant 9)

Overseas markets vary. Some HEI stakeholders expressed concerns about their lack of connections with and understanding of the different aspects of specific Asian countries, including information about the recognition of qualifications granted by HEIs in Hong Kong. Some also expressed concerns about the inadequate resources for individual HEIs to promote their programmes to the Asian region.

5.6.2.3 Inadequate Policy Infrastructure for Supporting the Recruitment of Nonlocal Students

The HEI stakeholders commonly expressed the dilemma that the annual nonlocal student admission quota was decreasing the pace of internationalisation. The Chief Executive announced an increase in the quota for publicly funded programmes from

10 to 20 % in 2008–2009 (Tsang, 2007). Although the targets for additional student numbers fall outside UGC-funded locations, an increase in the nonlocal student admission quota may elevate the admission standards for highly competitive programmes that are attractive to both local and nonlocal students. Whether this elevation would make it more difficult for local students to gain admission into these highly competitive programmes is worth addressing. One HEI representative expressed the following:

> Nonlocal students concentrate on taking the subjects of Engineering and Business Studies. I think it may lessen local students' chances of being admitted into these programmes. The UGC needs to address this foreseeable problem. Determining how to balance the interests of both local and nonlocal students is an urgent task here in Hong Kong. (HEI Informant 6)

Land scarcity and shortage of accommodations for nonlocal students present additional challenges to the expansion of higher education in Hong Kong, especially for research postgraduate students living in Hong Kong with their spouses or family members. However, many of the HEI stakeholders and student groups interviewed observed a lack of scholarships and financial subsidies for overseas students' tuition fees. Financial support such as scholarships is important when facing the high cost of living in Hong Kong. Specific groups of students such as those from less favourable backgrounds in the selected Asian countries and those with families are in need of financial support.

Knight (2002) argued that immigration requirements posed barriers to internationalisation. Many of the respondents expressed concerns about immigration issues, such as students taking on part-time work, applying for work visas after graduation and dealing with visa issuance restrictions. It is encouraging that the Chief Executive's policy address included a number of measures to deal with some of these issues.

5.6.2.4 Concerns Within the Local Higher Education Sector

The academic structure of a country is a concern for overseas students because it may result in a mismatch of academic expectations (Ng & Tang, 2008; Ryan & Hellmundt, 2003). The majority of the respondents including an informant from the Consulate General of India and some HEI stakeholders and nonlocal students believed that launching the British approach of a 4-year (rather than 3-year) university education in Hong Kong could make higher education more costly and less attractive to students from some Asian countries such as India and Malaysia:

> The students from Malaysia, India and Singapore, for example, will have to pay tuition fees for an extra year. They would most likely shift to Australia instead of Hong Kong. Individual HEIs and the government need to formulate flexible admission policies for those students studying under the British education system. (Consulate Informant 1)

Although possession of international strategic alliances and partners can be advantageous in promoting higher education overseas, a few of the stakeholders admitted that they encountered difficulties in working with other overseas universities to offer

joint programmes. HEI stakeholders argued that a lack of flexibility in transferring credits from overseas institutions could hamper the internationalisation of certain programmes. Hsiao (2003) and Knight (2002) reiterated that recognising the credentials of other countries could be a salient impediment to exporting higher education services. Some of the HEI stakeholders opined that self-financed programmes were in need of funding to support the recruitment of nonlocal students.

In addition to noting the lack of foundation year programmes to support overseas students, some students described the inadequacies of the English-medium teaching and learning environment in Hong Kong. They found the choice of modules delivered in English to be limited and experienced difficulties in the Cantonese-speaking practicum environment in a professional preparation programme. Some even reported experiencing difficulties with lecturers' spoken English and overuse of Chinese in class. As such, the HEIs in Hong Kong should pay attention to the language policies in their curricula. For example, some of the Indonesian students found it difficult to engage with English as a medium of instruction at the beginning of their studies. The language issues indicated here are consistent with the findings of studies conducted by Mazzarol and Soutar (2001) and Jowi (2012). One Indonesian student expressed the following:

> Sometimes I have to pay very careful attention to a tutor's spoken English. I do not understand what he says sometimes. He speaks with a strong accent and frankly speaking he is not fluent in English either. (Student Informant 25)

5.6.2.5 Social and Cultural Concerns

Consistent with Choi (2008) and Ng's (2011) finding that adapting to the local culture was a major source of frustration for overseas students, students reported experiencing several problems adjusting to life in Hong Kong, such as overcrowding, air pollution, homesickness and difficulties adjusting their diets. One student found the study mode in Hong Kong to differ drastically from that of her place of origin:

> I need to participate in a group to complete my project. I need to cooperate with others to design a way to present in the classroom. My work is no longer assessed via examinations. It is completely different from what I am used to. In the beginning, I felt very frustrated getting used to the learning life here. (Student Informant 19)

Many of the student respondents expressed that they had met nice people, including their fellow local students. However, a few indicated experiencing problems with social integration and limited interaction between local and nonlocal students. The nonlocal students had several perceptions of their interactions with local students. They observed that the local students did not express a great interest in interacting with them and that they competed with local students after graduation. They also perceived that Hong Kong was not safe for Muslims and that the local students had different lifestyles and study habits; were materialistic, luxurious, immature and short-sighted; tended to blame others; and lacked self-reflection. In the worst scenario, students from Africa and the Chinese mainland felt discriminated against.

5.6.3 Strategies Recommended for Internationalising Higher Education

Internationaleducation is becoming a global, market-oriented and private industry. Yonezawa (2007) argued that it should be managed and supported by clear strategies and policies at both the system and institutional levels. However, the real internationalisation process usually occurs at the institutional level (Knight, 2004). Economic interests have become the overriding concerns in the higher education internationalisation process (Knight, 2006). After acknowledging the inadequacies that lie therein, the stakeholder groups recommended many strategies for exporting Hong Kong's higher education services to select Asian countries. These strategies are conceptualised at both the system level, where the government's leading and coordinating roles should be strengthened, and the institutional level, where the programme, marketing and organisational strategies undertaken by HEIs to promote their higher education services overseas are discussed.

5.6.3.1 System Level: The Role of the Hong Kong Special Administrative Region Government

Many of the HEI respondents recommended that the government take an active and leading role in promoting the internationalisation of Hong Kong's higher education. The EDB must clarify its aim to develop Hong Kong into an education hub because the objectives involved in promoting internationalisation and making a profit from exporting education entail different strategies. The HUCOM representative expressed the following:

> Internationalization means that the following area needs to be internationalised: academic structure, collaborative programmes, curriculum support services, exchange students, format of activities on campus, etc. The government needs to specifically clarify the aim of becoming an education hub so that HEIs know which directions they are taking. (HUCOM Informant)

Some of the respondents expressed a need to increase the quota of first-year undergraduate degree places held by local and nonlocal students. In fact, Hong Kong is falling behind Singapore's higher education development. Singaporean Prime Minister Lee Hsien Loong observed that the rate of first-year degree places for local students was 25 % in 2007 (Ministry of Education and Singapore, 2008) and that the rate for Hong Kong students had been 18 % for 10 years. To develop into an education hub, Singapore attracted 150,000 international students in 2012 (Doorbar and Bateman, 2008). Although the Chief Executive announced an increase in the nonlocal student quota for publicly funded programmes (from 10 to 20 % in 2008–2009), the increase lagged far behind Singapore.

According to the stakeholder groups, establishing public sector infrastructure is the best strategy for promoting the internationalisation of Hong Kong's higher education. They expected the government to set up an organisation such as the British

Council and establish offshore offices in the selected Asian countries where the Hong Kong universities could set up inquiry desks and promote higher education. To attract students and academics from other parts of the world, the HEI stakeholders also expected the government to provide more scholarships for international students and to take the lead on driving marketing strategies in different directions, including promoting the image of Hong Kong as a world-class financial city and a regional education hub with the best infrastructure for international students in Asia. Most importantly, they believed that qualification recognition between Hong Kong and select Asian countries must be sought at the government level. The Hong Kong government must initiate communication and cooperation with the governments in these Asian countries to attract students and academics from other parts of the world.

> We always negotiate alone with individual institutions over matters such as credit transfers, qualification recognition, collaborative programmes, etc. In fact, we find it difficult to initiate contact at the government level. What can we do when the government takes no initiative? (HEI Informant 13)

As discussed in a later section, the Hong Kong government recently introduced measures to address some of these concerns. Given the scarcity of land in Hong Kong, the HEI stakeholders suggested that the government build a university dormitory city for all of the university students in Hong Kong. This would not only solve the hostel shortage problem but also facilitate cultural exchanges between local and nonlocal students. Furthermore, the resources required by individual HEIs to promote their education in Asian countries seem to be insufficient. One HEI representative made the following comment:

> The government should provide more incentives and resources to encourage academic departments and their staffs to develop suitable programmes to attract overseas students. The universities should be given enough support and campus facilities for the international students. (HEI Informant 2)

The respondents were apparently dissatisfied with the infrastructure currently used to internationalise Hong Kong's higher education. To strengthen promotion overseas, many observed that the government should provide a platform for the local institutions to synergise and better coordinate their internationalisation efforts. They also said that the Hong Kong Trade Development Council should be empowered to use its worldwide offices, networks and connections to better promote Hong Kong education.

5.6.3.2 Institutional Level: Strategies to be Strengthened by HEIs

Curriculum and programme design flexibility is of paramount importance to attracting more overseas students (Ng & Tang, 2008; Ng, 2012a, 2012b; Vajargah & Khoshnoodifar, 2013). The HEI stakeholders recommended that more varied and customised academic programmes be developed. Their suggestions included developing business programmes accompanied by Chinese study, dual degree

programmes offered by two universities, student exchange programmes, university faculty exchange programmes and programmes including Putonghua learning (i.e. standard Chinese) components, part-time programmes targeting the Southeast Asia market, collaborations with companies to offer student internship opportunities and foundation courses to help bridge Secondary 5 graduates (i.e. students completing a 5-year secondary education under the British education system) with undergraduate studies. Some observed that the best strategy for promoting Hong Kong as an education hub would be to continually enhance the academic excellence and visibility of the higher education sector, given that students and academics from other parts of the world were attracted to internationally competitive institutions.

All of the inbound students from the Asian countries stressed that attractive scholarships and financial assistance were vital to their decision to study in Hong Kong. One research postgraduate student from Malaysia observed the following:

> I cannot afford to study in Hong Kong without a scholarship because the living cost is relatively high here. I would suggest that the Hong Kong banks join up with the universities and provide loans to nonlocal students. (Student Informant 21)

The differences between overseas markets must be acknowledged when adopting different market entry strategies. The eight UGC-funded HEIs must pull their resources together to engage in joint promotional activities such as mini-expos, massive exhibitions, talks in schools and television and Internet advertising. One HEI representative observed the following:

> We go to the overseas expos individually. There is no connection between Hong Kong's HEIs in the exhibition. It seems that we are competing with each other at the overseas expos. (HEI Informant 8)

The HEIs should also have clear targets for promotion. For example, potential overseas students in Indonesia may include Indonesian Chinese in Meden and Subiyar; the children of government officials; students in Christian, Catholic and international schools; and students in Christian universities. In India, potential markets may include New Delhi, Mumbai, Bangalore, Chennai, Hyderabad, Kolkata and Ahmedabad. In Malaysia, Sabah, Penang and Johor should be explored. One Malaysian Chinese student observed the following:

> There would be keen competition with the Chinese mainland and Taiwan if Hong Kong HEIs targeted Kuala Lumpur. (Student Informant 25)

In addition, students from Malaysia recommended that educationalist group Dong Jia Zong be enlisted, as it had connections with independent high schools and universities in the Chinese communities. It would also be helpful to build networks with schools in the target cities and to seek the help of nonlocal students in disseminating information about Hong Kong's higher education in their home countries.

In terms of organisational strategies, some of the HEI stakeholders suggested that the university should provide support services to facilitate nonlocal students' cultural adjustment and social integration. In addition, support services for placement, career path planning and student visa applications were considered useful in attracting students to Hong Kong.

5.7 Discussion and Conclusion

Internationalisation is a complex and dynamic process embedded with strategies, benefits and risks to HEIs and the nation as a whole (Knight, 2006, Jiang & Carpenter, 2013). It is also a response to the globalisation resulting from international social interactions (Mok, 2007; Ng, 2012b). Similar to Singapore and Malaysia, Hong Kong has begun internationalising its higher education and made attempts to position itself as a regional education hub. The in-depth and focus group interviews revealed that Hong Kong possessed a number of attractive qualities that helped facilitate the export of its higher education services such as its proximity to China, its status as a financial and world-class city, the recognised quality of its higher education services and its low tuition fees compared with those of Western countries.

Despite these attractive qualities, Hong Kong faces many challenges in its development into a regional education hub. It has an inadequate policy infrastructure, a lack of land for hostel accommodation, limited admission quotas for first-year degree places, scholarship and research funding inadequacies and visa issuance restrictions. The Chief Executive responded to HEI stakeholders' continual requests by increasing the nonlocal student admission quota, relaxing immigration restrictions, providing more scholarships and hostel places and establishing a research endowment fund to address these problems. However, attention should be drawn to other challenges such as the need to clarify and achieve consensus on the aims of internationalising Hong Kong's higher education, the structural and programme-related issues involved in recruiting nonlocal students into HEIs and improving the sociocultural adjustment of nonlocal students in Hong Kong.

The various stakeholder groups interviewed recommended adopting programme, marketing and organisational strategies at the system and institutional levels to address these challenges. These strategies are highly relevant in addressing the challenges related to attracting nonlocal students to study in Hong Kong. In the globally competitive market of higher education services, such strategies seem to align with the motives of brain gain and income generation. These economy-driven motives are prevalent in a globalised world in which commercial and financial interests have become the overriding concerns in the internationalisation processes of universities worldwide (Knight, 2006; Egron-Polak & Hudson, 2014). Most of the strategies recommended by the stakeholder groups fall into this economic orientation of the internationalisation process, echoing Fok's (2007) view that the nature of competitiveness is particularly highlighted in the internationalisation of Hong Kong's higher education.

Although many seem to take this economically driven orientation for granted, the findings of the study emphasised the importance of clarifying the aims of internationalising Hong Kong's higher education during its development into a regional education hub. Knight (2006) observed that internationalising higher education prepares future leaders and citizens to address global issues and challenges such as shaping sustainable development, international solidarity and global peace in a

highly interdependent globalised world. These challenges extend beyond recruiting overseas students to enhance a country's competitiveness in the global economic arena (Ng, 2012a). Internationalisation must be applied in a more humanised way to counteract the effects of an overriding economy-driven globalisation.

HEIs require two aspects of internationalisation as counteractive measures. First, as many scholars (e.g. Knight, 2004; Ng & Tang, 2008; Gopal, 2011) have advocated, the integration of an international, intercultural or global dimension into the purposes and functions of higher education, i.e. teaching, research and service, is vital to the generation of knowledge and the preparation of future leaders and citizens to address global challenges. Second, a whole-campus approach must be in place to promote multicultural awareness and provide social support to nonlocal students. Academic and administrative staff, support service providers and local students on campus must nurture the multicultural perspective (Crose, 2011). Cohort dynamics must be considered in tutorial group arrangements and hostel assignments to promote cultural mixing and build students' intercultural awareness, knowledge and competence (Crose, 2011). Moreover, the religious backgrounds of the students in select Asian countries must be attended to. The student affairs units in the HEIs can play an active role in recruiting families for homestay arrangements during holidays to ease students' homesickness and facilitate their stays in Hong Kong. More interculturally sensitive activities for local and nonlocal students could also be organised.

Hong Kong is on the verge of developing into a regional education hub, and various stakeholder groups have recommended and worked on strategies to contribute to this development. Discussions and debates about the aims of internationalising higher education and the associated strategies at different levels should contribute to enhancing local and nonlocal students' learning experiences and education quality out of the ideal of human flourishing rather than mere economic interest.

Note This chapter was mainly adapted from the authors' previously published article, Ng and Tang (2008), with updating the data, key references and information regarding recent development of Hong Kong's higher education.

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Chapter 6
A SWOT Analysis of Exporting Hong Kong's Higher Education to Asian Markets

Timothy Wai Wa Yuen, Alan Chi Keung Cheung, and Celeste Yuet Mui Yuen

Abstract With the rapid economic growth and development of the Asian economies in recent decades, there has been a continued rise of students in Asian countries studying outside their home country. The importance of the Asian market has been acknowledged by countries keen on exporting educational services. Hong Kong is aspiring to be an education hub. If this is to be achieved, strategic analysis in relation to how the territory can export its education service to the Asian region is much needed. This study attempts to highlight the major strengths, weaknesses, opportunities, and threats of Hong Kong's higher education in relation to its potential of being a regional education hub in Asia. It follows the study visits which the researchers conducted in such Asian countries as India, Malaysia, and Indonesia, which are important sources of international students in the region. To ensure that the latest trend of development can be accurately reflected, further literature review and documentary studies subsequent to the visits were conducted. The paper concludes by examining the implications for the Hong Kong government and the higher education sector when they seek to capture these increasingly growing Asian markets.

Keywords Hong Kong • Higher education • Internationalization of education • Export of education • Educational services • Asian markets

6.1 Introduction

The growth in the numbers of international students in the past decades has been impressive. Beine, Noel, and Ragot (2014) explained that the number of students who studied abroad has risen steadily since the 1970s and by as much as four times

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between 1975 and 2008. The OECD (2014) has indicated that the number of international students has quadrupled in the past three decades, from 800,000 in 1975 to 4.5 million in 2013. Bhandari (2009) further estimated that the number of international students studying outside their home countries will reach 8 million by 2025. Ruby (2014) suggested that the increase in purchasing power of the developing countries and the economic structural changes are the drivers behind this growth. The British Council (2012) explained that both the exporting countries and their tertiary institutions can benefit enormously from the export of education services. The UK, for example, earned £14.1 billion from such education exports in 2008–2009. The earnings figure is forecast to jump to £27 billion in 2025. At the same time, the perceived benefits to tertiary institutes include improving their profile, enhancing their quality standard, obtaining better staff and students, and increasing their internal diversity.

The export of educational services has become increasingly important in many exporting countries. Marginson (2011) explained how education has become one of Australia's largest service sectors and one of its largest export items. Furthermore, the British Council (2012) has pointed out that the export of education services has become Britain's fifth largest export sector. Increasing efforts are being made by different governments to support the export of their educational services to foreign students (Cheung, Yuen, Yuen, & Cheng, 2011; Lee, 2008; Mok, 2008). According to UNESCO (2014) (Fig. 6.1), in 2012, the USA remained the most favored choice for international students, enrolling 18 % of all students; this is followed by the UK (11 %), France (7 %), Australia (6 %), Germany (5 %), Russia (4 %), Japan (4 %), and Canada (3 %).

In recent decades, the Asian region has become a very important source of international students. According to the UNESCO Institute for Statistics (2014) (Table 6.1), among the top ten sending countries of international students at tertiary level in 2012, five were Asian countries. China, India, and the Republic of Korea were the top three of these countries on the world scale. China alone sent out almost 700,000 students to study abroad.

Bohm, Davis, Meares, and Pearce (2002) pointed out that the demand for international education is set to grow, especially in the Asian markets, and by 2005 Asia will represent some 70 % of the total global demand for international education. Among these Asian countries, China and India will represent the key growth drivers, generating over half of the global demand in international higher education during the next two decades due to their booming economies. Kell and Vogl (2010) have explained that the Asian region, notably China and India, is the biggest supplier of international students. The British Council (2012) also projected that China, India, and Indonesia will be the most important sources of international students in 2020.

Dessoff (2012) has stated that a number of Asian countries have aspired to become regional hubs of education – these are, notably, Singapore, Hong Kong, South Korea, and Malaysia. Lai and Maclean (2011) explained that the government of Hong Kong has sought to build up a regional hub and develop education as an important industry. If this is to be achieved, Hong Kong has to devise appropriate strategies to capture this booming Asian market.

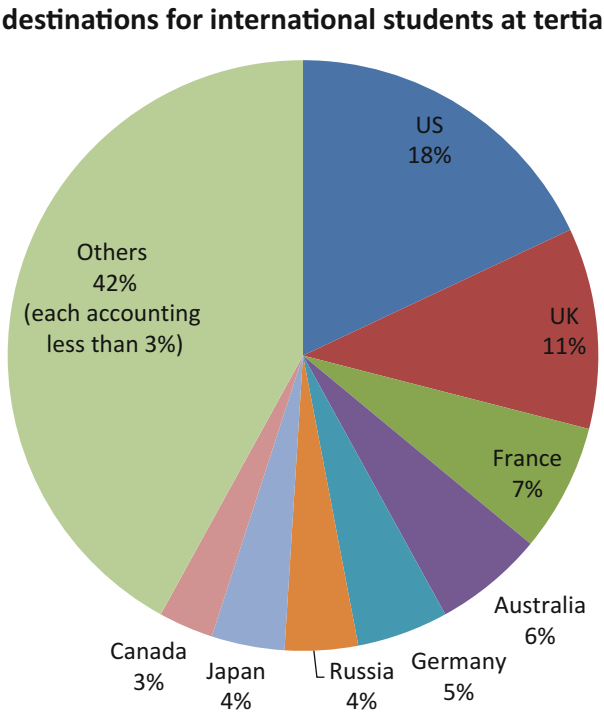

Fig. 6.1 Global destinations for international students at tertiary level (The UNESCO Institute for Statistics, 2014)

Table 6.1 Top 10 countries of origin of international students (The UNESCO Institute for Statistics, 2014)

Country	Number of students
1. China	694,400
2. India	189,500
3. Republic of Korea	123,700
4. Germany	117,600
5. Saudi Arabia	62,500
6. France	62,400
7. USA	58,100
8. Malaysia	55,600
9. Vietnam	53,800
10. Iran	51,600

6.2 Marketing of International Education

To capture this increasingly growing market in the Asian region, major hosting countries are stepping up their marketing efforts. Kehm and Teichler (2007) noted that there has been an increasing body of research on the marketization and internationalization of higher education in recent years. Gibbs and Knapp (2002) explained that

well-planned market research is needed in order to market higher education because the market for international students can be complicated. Marginson (2006) observed that the higher education market in fact comprises at least a worldwide positional market of elite US/UK universities, which is now joined by a massive emerging commercial market. Wei (2013), on the other hand, found that international students from developing countries put the same weight on educational and economic factors for peer developing countries as potential destinations. On the other hand, only economic factors are taken into consideration for developed countries as potential destinations. In view of such complications in the export trade of education, successful exporters of educational services in the Asian region are investing greatly on marketing research, and they often have specialized agencies to conduct marketing research. In the case of Singapore, the Education Services Division under the Singapore Tourism Board used to work on competitive analysis and research. In a similar vein, the export of education services in the Asian region by the UK and Australia was also helped by previous studies done by the British Council and the Australian Education International, respectively. These efforts supported the development of appropriate marketing strategies to penetrate the markets in the Asian region. Universities in these countries have in fact adopted unique strategies in internationalization (Sidhu, 2006). For example, Marginson (2007) explained Australia's achievement in exporting higher educational services against her success of building up a marketing niche: Australia positioned itself as an Anglo-American system on the edge of Asia while differentiating itself from the USA and the UK in matters of price, location, safety, and climate. Shaw (2014) argued that Australia has linked immigration and higher education in order to benefit both areas. Accordingly, preference is given to foreign students graduating from Australian postsecondary institutions when applying for permanent resident status. This is particularly the case if they are to work in careers where human talents are needed. Sidhu, Ho, and Yeoh (2011) explained how Singapore improved her market image through collaborating with other world-renowned universities and concentrating efforts to raise the rank of the National University of Singapore in the world league table. Chan (2012) also pointed out that Singapore has been using the establishment of offshore campuses of top-notch foreign universities as a step to build up its own "world-class university" image.

6.3 The Present Study

Hong Kong's entry into this new global trade of higher education services was first marked by its recruitment of students from Mainland China. Indeed Mainland students remain the largest group of mobile students in Hong Kong. In 2013–2014, for example, students from Mainland China accounted for more than 70 % of the approximately 14,000 nonlocal students in the tertiary institutes of Hong Kong (University Grants Committee, 2015).

A study had been carried out to identify the potential of Hong Kong to export its educational services (Hong Kong Trade Development Council, 2005). The second step would be to conduct a study focusing on exporting Hong Kong's education

services to the booming Asian markets. Such studies would need to assess Hong Kong's strengths and weaknesses pertaining to her exporting higher educational services to the Asian region. It should also address the opportunities and threats Hong Kong would encounter in such an endeavor. It was against this need for and the relative lack of pertinent data that the present study was carried out. Four cities in three countries, namely, Jakarta in Indonesia, Kuala Lumpur in Malaysia, and Mumbai and New Delhi in India, were chosen as our study sites. The chapter will be organized into the four SWOT areas based on our research findings. Readers may notice an overlap among some of the areas; this is because the areas are not orthogonal.

6.4 Research Methods and Procedures

The present study employed both quantitative and qualitative methods. The data for this project were obtained by the following three major methods: (1) questionnaire survey, (2) in-depth interviews, and (3) document review and analysis. The major sources of data for the questionnaire survey and the interviews were from prospective students, parents, principals, and policy-makers both in target markets and in Hong Kong. Convenience methods and snowball sampling methods were used for the survey questionnaire and interviews, and the relevant assistance was obtained from local schools, colleagues of the research team, and personal networks in these three studied markets.

The questionnaire survey consisted of four major sections: (1) various needs to pursue higher education overseas, including types of degrees and overseas countries preferred, (2) types of educational services, (3) factors which facilitate students studying in Hong Kong or which hinder them from doing so, and (4) promotional activities of Hong Kong's higher education sector. In addition to the questionnaire survey, interviewing, including in-depth focus group interviews (FGIs) and individual interviews, was another method used in this study. The interview guide consisted of dozens of open-ended questions covering all major areas stated in the questionnaire survey. The interview data will help to substantiate the quantitative data by providing richer information about the demographic variables. Relevant documents regarding higher education provision and regulations were also collected from government officials in the studied markets and in Hong Kong. These documents yielded insights into the current practices of higher education provision in these countries and the current situation of exportable higher education services in Hong Kong.

6.5 Data Collection

From April 2007 to January 2008, the project team conducted questionnaire surveys in all four studied cities in these three target markets – Mumbai, New Delhi, Jakarta, and Kuala Lumpur. A total of 1370 questionnaires were collected in this study. Nine

Table 6.2 Data collected in the three target markets

Cities, countries		Mumbai, India	New Delhi, India	Jakarta, Indonesia	Kuala Lumpur, Malaysia
Education expo	Questionnaire surveys (students and parents)	187	248	220	245
	FGI with students (5–7 per group)	3	9	3	6
	Parents	2	4–5	4–5	8
	Loan officers	0	2	0	0
	Education consultants	4	5	3	3
	Competitors	6	7	6	6
	Potential partners	3	3	3	4
Local community	Questionnaire surveys (students)	90	63	83	234
	Potential partners	3	1	3	5
	High school principals/ representatives	1	0	2	3
	Government officials	0	1	3	1
	FGI with students	0	0	0	4

hundred questionnaires were collected at education expos, and 470 were from the local community in these three target markets. The project team conducted a total of 121 interviews in the four target cities. The breakdowns of the questionnaire and the interviews which were collected and conducted in each city are shown in Table 6.2. In addition, approximately 100 current overseas students in Hong Kong, government officials, consulates, and higher education institutions' (HEIs) representatives were also interviewed. These collected data are discussed in this paper with the help of literature review and documentary studies to ensure that the latest trend of development is accurately reflected.

6.5.1 Situation of Higher Education Provision in Hong Kong

Mainland students constitute the main body of nonlocal students in Hong Kong. As of 2013–2014, there were approximately 14,000 international students studying in Hong Kong. The number of students enrolled in publicly funded programs and self-financed programs was 9000 and 5000, respectively. As shown in Fig. 6.2, Mainland students accounted for 73 % of the nonlocal students in the publicly funded programs in 2014.

As seen in Fig. 6.3, in 2014, 87 % of all nonlocal students in self-funded programs came from the Mainland.

To ensure a proper mix of local and nonlocal students at the HEIs in Hong Kong, the Hong Kong government first set the admission quota for nonlocal students at 10 %, and after 2008–2009 the quota was raised to 20 % in order to increase competitiveness in attracting more nonlocal students.

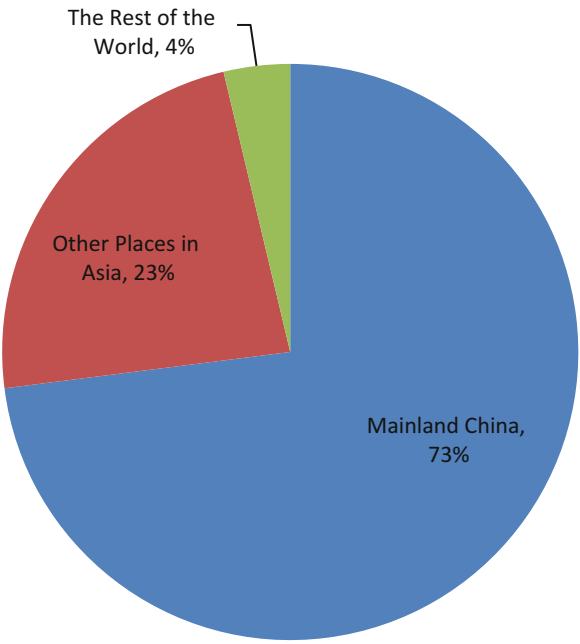

Fig. 6.2 Percentages of international students enrolled in publicly funded programs in Hong Kong in 2014 (The UNESCO Institute for Statistics, 2014)

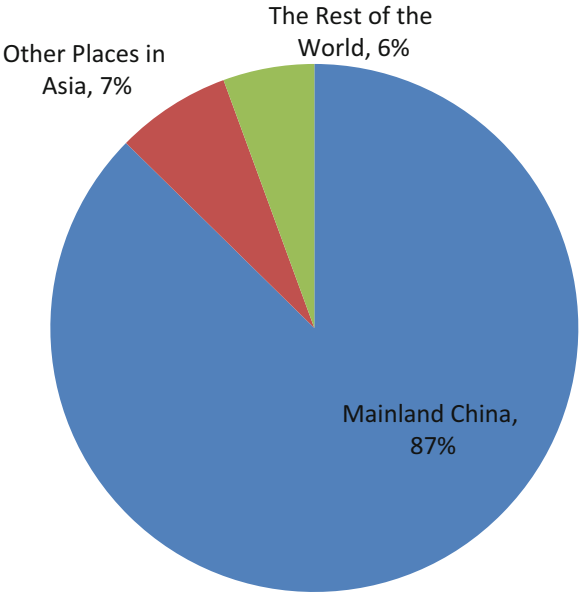

Fig. 6.3 Percentages of international students enrolled in self-financed programs in Hong Kong in 2014 (The UNESCO Institute for Statistics, 2014)

6.6 SWOT Analysis

The following section will highlight some of the major strengths, weaknesses, opportunities, and threats in relation to the potential of Hong Kong to be a regional education hub in Asia.

6.6.1 Strengths

6.6.1.1 International World-Class City

Hong Kong ranked first in the latest Ernst and Young (EY) 2012 Globalization Index. The Index is based on a comprehensive coverage of the key drivers for globalization: openness to trade, capital flows, exchange of technology and ideas, labor movements, and cultural integration.

Because Hong Kong is a world-class city, the greatest strength of Hong Kong's higher education is that it has the niche and uniqueness of possessing three major components simultaneously. Firstly, Hong Kong has an international component. It has long had a wide exposure to international cultures, and this has brought forth her international dimensions in a rich possession of Western knowledge and a good interface with the Western systems. As an international city, Hong Kong has acquired a high concentration of international information and internationalized educational vision and management. Secondly, Hong Kong is one of the world's major financial and economic centers. This cosmopolitan city enjoys advanced technology, excellent law and order, and a high degree of freedom of speech. Thirdly, Hong Kong is an Asian city with a blended flavor of where East meets West. It has both Chinese and English language environments and serves as a gateway and a springboard to Mainland China. It is a platform for China studies because of her special social, economic, geographical, and cultural connections with Mainland China and her endowment of Chinese cultures and customs. This may be a comparative advantage vis-à-vis competitors like Singapore, Australia, and the UK.

The interviews with overseas students from the three target markets indicated that Hong Kong, being a major financial center and an international city, is a very attractive place to many international students. The findings of a focus group interview with several international students in Hong Kong revealed that all of them chose to study in Hong Kong because of the city's important role in the global financial markets and its world-class city status. As one student put it, "I can't find a better place in the region to study business and finance than in Hong Kong. Being one of the leading financial centers in the region as well as in the world, Hong Kong definitely is one of the best destinations for students who are planning to study business and its related field." Likewise, the findings from various stakeholder interviews also suggested that, with her proximity to and business ties with Mainland China, Hong Kong is seen as a gateway or a springboard to business opportunities

in Mainland China. The future career opportunities in business fields in Mainland make the business and management programs offered by the HEIs in Hong Kong attractive to overseas students. Several educational consultants and HEI officials in the target markets agreed that Hong Kong will continue to play an important role in the Greater China region and that the Hong Kong factor alone will make Hong Kong one of the most favored destinations for many international students, especially those aspiring to pursue business studies.

6.6.1.2 Marketing Infrastructure

Another major strength of Hong Kong's higher education is her marketing infrastructure. Hong Kong has established an extensive global network. Several quasi-governmental organizations in Hong Kong, such as the Tourism Board and the Hong Kong Trade Development Council, have established many regional offices in the world's major cities. This already-existing network could provide useful support and resources to the promotion of Hong Kong's higher education overseas.

6.6.1.3 High-Quality Education with Affordable Cost

In addition, Hong Kong has some of the most world-renowned HEIs. Two of her publicly funded universities (the University of Hong Kong and the Hong Kong University of Science and Technology) were ranked in the top 100 in the world league table (43rd and 51st, respectively) for the period 2014–2015 (THE, 2015). Two others (the Chinese University of Hong Kong and the City University of Hong Kong) were in the top 200 list (129th and 192nd, respectively). Besides, many programs offered by Hong Kong's HEIs are renowned for their excellence in the global education arena. For example, according to *The Economist*, the full-time EMBA programs of the University of Hong Kong, the University of Science and Technology of Hong Kong, and the Chinese University of Hong Kong were ranked as the world's 27th, 62nd, and 97th, respectively (*The Economist*, 2014). Some HEI stakeholders and overseas students from these three target markets indicated that the reputation of a university is one of the most important deciding factors to many students and parents. However, as will be discussed later in the chapter, the visibility of the high ranking of Hong Kong's HEIs is comparatively low among prospective students and their parents in these target Asian markets.

Areas of excellence and recognition of degrees, as indicated in Fig. 6.4, were ranked second and third as the main reasons when choosing higher education overseas by prospective students in these three target markets.

Apart from its academic excellence, Hong Kong's higher education also provides a wide range of choices in various disciplines of study to its students with fairly affordable tuition fees. Some of the overseas students interviewed mentioned that as compared with the USA, the UK, and Australia, Hong Kong was

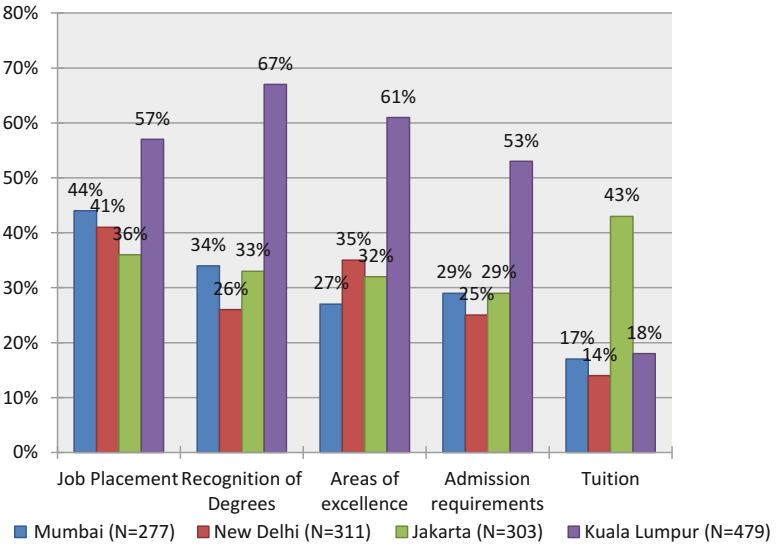

Fig. 6.4 Main reasons when choosing higher education overseas (Note: multiple responses allowed; the percentages for Kuala Lumpur were higher than those for the other three cities because there were fewer options in the question to choose from in the shortened version of the survey)

geographically closer to their hometown and the tuition fees and the living expenses in Hong Kong were more affordable. The use of English as medium of instruction in Hong Kong's HEIs has also proved to be a drawing point to these international students. In addition, HEIs in Hong Kong also have well-established international and regional networks for research and exchange programs, and these enable students to broaden their horizons and introduce them to international academia.

6.6.1.4 Quality-Assurance Mechanism

Last but not least, Hong Kong's higher education has established a rigorous quality-assurance mechanism to meet the international standards. The University Grants Committee (UGC) works assiduously to ensure that the HEIs in Hong Kong are up to the international standard. It promotes and supports the institutions in quality-assurance and enhancement initiatives, and also it monitors the institutions' academic standards. A Quality Assurance Council was established under it in April 2007. To sharpen the research efforts of the HEIs, the UGC carries out Research Assessment Exercises primarily to inform the distribution of the research portion of block grants, to discharge public accountability, and to induce improvements in research.

On the other hand, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) was established in 1990 as an independent

statutory body to provide authoritative advice on the academic standards of degree programs in Hong Kong's HEIs, particularly in the non-UGC-funded institutions.

Indeed, the smoothly and effectively operated quality-assurance mechanisms for Hong Kong's higher education make the exportation of higher education services sustainable and competitive. International benchmarking ensures that Hong Kong's HEIs to continue to supply a high quality of education comparable to that of Western countries to both local and nonlocal degree seekers.

6.6.2 Weaknesses

6.6.2.1 Lack of a Clear Policy

If Hong Kong is to flourish as an Asian education hub, it needs to overcome a number of weaknesses. Firstly, there is a lack of clear policy direction in exporting higher education services to nonlocal students especially on a commercially viable basis. In addition, within the HEI sector, there are different opinions as to how the HEIs need to work together to promote Hong Kong's higher education to overseas markets and yet compete with one another on the recruitment of nonlocal students. When interviewing representatives from various HEIs, many have expressed that there is both a lack of coordinated effort and a lack of clear policy direction for exporting higher education services to nonlocal students in these target markets. As Professor Postiglione of the University of Hong Kong said, "There is no specific policy that I can see" (Mooney, 2008). The coordinated promotion of educational service overseas, which proved to be important when Singapore and Australia first joined the world market of international education, is still lacking in Hong Kong.

6.6.2.2 Disconcerting Policy

Secondly, there are inadequate policy considerations in support of the recruitment of nonlocal students. Hong Kong, while trying to present itself as an education hub, was very late in allowing international students to take up part-time work in the city. When the fieldwork of this study was conducted (2007–2008), the Hong Kong immigration laws still did not approve of overseas students taking up any sort of employment in Hong Kong to support their education. The majority of international students surveyed and interviewed in these four Asian cities expressed that opportunities for both part-time jobs and career-related placements after their graduation were one of the key factors affecting their choices in choosing overseas studies. Countries that do well in attracting international students, for instance, the USA, the UK, and Australia, have long proved to be responsive to the needs of international studies, and there have long been part-time employment opportunities for international students. Such employment provides international students with valuable hands-on work experience, and it also allows them to be more independent in the

market, both financially and socially. In addition, work opportunities will increase their employability after they have graduated.

The disconcerting education policy is also reflected in Hong Kong's structural limitations. On the one hand, Hong Kong has relatively fewer university places for her student cohort. Subsidized first-degree places can, for example, cater for only about 18 % of the local cohort, while private universities and self-funded programs are still in the initial stage of development. Only with a substantial increase in university places (both public and private) can Hong Kong enhance the capacity of its HEIs to enroll many nonlocal students – this is particularly so because there is a quota restriction for nonlocal students to be enrolled in UGC-funded institutions. Besides, the majority of nonlocal students studying in Hong Kong mainly come from Mainland China. According to the figures released by the University Grants Committee in 2015, Mainland students actually represent the main body of nonlocal students, accounting for 73 % in the subsidized programs and 87 % in the self-funded programs (Figs. 6.2 and 6.3). The international flavor of the HEIs indeed requires a more diversified mobile student body (Ziguras, 2008).

6.6.2.3 Inadequate Policy Infrastructures

Inadequate policy infrastructures pose another challenge to the recruitment of nonlocal students, as has been revealed in overseas students' interviews conducted in Hong Kong. Specifically, student interviewees from the four Asian cities highlighted that finding affordable student hostels was difficult, and this has weakened the competitiveness of the Hong Kong HEIs in exporting their services. Moreover, the lack of scholarships, financial aids, and local bank loans creates another barrier because many students are from less well-resourced backgrounds.

According to our survey findings, financial support, especially scholarships, has proved to be a critical element when considering studying abroad in the four Asian cities. The types of financial assistantship preferred by respondents were as follows (Fig. 6.5): a scholarship (53–85 %), an assistantship/part-time job (15–26 %), and a low-interest loan (5–30 %).

Similar findings were found during interviews with students and government officials in these markets. The majority of the students interviewed mentioned that in the absence of a scholarship, they would not be able to study abroad. Many also suggested that the HEIs should offer opportunities for on-campus employment and/or student assistantship to help them make ends meet and gain the learning and working experience while studying. This was confirmed by the interview data both of government officials and university scholars. In addition, a low-interest loan was a common persuasive factor in these target markets. For example, the student interviews conducted in Kuala Lumpur indicated that the Singaporean government offered very attractive low-interest loans to students. In the two studied cities in India, many local banks were offering loans to students who were planning to study overseas.

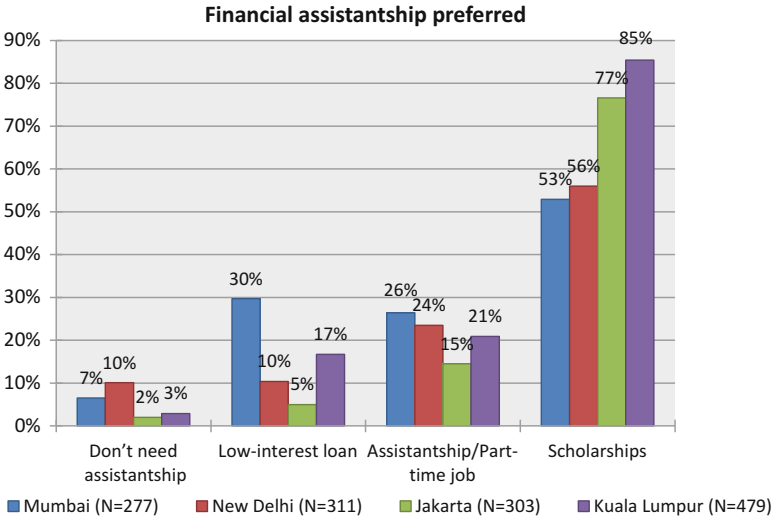

Fig. 6.5 Financial assistantship preferred (Note: multiple responses allowed)

6.6.2.4 Lack of Understanding and Visibility

Other major weaknesses are the lack of a general understanding of and the low visibility of Hong Kong's higher education in these target markets. The findings in our field study indicate that there is also a great need to increase the publication of useful information on the international recognition of and on the status of academic standards, areas of excellence, employment prospects, overseas bridging studies, exchange opportunities, campus facilities, student learning and culture, as well as support services to overseas students. All this information would facilitate the prospective students' decisions about whether to study in Hong Kong.

While the findings of this study suggest that the majority of participants surveyed and interviewed in these target markets have little knowledge of the higher education services in Hong Kong, it was found that other competitors, such as the UK, Australia, and Singapore, have long provided detailed information and service provision to interested students from these Asian markets. For example, when asked about the main reasons why they did not consider pursuing higher education in Hong Kong, the majority (60–84 %) said that they had no idea or information about higher education in Hong Kong (Fig. 6.6).

In addition, the findings of the surveys also highlight that the promotional activities of the HEIs in these four studied cities were perceived as being not very visible. When asked about their overall impression of promotional activities of Hong Kong's higher education in their country (Fig. 6.7), a great majority of the respondents (70–90 %) either chose "don't know" or "not visible." Only 20–30 % of respondents in New Delhi, Jakarta, and Kuala Lumpur said "visible." The percentage of respondents in Mumbai who said "visible" was much lower – only 9 %.

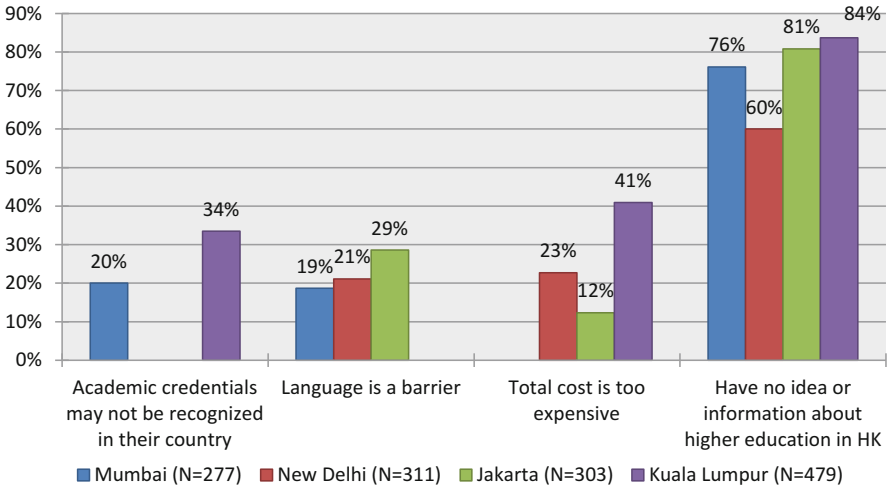

Fig. 6.6 Top three reasons for *not* pursuing higher education in Hong Kong (Note: multiple responses allowed)

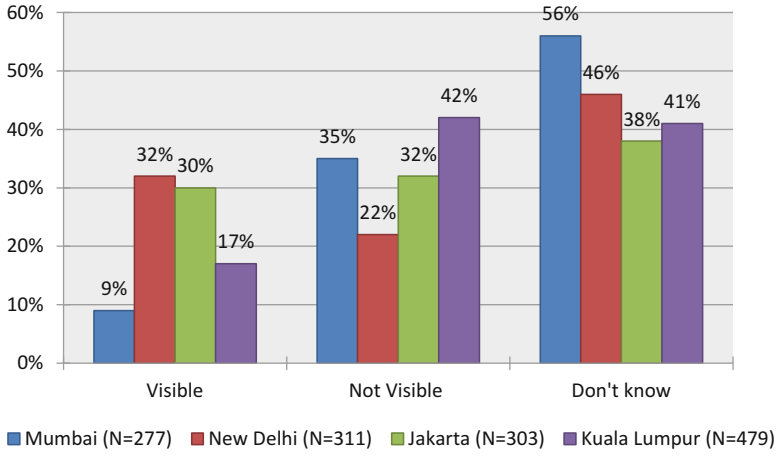

Fig. 6.7 Visibility of Hong Kong higher education

Similar findings were revealed in interviews collected in various other cities. Many students, consultants, and parents interviewed in these Asian markets expressed that they had been attending expos for several years, and yet it was the first time that Hong Kong had a booth to promote higher education. Several education consultants at the expos in Mumbai mentioned that the visibility of Hong Kong's higher education had been extremely low in India as compared to other rival places of study. For example, Singapore has been promoting its higher education actively in India during the past few years. In addition, very few students and their

parents interviewed in these three target markets were aware of the high position of Hong Kong universities in the international rankings.

6.6.2.5 Social and Cultural Barriers

Social and cultural barriers, such as intercultural insensitivity and concern over ethnic diets on campus for students from diverse religious backgrounds, have also negatively affected the decision of international students to come to Hong Kong. Although Hong Kong possesses the international dimensions of a cultural mix, people from these Asian markets have encountered various forms of cultural insensitivity from the local Chinese mainstream. Findings of student interviews held locally with international students confirmed that some of these students found it difficult to integrate into the local community. In contrast, to these Asian students, Singapore offers them a more accommodating and familiar lifestyle in addition to their shared historical ties.

6.6.2.6 Medium of Instruction

The quality of the medium of instruction is the next issue that may weaken Hong Kong's exporting services. In terms of the language environment in Hong Kong's HEIs, Cantonese serves as the main language used on campus and in some of the courses and programs in some publicly funded HEIs in Hong Kong, although the curriculum and assessment are stipulated as being in English. According to our interview data with international students in Hong Kong and with inbound competitors, there was a widely shared concern about the inadequate English proficiency of some faculty members and of some local students in the HEIs.

This language issue is perceived as a hindering factor in the process of campus internationalization. The widespread use of Cantonese, the local language, in a limited English learning environment is inevitably inhibiting nonlocal students' participation in their campus life, both academically and socially. That certainly is a disadvantage when seeking to attract overseas nonlocal students to study in Hong Kong. Indeed, it should be noted that public attention has been aroused by the disappointing IELTS results of local university graduates which in 2013 averaged 6.7 out of 9 ("We should not allow," 2013).

6.6.3 Opportunities

6.6.3.1 The China Factor

China has become the largest source of international students at tertiary level, and in 2012 it had almost 700,000 students studying in different countries worldwide (UNESCO Institute for Statistics, 2014). The UNESCO Institute for Statistics

(2014) further explained that while regional hubs attract the global population of international students, the trend now is that they are particularly favored destinations for students within individual regions. Lower travel costs and cultural familiarity are part of the reason behind this. This greatly advantages Hong Kong because it is not just geographically but also culturally the nearest hub to China, the biggest source of mobile students.

Besides, the rise of Mainland China's economy has strengthened Hong Kong's development into a regional hub of education due to her geographical proximity to Mainland China and her role as a bridge to and a base for tapping the growing Chinese market. Hong Kong will therefore be attractive to students from other countries in the Asian region that have become important trading partners with China.

6.6.3.2 East–West Cultural Mix

Secondly, as mentioned previously, Hong Kong is well known for her East–West cultural mix. This melting pot will continue to develop its international flavor under the trend of globalization. With her excellent transportation, information technologies, and communication systems, the interconnectedness of people and places will continue to advance. In addition, Hong Kong is a highly globalized city. As mentioned earlier, Hong Kong was ranked first in the latest Ernst and Young (EY) 2012 Globalization Index. Being an open economy and a world banking center, Hong Kong has been keeping up with the latest world developments.

6.6.3.3 Increasing Demand for Higher Education in the Regions

Thirdly, there is a high demand for higher education services in the target markets. According to our findings, the majority of students surveyed (80 %) indicated that they aspired and planned to study overseas. Findings of interviews with potential students and government officials in these markets also confirmed that students in Asian countries increasingly wished to pursue higher education at universities, but many failed to obtain a university place due to the keen competition and insufficient places in their home countries. Hence, they commonly sought to engage in further study elsewhere. In response to such market needs and in comparison with the aforesaid Western competitors, Hong Kong's relatively lower living costs and affordable tuition fees will be an advantage when exporting her higher education services in the Asia-Pacific rim on a commercially viable basis.

6.6.3.4 Chinese Cultural Heritage

Fourthly, the findings of the target markets concluded that Hong Kong is known as a safe metropolitan city with a rich Chinese cultural heritage. Many of the overseas Chinese parents interviewed indicated an interest in sending their

children to Hong Kong. In the target markets, particularly in Malaysia and Indonesia, the Chinese population tends to have a greater financial ability to send their children to study overseas. In addition, our on-site interviews indicate that the ethnic Chinese in these two markets are in a less favorable position to get a public university place due to their ethnicity and thus they are more likely to pursue higher education overseas. Therefore, Hong Kong, if appropriately promoted, can be an emerging destination for these ethnic Chinese. For the mobile students coming from a Chinese background, Hong Kong can be one of the potential choices because it has a rich Chinese cultural heritage and it is a gateway to Mainland China.

Based on our findings, we learned that a sizable population in both Indonesia and Malaysia is of Chinese descent. For example, over 60 % of the survey respondents (both at on-site expos and in the off-site community in Kuala Lumpur) claimed themselves to be in the Chinese ethnic group. There are approximately five million ethnic Chinese in Indonesia. Out of the 20,000 Indonesian students studying abroad, half of them are ethnic Chinese. In Malaysia, there are approximately six million Chinese. A good portion of these Chinese are studying in Chinese Independent Schools run by private organizations. A high percentage of these students are planning to study overseas. For example, according to a school official, out of the 6000 Chinese high school graduates in 2005, approximately 30 % chose to study abroad. In contrast, there are few ethnic Chinese living in India.

6.6.3.5 Stronger Reputation

Fifthly, Hong Kong's higher education exporting indeed has a high potential for growth. Universities in Hong Kong are striving for stronger reputations. Hong Kong's HEIs have been well known for their high international ranking and recognition in the Asian region. Hong Kong has been able to position two or three of her eight publicly funded tertiary institutions on the international university ranking league table. In the Times Higher Education World University Rankings (2014–2015), the University of Hong Kong and the Hong Kong University of Science and Technology were ranked as the world's best 43rd and 51st, respectively. In terms of social sciences, the University of Hong Kong has also achieved a higher world ranking (29th) than any other of the universities in the Asian region. Indeed, if we look at the top 10 ranking Asian universities in the same league table, we will find that two of them are from Hong Kong. This makes Hong Kong, a city of seven million people, very remarkable because it has as many "top 10 Asian universities" as Japan, the Republic of Korea, and China. On the other hand, in the 2014–2015 QS World University Ranking, the University of Hong Kong, the Hong Kong University of Science and Technology, and the Chinese University of Hong Kong were ranked 28th, 40th, and 46th, respectively, in the league table. The strong reputation of Hong Kong's higher education, if promoted effectively, can therefore be one of our strongest selling points.

6.6.4 Threats

6.6.4.1 Keen Competitions

Lo and Wang (2014) pointed out that the competition in the international education market is getting keener day by day. Indeed, Hong Kong as a new entrant to the market faces keen competition from several key education-exporting countries such as the UK, Australia, and Singapore. For example, Singapore, one of Hong Kong's main competitors in Asia, has been conducting aggressive campaigns in these target markets in the last few years. Singapore offers more opportunities for financial support than Hong Kong in terms of scholarships and studentships. Like Singapore, Australia has also been doing many strategic promotions in these markets. In recent years, Australia has eased its admission standard so as to attract more international students. Dessoff (2012) argued that in the Asian region, many potential education hubs are emerging and many countries are moving aggressively to make their countries competitive.

6.6.4.2 Increasing Number of New Entrants

Other than the UK, Australia, and Singapore, there are new emerging players that Hong Kong needs to confront in building itself up as a regional hub of education. These new players comprise Korea, Malaysia, Taiwan, Mainland China, and Russia (Dessoff, 2012; McNeill, 2008; Sidhu, 2005; Yonezawa, 2007). During our fieldwork at the expos held in the studied cities, we noticed a strong presence of these new entrants in these target markets. These new entrants were actively engaging in promoting their higher education services to the same Asian markets.

6.6.4.3 Inadequate Research and Development

Hong Kong has been spending a comparatively low percentage of her GDP on research and development. It should be noted that in the period 2010–2014 (World Bank, 2014), Hong Kong spent only 0.75 % of her GDP on research and development, while comparable figures from other countries active in exporting educational services in the Asian region were much higher (Singapore, 2.10; the UK, 1.72; Australia, 2.39; the USA, 2.79). Apart from being much lower than the more advanced countries in the Pacific region (Korea, 4.04; Japan, 3.39), Hong Kong's share of GDP spent on research and development was also substantially lower than that of Mainland China (1.98) in the said period. The small expenditure on research and development might tightly limit the technological and academic advancement of Hong Kong, and it might in turn affect the quality of its HEIs in the long run.

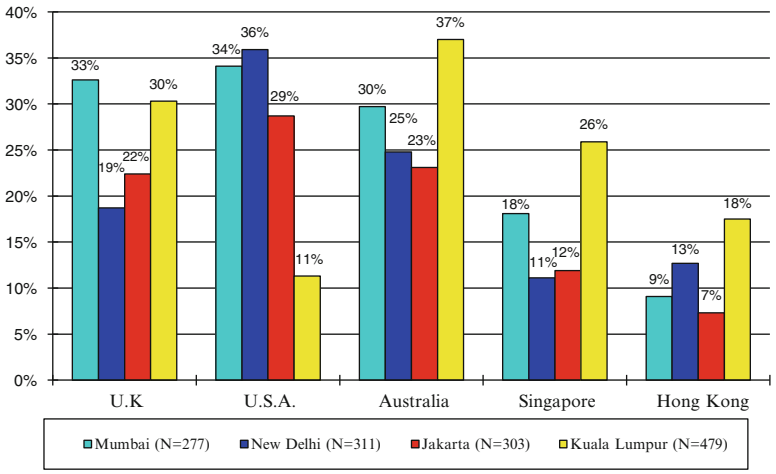

Fig 6.8 Countries preferred (Note: multiple responses allowed)

6.6.4.4 Perceptions

At present, education in the West is viewed as more prestigious than that in the East by students in these target markets, as is evidenced from our findings. When asked about their preferred countries of study, many students said that they preferred the USA, the UK, and Australia to Singapore and Hong Kong. According to our interviews with students, parents, consultants, and scholars in these studied cities, we learned that the students felt that Western education is superior to that of Asian countries such as Hong Kong and Singapore (Fig. 6.8).

Results from several focus group interviews in all three markets also indicated that most students preferred the UK and the USA as their destination because of their leadership in higher education. As one student stated, the USA and the UK were the two best countries in areas of higher education. These countries were also leaders in several disciplines such as medicine, engineering, and business. Therefore, getting into a well-known university in these countries would greatly help the students' future careers.

Indeed, the UNESCO Institute for Statistics (2014) also pointed out the USA and the UK ranked first and second in attracting international students in 2012, followed by France, Australia, and Germany. Thus, all of the first five most attractive destinations are indeed Western countries.

The strengths, weakness, opportunities, and threats discussed in this section are summarized in Fig. 6.9.

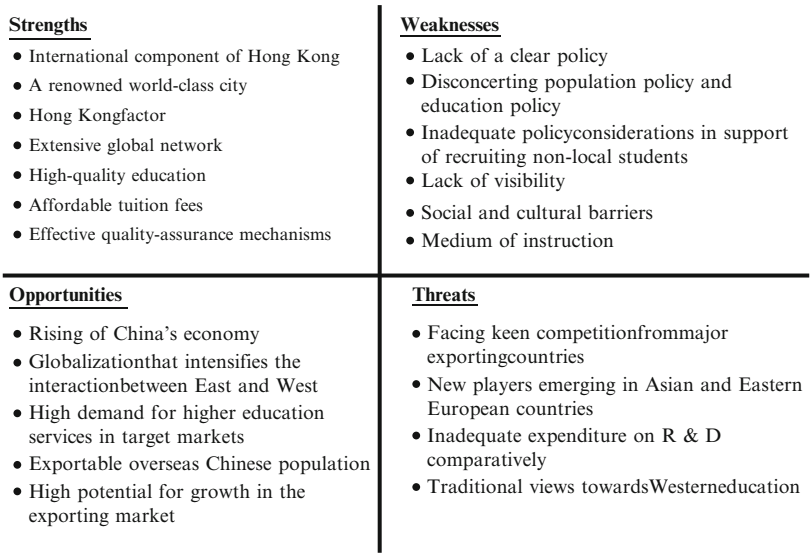

Fig. 6.9 A summary of SWOT of the potentialities of exporting Hong Kong's higher education services

6.7 Discussions and Conclusions

The SWOT analysis above has important implications for the future of exporting Hong Kong's higher education in these Asia-Pacific regions, especially in the four target markets. It is clear from our findings that Hong Kong has several competitive advantages over her competitors, but at the same time, it also has several areas which are lagging behind her competitors.

In the past years, the Hong Kong government has actively been seeking ways to address some of the aforementioned weaknesses. In response to the global trend in the internationalization of higher education, the Chief Executive of the Hong Kong government in his 2007 Policy Address introduced several initiatives to reposition Hong Kong to become the education hub in the region (The Hong Kong Government, 2007). Firstly, the Hong Kong government has raised the admission ceiling for nonlocal students from 10 to 20 %, starting in the 2008–2009 academic year. The second initiative is the establishment of funds to provide more scholarships to both local and nonlocal students and to address the existing student housing problems. Increasing the number of scholarships and assistantships and providing affordable housing will no doubt increase the number of students who are willing to study in Hong Kong. The third key initiative is to relax the existing restrictive immigration regulations. According to this initiative, nonlocal students are allowed to work on campus for up to 20 h during semester and off campus during summer. Furthermore, nonlocal students will be able to take up study-related internship. As mentioned earlier, the previous immigration laws made it difficult for nonlocal students to

apply for work visas or to stay in Hong Kong after graduation to look for jobs. Now, immigration laws in Hong Kong indeed allow Mainland students to stay behind and work after their graduation from Hong Kong's tertiary institutes (Immigration Department, n.d.). Upon a total stay (comprising both study and work) of 7 years, resident status is normally granted.

In addition to the aforementioned initiatives, the Hong Kong government established an HK $18 billion Research Endowment Fund in the 2008–2009 fiscal year. This represents a stronger recognition of and support for the research work undertaken at the HEIs in Hong Kong. According to the announcement by the government, investment income of up to $4 billion can be set aside to support theme-based research, thus allowing the UGC-funded institutions to work on research proposals on themes of a more long-term nature (Hong Kong Government press release, 2009 June 26th). While the actual impact of the fund will need to be examined, it may potentially enhance the research work of the HEIs in a number of ways. Firstly, there needs to be a possible increase in the current annual university research grant. More and relatively stable financial support needs to be offered to support research projects of different sorts: individual, collaborative projects, as well as international joint research schemes. Also, more research postgraduate students need to be recruited. If these things can be realized, the research foundation of the HEIs in Hong Kong will be boosted, and thereupon their ranking and visibility in the international arena will be further improved. This will certainly help to strengthen the role of Hong Kong as one of the key players in exporting higher education service in the Asian markets.

These initiatives will no doubt make Hong Kong a more attractive and competitive place for nonlocal students. Dessoff (2012) pointed out that Hong Kong has begun planning to invite eligible self-financing, nonprofit-making postsecondary institutions to construct their own facilities in the territory. This can also be a potential driver in Hong Kong's attractiveness to international students.

Based on the findings of the current study, there are still many issues that need to be resolved. For example, in addition to individual effort by the HEIs, better coordinated efforts between the government and the HEIs are required to enhance the image and the visibility of Hong Kong's higher education as a whole in these Asian markets. The experiences of our competitors, such as Singapore, the UK, and Australia, suggest that more government support and centrally coordinated efforts could play an important role in supporting HEIs to promote higher education services overseas. This is particularly important during the initial stages of a country's education hub-building work in the Asian region, which is marked both by great potentials and competition. Furthermore, the perception of Western education as being superior to Asian education needs to be addressed. Promotion and advertisement should capitalize on the following: (1) Hong Kong has a prime position in the region; (2) it offers English education in a safe and advanced city; (3) it has a substantially lower cost of tuition and living expenses than the West; and (4) it is a gateway to Mainland China. In addition, our findings also indicate that the world ranking and reputation of a university are some of the most important factors which attract international students (Altbach, 2012; Mazzarol, Soutar, Smart, & Choo,

2001; Mullins, Quintrell, & Hancock, 1995). Hence, any effort to get the HEIs in Hong Kong listed high up in the international rankings will be highly beneficial. Moreover, more systematic research studies are necessary in order to further understand the needs of these emerging Asian markets. Indeed the formation of a successful regional education hub in Hong Kong is dependent upon the ability of the Hong Kong government and the territory's HEIs to attend to these weaknesses and threats in a timely and proactive manner. It was good to see that the Task Force on Economic Challenges of the Hong Kong government identified education as one of the six economic areas for further development (Task Force on Economic Challenges, 2009). But, more might be needed in terms of market study, overall coordination, promotion, and research investment if this objective is to be achieved.

Note The chapter was adapted from the authors' previously published article, Cheung, Yuen, and Yuen (2008), but was substantially enriched with the help of further literature research and documentary studies to accurately reflect the latest trend of development.

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Chapter 7
Effective Strategies and Policies for Exporting Hong Kong's Higher Education to Asian Markets: Lessons from Other Countries

Alan Chi Keung Cheung, Timothy Wai Wa Yuen, Celeste Yuet Mui Yuen, and Yin Cheong Cheng

Abstract The main purpose of the present study was to explore effective strategies and policies for exporting Hong Kong's higher education to Asian markets. It examined and compared the current strategies and policies that are currently employed by Australia, the United Kingdom, and Singapore. The data for this project was obtained primarily from documents and in-depth interviews. Documents included the latest government reports, policy addresses, and official statistics. The in-depth interviews were conducted in Hong Kong as well as in the four studied cities—Mumbai, New Delhi, Jakarta, and Kuala Lumpur. Interviewees included government officials, academics, higher education institutions' representatives, consulate generals, and officials from policy bodies. It is clear from the findings of this present study that a set of favorable policies and strategies at the national level was behind the success of these competitors. Such policies are not confined to educational policies but extend to population and employment policies.

Keywords Internationalization of education • Education hub • Higher education • International education • United Kingdom • Australia • Singapore • Hong Kong • Asian markets

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7.1 Introduction

Exporting education services has become a multibillion-dollar business and a major source of income in many developed countries. For instance, in Australia, education has become the fourth-largest export in 2013–2014, contributing approximately US$13 billion annually to the economy (Australian Government Department of Foreign Affairs and Trade, 2014). In the United States, the sector is the fifth-largest export, generating US$22 billion per year (USDOC, 2014). Like Australia and the United States, international students also bring in remarkable revenues to the United Kingdom, approximately US$21 billion revenue each year (The United Kingdom Government, 2013).

In addition to these three aforementioned key players in the field, some new and emerging countries like Malaysia, Singapore, China, and Japan have been stepping up their efforts to recruit a growing number of students from overseas. For example, the government of Malaysia has set a goal to nearly double their international student enrollment to 200,000 by 2020, up from 103,000 in 2013 (ICEF, 2014). Singapore and China are planning to attract 150,000 and 500,000 international students by 2015 and 2020, respectively (EU-Asia Education Platform, 2014). Japan had over 135,000 international students in 2013 (Japan Student Services Organization, 2014), and they are hoping to host about one million students by 2025 (Obst, 2008). In addition to setting recruitment goals, many governments have increasingly involved in developing favorable policies and strategies to support the expansion of education services for international students (Beaver, 2009; Becker & Kolster, 2012; Carrington, Meek, & Wood, 2007; Choudaha & Chang, 2012; Obst, 2008).

Like many countries, Hong Kong has been actively seeking ways to attract more international students since 2000. In 2002, the Hong Kong government published a report on Hong Kong higher education in which it proposed that Hong Kong possessed the capacity to export higher education services and become an education hub in the region. Again in 2007, the Hong Kong government released its Action Agenda on China's 11th Five-Year Plan and the Development of Hong Kong, recommending the exploration of way to attract more nonlocal students to study in Hong Kong and to develop Hong Kong into a regional education hub (The Hong Kong Government, 2007). In addition to the Mainland China market, the Hong Kong government is also increasingly interested in promoting their higher education services to other Asian countries (Mok & Bodycott, 2014). The main purpose of this present study is twofold: (1) to examine and compare the current strategies and policies that are employed by the United Kingdom, Australia, and Singapore and (2) to recommend appropriate strategies and policies to higher education institutions and the Hong Kong government and elsewhere that are interested in promoting their higher education to Asian markets.

7.2 Exporting Education: Australia, the United Kingdom, and Singapore

Internationalization of higher education can be seen as a response by academic institutions to a globalized world. It is a response to a new age marked by globalization, competition, and the spread of free markets. Higher education institutions are now acting across borders in almost all countries (Altbach & Knight, 2007; Cross, Ehpraim, & Ojo, 2011; Donn & Al Manthri, 2010; Knight, 2014; OECD, 2004; Scott, 2005). Internationalization of higher education can take many directions (Knight, 2006, 2014; Knight & De Wit, 1997; Yang, 2002) and even different ideologies (Stier, 2004), but at present, one of the most important forms is the export of own higher education services through recruiting overseas students. There has in fact been an enormous growth of international students in the past decades. Statistics published by the UK Council for International Student Affairs (2014) and Australia Education International (2013) revealed that the United Kingdom and Australia had 425,265 and 245,531 nonlocal undergraduate and graduate students studying in 2012, accounting for 15 and 21 % of the total higher education enrollment in the two countries, respectively. Though Singapore is a relatively new entrant, its higher education sector is one of the most internationalized in the region with students from 120 countries. The number of international students reached over 90,000 in 2010, but the Singaporean government plans to increase that number to 150,000 by 2015 (Becker & Kolster, 2012; Singapore Tourism Board, 2014b).

The international trade in education services is in fact becoming increasingly important for the exporting countries. In Singapore, education has been considered as an important "knowledge industry" and accounts for more than 2.23 % of the GDP (World Bank, 2014). Exporting education services, as mentioned earlier, has already become Australia's fourth-largest export, growing 8.2 % from 2012 to 2013 (Australian Government Department of Foreign Affairs and Trade, 2014). Yonezawa (2007) wrote that education has become a global, market-oriented, and private industry and that international mobility of students is currently an important concern of higher education institutions.

The drive to export education services, particularly tertiary education services, has often involved an active supportive role of the government. The role of the government can be manifold. It can be in the form of funding or in the development of education, population, and employment policies that favor international students. The government can also set up central agencies to facilitate the export of education services through providing collective research, promotion, and student services. On the other hand, it can be the reforming of university governance. The Singaporean and Malaysian governments in the past decade worked toward the ideal of becoming regional hubs of education by reforming the national universities through the strategies of corporation and incorporation (Mok, 2008). Suggesting that the changes in university governance in return encourage the universities to become more autonomous and entrepreneurial, Lee (2008) argued that universities in

Singapore now enjoy a higher degree of institutional autonomy within a framework of public accountability.

The Hong Kong government has realized the value of exporting education services and has identified it as one of the major areas for Hong Kong's economic growth (Task Force on Economic Challenges, n.d.). Exporting education services is now an industry driven by careful marketing analysis and research. In fact, there is an increasing amount of research in this direction (Cai, Holtta, & Kivisto, 2012; Gibbs & Knapp, 2002; Kehm & Teichler, 2007; Marginson, 2006). If Hong Kong is to attain success in becoming an international exporter of educational services, it may need to adopt favorable policies at the institute and system level (Cheng et al., 2009), and in so doing, it can definitely benefit from carefully studying the strategies and policies employed by key players and competitors in the field.

The United Kingdom, Australia, and Singapore are of great reference value for Hong Kong as a new participant in the education service market. These countries not only have a history and successful experience in exporting and promoting their higher education, but more importantly, their successes are based on sound planning and unique strategies. Marginson (2007) explained how Australia attained its success through careful global positioning and position taking, particularly through posing itself as a less costly alternative to the United States and the United Kingdom in the Asia-Pacific region where there is a high demand for cross border degree courses taught in English. The United Kingdom has long been a desired place of study to many overseas students due to colonial tradition and the prestige of some of its famous institutions. The Dearing Report, published in 1997, called for steering the country's higher education services toward greater engagement with the global economy (Sidhu, 2006). There has been a stronger emphasis on entrepreneurial spirit for universities as the country is attracting an enormous amount of overseas students. Ayoubi and Al-habaibeh (2006) also recognized that UK universities are becoming increasingly business driven with continuous development in international collaboration and partnership.

Comparable to Hong Kong, Singapore has also pursued an ambitious policy to build itself up as an international hub of education since the adoption of the Global Schoolhouse policy (Economic Development Board, 2003; Sidhu, Ho, & Yeoh, 2014). International institutes are invited to offer programs in Singapore, and the establishment of private tertiary institutes is encouraged. Yonezaw (2007) explained that the Singaporean approach is marked by the intertwining of education and industrial policies, as marked by the direct involvement of the Economic Development Board (EDB) in higher education. While decentralization is being stepped up to allow universities greater autonomy (Mok, 2003), central agencies under the EDB actively promote the international trade of Singapore's higher education through research, collective promotion, and providing services to international students (Education Singapore, n.d.). Given the long traditional history of rivalry and economic, cultural, and political similarities between Singapore and Hong Kong, examining policies and strategies employed by this city-state may generate insights into how Hong Kong could strengthen its position to attract more international students.

While Hong Kong has been making great progress in attracting mainland students in the past decade, the fraction of international students remains relatively small. There were about 14,439 nonlocal students studying in Hong Kong in 2013–2014 (University Grants Committee, 2014), but over 80 % of them are actually students from Mainland China. This means that there is much room for Hong Kong to improve in attracting overseas students, particularly from the booming market of the Asia-Pacific region. Hong Kong in fact has its unique strengths and weaknesses in joining the export of higher educational services in the Asian markets (Cheung, Yuen, & Yuen, 2008). Hong Kong's road to development as a regional hub of higher education can be unique if it can match its strengths and weaknesses against the lesson Hong Kong can learn from key players in the region. Perhaps eventually Hong Kong's own positioning and strategies can be a point of reference for countries that are heading in the same direction.

7.3 The Study of Strategies and Policies of Other Countries

The present study is a part of a larger study on the development of Hong Kong as a regional education hub (Cheng et al., 2009). The focus of the larger study was to examine strategies and policies employed by key competitors of Hong Kong and generating recommendations to further promote Hong Kong's higher education to other Asian countries. The data for this book chapter were obtained primarily from documents and in-depth interviews. Documents included government reports, policy addresses, official statistics, and other documents that are relevant to the research questions. For document analyses, the research team searched, collected, reviewed, and analyzed all relevant documents related to policies and strategies used by the United Kingdom, Australia, and Singapore via the Internet or provided by respective government officials or academics. The in-depth interviews were conducted in Hong Kong as well as in the four studied cities—Mumbai, New Delhi, Jakarta, and Kuala Lumpur—from April 2007 to January 2008. Interviewees included government officials, academics, representatives of higher education institutes, consultant generals, and officials from policy bodies.

As mentioned earlier in the paper, the international student market has become one of the major sources of income and revenues for many countries. In additional to the economic benefits, attracting talents could also help a country build up competitive advantages in our increasingly globalized world (Duhamel, 2004; Harman, 2004; Knight, 2014). Previous research has indicated that in order to be effective in promoting higher education to international students, the government needs to play a critical role in providing effective policies and various forms of support (Beaver, 2009; Carrington, et al., 2007; Mok & Bodycott, 2014; Obst, 2008; Sidhu, Ho, & Yeoh, 2011, 2014). The following sections examine some of the key policies and strategies used by the United Kingdom, Australia, and Singapore at the national level in three key areas: education, population, and immigration.

7.4 Education Policies

In the past few decades, these three countries have implemented various education policies to strengthen their position in the international student market. The five key education policies to be discussed are (1) investing on higher education and research and development, (2) providing scholarships and financial aid to international students, (3) engaging in international agreement and policy dialogues with other governments and their higher education institutes (hereafter HEIs), (4) encouraging higher education export by granting special funds and award to HEIs, and (5) participating in promotional activities and marketing research. The following section reviews these pertinent education policies of the three countries.

7.4.1 Investing in Higher Education and Research and Development

Significant investments in both higher education and research and development are crucial indicators for viable policies and strategies. First, the governments of Singapore, the United Kingdom, and Australia all make substantial investment in their higher education with the view that it improves human resources and the well-being of the country. In 2014, Singapore put more than US$ 3.6 billion into universities, polytechnics, and technical institutes (Singapore Budget, 2014). The United Kingdom, in its fiscal year 2015, put more than US$ 18 billion into higher education (UK Education Spending, 2014). Australia also invested US$7.4 billion into higher education in 2013–2014 fiscal year (Australian Government, 2014).

In addition to hefty investment by the government, Singapore has worked assiduously to expand the subsidized university admission. For instance, almost 30 % of the student cohort was offered first-degree admission in their three key universities in 2014 (Singapore Ministry of Education, 2012). This represented a significant increase in enrollment over the 25.2 % achieved in 2008 and 20.8 % in 2000. It also compared favorably with Hong Kong's 18 %. Like Singapore, Australia has also tried to increase the number of university places in recent years. At the time of this writing, no information could be obtained in this area for the United Kingdom. The increase in university places can enhance both the general educational level of the society and the capacity of the HEIs. These can be helpful in attracting nonlocal students.

The expenditure on research and development (R&D) of a country can also have positive impact on both its technological advancement and its higher education sector. The three competitors differ in the amount they invest in R&D, but as a whole, they invest a higher percentage share of their GDP on R&D than Hong Kong. While Hong Kong spent about 0.75 % of its GDP on R&D in 2011, the comparative figures for Singapore, Australia, and the United Kingdom are 2.10 %, 2.39 %, and 1.72 %, respectively (World Bank, 2014).

7.4.2 *Providing Scholarships and Financial Aid to International Students*

Scholarships and financial aid are important factors for students choosing to study overseas. Students and parents interviewed in Mumbai, New Delhi, Jakarta, and Kuala Lumpur said that financial assistance had a great influence on their choice of country for overseas study. In order to promote their higher education, the three competitors concerned provide scholarships, grants, loans, and permission to allow international students to work part-time during their studies so as to make the cost of study more affordable.

For example, Australia offers scholarships to international students on a competitive basis. The Australian government has recently brought several major scholarships under one umbrella called the Endeavour Scholarships and Fellowships, which is an internationally competitive, merit-based scholarship program. The program is designed to attract and recruit outstanding international students, researchers, and developing leaders to undertake study, research, and professional development in Australia. The scholarship provides up to A$10,000 per individual per annum. In 2014, the Australian government awarded a total of about US$300 million to 4,400 recipients from more than 100 countries (Australian Awards, 2014). Like Australia, the British government also offers a number of competitive scholarships and schemes for international students through organizations like the British Council and the Commonwealth Scholarship Commission. In addition, many UK universities offer some financial assistance in the form of fee waivers or discounts to international students. Most of the scholarships are provided to postgraduate students, and only a few of them are for undergraduate students. Competition for scholarships is keen (Becker & Kolster, 2012).

While the Australian and the British governments hand out scholarships and grants on a competitive and selective basis; the Singaporean government offers a comprehensive package of financial aids to international students. The Singaporean government offers scholarships to nonlocal students through the Singapore Scholarship. Besides scholarships, international students can also apply for Tuition Fee Grant if they are willing to sign a deed that requires them to work in a Singapore-registered company for 3 years upon the completion of their study. The Tuition Fee Grant administered by the Ministry of Education (MOE) subsidizes up to 60 % of tuition fees (Singapore Education, 2014) and is available to all students. Bursaries, which are administered by the universities, are also available based on financial needs and usually do not exceed S$1,500 per academic year. In addition, student loans, payable upon graduation or completion of the program, are often available at favorable interest rates. The scholarships Singapore offered can be important in attracting nonlocal students. In a focus group interview with Indian students conducted in Mumbai, for example, the students explained specifically that they preferred to study in Singapore because it offered a relatively attractive scholarship and financial aid to overseas students.

7.4.3 International Agreement and Policy Dialogues

In addition to investments in higher education and financial assistance, these three governments also actively seek international agreements and enter into dialogues with other countries in their target markets. Each of Hong Kong's key competitors has strategically built relationships with other countries to fortify their higher education industry. Cooperation between nations helps institutions create more opportunities to exchange ideas on promoting higher education and share knowledge from their research findings.

Supporting Australian's regard for higher education is the fact that it is one of the key exporting industries in the country. Indeed Australian government leaders have taken an active role in securing agreements with other governments to further promote their higher education. Australian government officials have visited many developing countries such as India, Indonesia, China, Pakistan, and Malaysia to discuss higher education collaboration. The Australian government has also facilitated dialogues between governments on educational matters (Hayton, 2009).

Like Australia, the British government has also established an effective communication channel and strengthened its relationship with countries which are interested in the UK's tertiary education services. The British government has conducted a number of high level symposia as part of the Prime Minister's Initiative (PMI). Each symposium focuses on a specific area and brings together policy makers, senior managers, and practitioners from the United Kingdom and overseas. For example, dialogues were held with Vietnam, Malaysia, and Indonesia in 2007 to promote partnership, knowledge sharing, and common agenda (Beaver, 2009). The importance of building bilateral cooperation and partnerships with other governments was again emphasized in the current round of the Prime Minister's Initiative for International Education (PMI2) (Becker & Kolster, 2012).

Singapore is no exception in this regard. The Singaporean government has worked together with different countries to pursue its goal of becoming a regional hub of education. For example, the government of Singapore and Johns Hopkins Medicine reached an agreement in 1998 to develop the first private medical facility which combined research and teaching with clinical services in Singapore. The Singaporean government also signed a memorandum of understanding (MOU) with other Asian countries such as Vietnam and Malaysia for strengthening each other's different subject knowledge such as sciences and mathematics, information and communication technology, school leadership, and educational administration (Ministry of Education Singapore, 2008; Sidhu, Ho, & Yeoh, 2014). It should be noted that Singapore has been active in reaching agreement and attracting renowned overseas universities to set up campuses in Singapore, and this also spearheads Singapore's drive to become a regional hub of education. Apart from Johns Hopkins Singapore, examples also include the Duke-National University of Singapore (NUS) Graduate Medical School and the Lee Kong Chian School of Medicine with Imperial College London (Olds, 2007; Sidhu, Ho, & Yeoh, 2014).

7.4.4 Granting Special Funds and Awards

To further encourage higher education export, the governments of Australia and the United Kingdom encourage their institutions to promote their higher education by providing special funds. Funding is provided to HEIs that come up with high-quality strategies in promoting their higher education.

The Australian government increases funding for institutions in the areas such as education, science, and training courses without any condition in order to reform the university landscape and improve its quality. The government provides greater investments to universities that can improve flexibility for students' enrolment or course design or can prove their needs for structural reform, (1) The Structural Adjustment Fund provided funding for projects to assist universities to prepare for the new operational requirements of a demand-driven funding system with new quality measures in place (Source: Australian Government Department of Education and Training (n.d.). Structural Adjustment Fund; available at http://education.gov.au/structural-adjustment-fund). (2) Under the Australian Maths and Science Partnerships Program (AMSPP), the Australian Government helps with funds to improve student engagement in maths and science courses at university and schools, through innovative partnerships between universities, schools, and other relevant organizations. On the other hand, the Education Investment Fund (EIF) provides funding support to significant and strategically focused infrastructure investments (Source: Australian Government Department of Education and Training (n.d.). Funding; available at http://www.education.gov.au/search/site/university?page=2). (Australian Government Department of Education and Training, 2013).

The British government also provides funds to encourage universities to promote their own higher education and to build up alliances and partnerships with overseas institutions. Funds are provided for research cooperation that aims at facilitating high-quality research cooperation between the United Kingdom and other countries and collaborative program delivery that aims at facilitating the development of joint/dual awards programs (British Council, 2014a).

Like Australia and the United Kingdom, the Singaporean government has launched the Singapore Education Awards to motivate more industry collaboration and exchange of best practices and ideas. The awards are managed by the Singapore Tourism Board. The awards encourage members to strive for higher levels of professionalism in the promotion of Singapore education to overseas students. The awards cover a wide range of areas. Examples of such awards include Best Media Coverage for Singapore Education, Best International Marketing Effort, Best Host for International Students Studying in Singapore, Best Educational Event Organized by a Public Educational Institution and Friend of International Students, Singapore Education Awards, and Singapore Experience Awards including Best Learning and Travel Experience Award (the Singapore Tourism Board, 2014b).

7.4.5 Promotional Activities and Market Research

Furthermore, these three governments have been active in participating in promotional activities and market research to facilitate their export of education services. Central agencies, websites, and offshore offices are commonly used by these three exporting countries. Besides, their governments are also active in education fairs in their target markets. Market research is also used to spearhead such promotional activities.

7.4.5.1 Central Agencies

All three countries have central agencies, either government units or public bodies supported by public funds, to facilitate their export of education services. The central agencies administer and manage all education promotional and marketing activities as supporting infrastructure for education services.

The central agency that works to promote higher education in Australia is Australian Education International (AEI). AEI is a part of the Department of Education, Employment and Workplace Relations (DEEWR) (formerly known as the Department of Education, Science and Training or DEST). Its purpose is to promote Australian higher education strategically based on the needs of the national interest. AEI helps establish government relations by developing MOUs and facilitating dialogue on education issues with governments around the world. Its international staffs work to enhance Australia's profile by working with international gatekeepers and students. It also reports on market information to the sectors involved and carries out research on the markets. It promotes Australian education overseas by brand positioning and by making use of website (Study in Australia), promotional events, and in-country promotional campaigns. Other activities include industry regulation through protecting international students' tuition fees and ensuring that HEIs follow the national code of practice. AEI also provides assessment services and offers advice on recognition of educational and professional qualifications from around the world (Australian Qualifications Framework, 2014).

In the United Kingdom, the British Council (BC) is sponsored by the British government and manages the Education UK brand to promote British higher education. It conducts various kinds of conferences, events, and activities to encourage international students to study in the United Kingdom. Furthermore, after students have selected an institution, a number of predeparture briefings will be offered by the council (British Council, 2014c). In an interview with the Director of Education Services of the British Council in Hong Kong, it was pointed out that the BC offers a range of services to enhance the student's journey to study in the United Kingdom, such as exhibitions for parents and students. The British Council is helping not only the promotion of the UK's education overseas but also with a broader mission of encouraging the cultural interflow the United Kingdom has with countries around the world. To facilitate this, the British Council is promoting to the outside world

British culture which comprises art, science, society, and governance; in essence, education is only a part of such a culture.

In Singapore, Singapore Education is a multigovernment agency initiative launched by the Singaporean government in 2003 to promote Singapore as a regional education hub. The government agencies discussed here are actually statutory boards or semi-independent agencies that specialize in carrying out plans and policies of the Ministry of Trade and Industry (MTI). Singapore Education is led by the Singapore Economic Development Board. Under this initiative, different government agencies work together to facilitate the export of Singapore's education services. The Singapore Economic Development Board works to attract internationally renowned educational institutions to set up campuses in Singapore.

The Singapore Tourism Board (STB) runs the Education Services Division with the specific aim of promoting Singapore as a premier education hub and helping international students to make an informed decision to study in Singapore. The STB helps increase brand awareness and reach out to the target markets. Apart from participating in overseas education fairs, it organizes different promotional activities. Such activities consist of international conferences and road show events. Recent examples of international academic conferences held in Singapore are the World Congress on Brain Mapping and the Council for Advancement and Support of Education (CASE) Asia-Pacific Advancement Conference 2015 (the Singapore Tourism Board, 2014a).

In fact, the Education Services Division comprises three units, each with its own terms of reference. Education Market Development (EMD) works on the organization of education exhibition and seminars, the training of education counselors, and the cultivation of international media. Education Strategic Marketing (ESM) helps with brand advertising and publicity, competitor analysis and research, and industry capability development. Finally, Student Services (SSD) looks after services for students who have gone to Singapore for study on areas such as education counselling, orientation programs, and student feedback.

Apart from the Singapore Economic Development Board and the Singapore Tourism Board, there are other government agencies that help to promote the export of education services of Singapore. International Enterprise Singapore helps quality schools in Singapore to develop their businesses and set up campuses overseas. SPRING Singapore administers accreditation for private education organizations in Singapore.

The central agencies of Australia, the United Kingdom, and Singapore discussed above are active in supporting the export of higher education services of their countries. Often the central agencies work hand in hand with individual higher education institutes in approaching the target markets. In the education expo study we conducted in Kuala Lumpur, for example, it was observed that the STB had its setup next to those of individual Singaporean institutes at the Star Expo held in January 2008. A division of labor was thus formed in such a way that the STB handled general questions about studying in Singapore, inclusive of immigration policies and scholarship applications, etc., and individual institutes concentrate on promoting their own programs. At the same expo, the British Council set up among the British institutes.

7.4.5.2 Official Website

Based on the survey conducted in the four studied cities in the larger study, regarding the preferred channels to obtain information of studying overseas, the majority of respondents (75 %) first considered the Internet. Then, approximately 30 % of the respondents specified exhibitions, 20 % newspaper, 18 % TV, and 18 % friends and relatives as their preferred channels. The finding highlighted the fact that providing useful information online is of great importance when recruiting international students (Cheung et al., 2008).

Australia, the United Kingdom, and Singapore all make websites important tools for promoting higher education. Both the Australian government and Singaporean government directly run their websites (AEI and Singapore Education), whereas the British government provides online information to prospective students through the British Council, a body it sponsors. Through such websites, international students can find a lot of useful information such as institutions/universities, living expenses, classes, scholarship and the application procedures, etc. More than that, those websites are often available in different languages to suit the needs of their prospective international students: English, Japanese, Korean, Thai, Indonesian, Vietnamese, Spanish, Portuguese, Arabic, Russian, and both traditional and simplified Chinese. In the case of the Australian and British governments, their strategic plans on education export are also provided.

7.4.5.3 Overseas Offices

Overseas offices can always provide instant personal services. They help address the concerns of international students and answer their questions so that they can make informed decisions. All of the three countries run overseas offices in places such as Asia, Europe, Oceania, and the Americas. Australia has overseas offices in 20 countries. The British Council operates in 116 countries (British Council, 2014b) and Singapore in 22 countries (Overseas Singaporean Unit, 2014). Most of these overseas offices provide the services of student counseling, student visas, public examination enquiry, and higher education promotion such as fairs, exhibitions, and conference. While conducting field works in the four studied cities, the research team also noticed the presence of these offshore offices in the areas. It is also worth mentioning that other market leaders such as the United States and Canada have established promotional centers in selected target markets (American International Recruitment Center, 2015; Mazzarol, 1998; Mazzarol & Soutar, 2002).

7.4.5.4 Training and Giving Awards to Agents

Previous studies showed that the use of recruitment agents is effective when promoting international education in Asian markets (Edwards & Browne, 1991; Harris & Rhall, 1993; Pimpa, 2003; Smart & Ang, 1992). The use of agents or education

specialists is common in these three countries. Australia provides training to recruitment agents to promote Australian education overseas. In April 2006, the Education Agent Training Course was launched online. Also, the written reply from the Australian consulate in Hong Kong (Education Department) stated that AEI China offers training to their approved agencies throughout China. Though the British government does not use any recruitment agents in promoting their higher education, it offers online training courses to enhance the quality of agents through the British Council. In addition, the British Council also provides opportunities for recruitment agents to participate in education networking events and to make informal visits to the United Kingdom (Becker & Kolster, 2012). Singapore has set up a Best Singapore Education Specialist award to outstanding agents who have proved to be efficient, reliable, and trustworthy in spearheading Singapore's drive to export her education services. The award recognizes the agent who possesses deep knowledge of the education options in Singapore and provides effective education counseling based on students' aspirations. The research team also observed that there was a strong presence of local agents working on behalf of foreign institutions in these countries. The Hong Kong government may consider using agent to further promote their international education. However, special attention is needed to ensure the quality of these recruitment agents in order to avoid unethical practices.

7.4.5.5 Marketing Research

Marketing research also plays an important role in providing vital information to the government and their HEIs in competitive markets. Australia, the United Kingdom, and Singapore invest heavily in research in order better to promote their higher education overseas. For example, AEI collects the latest market intelligence through planned research projects. AEI also conducts research on the stakeholders/providers and regularly provides information like latest economic, social, and demographic figures. AEI is in close touch with industries to conduct research activities which help the industry move forward and meet the international market's needs (Australian Education International, 2014).

The British Council also studies the markets for British education services and produces information such as market overview, characteristics, and opportunities (British Council, 2014a). Our interview with the British Council in Hong Kong also revealed that the British Council is augmenting its work with keen research efforts both in identifying the needs of other countries and in finding the way to cater to overseas students' specific demands from the British education services.

In Singapore, the Singapore Tourism Board, SPRING Singapore, and IE Singapore help promote the higher education of Singapore by carrying out research to analyze the education industry and the overall educational trends (the Singapore Tourism Board, 2007). The intelligence gained is shared with different stakeholders to facilitate the export of education services overseas.

7.5 Population Policy

In addition to education policies, population and immigration policies such as employment and citizenship also play an important role in exporting higher education to other countries as an extension of studying.

7.5.1 Employment

Full-time and part-time work opportunities are offered to all undergraduate and graduate students in each competing country, but all of them require students to have a work permit in order to work there. The findings from our fieldwork also found that such work opportunities are desired by students not just for monetary reasons but also for gaining exposure to the culture of the host country. Most students interviewed expressed great interest in working opportunities both on and off campus. One student group summarized the general perception by saying that the university should also offer on-campus job or opportunities to international students not only because it helps pay school and living expenses but also, more importantly, because it expands their experiential learning opportunities.

7.5.1.1 Full-Time

The Australian government offices have vigorously developed memoranda of understanding and promoted qualification recognitions within Australia and abroad. This offers more working opportunities to international students. Students can also seek advice from government offices about employment and further study opportunity in Australia (Study in Australia, 2014a, b). In the United Kingdom, students who are from non-European Economic Area and hold a bachelor or a higher degree from a recognized UK institution can apply for a work permit in the United Kingdom for up to 2 years (Becker & Kolster, 2012). According to the points-based tier system, they can apply for different visas for working after graduation (British Council, 2014d). The Singaporean government requires students who apply for Tuition Fee Grant to sign a contract committing them to work in a Singapore-registered--> company for 3 years upon their graduation. This policy is favorable to students from developing countries and yet may create burden for some who are not willing to work in Singapore after graduation.

7.5.1.2 Part-Time

In Australia, international students can apply for permission to work once the course of study has started. Under student visa regulations, students are entitled to work up to 20 h per week in part-time employment during term time and unlimited hours

during semester breaks (Study in Australia, 2014a, 2014b). In the United Kingdom, international students are allowed to work if their passport comes with a relevant stamp or visa sticker. Students are not allowed to be self-employed and to run their own business. In addition, students cannot work over 20 h a week during term time or over 40 h a week during the holiday period. Their work must be related to their course. Last of all, student may be granted internships with a company for up to 3 months (Becker & Kolster, 2012; UKCISA, 2014).

Singapore has a part-time employment policy for full-time undergraduates of universities and polytechnics including a condition that they cannot work more than 16 h a week. During the school holidays, they are allowed to work full time (Singapore Education, n.d.). However, compared with other competitors like Australia and the United Kingdom, employment opportunities for international students are more limited in Singapore (Kau, December 7, 2005). The interviews we conducted in the target markets suggest that potential students for overseas study regard employment opportunities in the overseas country they study as important, not just for financial motives but also for the exposure to the local culture that is so important for their overseas study.

7.5.2 Citizenship

Becoming a citizen of Australia, the United Kingdom, and Singapore can be a reason for international students to choose a particular study destination (Harman, 2004). As attracting talented and skilled people can promote the well-being of the economies, Australia, the United Kingdom, and Singapore grant citizenships to immigrants who are highly desirable.

Australia is facing the problem of aging population and skill shortages. Due to the increasing need for skilled migrants to replace young Australians who go overseas, the Australian government has put emphasis on attracting immigrants with skills. In addition, the government has also introduced temporary skilled migration programs to assist certain industries. Similar migration programs have also been introduced in the United Kingdom. In February 2008, the British government adopted a new points-based immigration system that also favors people with high skill level. The Singaporean government is active in implementing policies that would attract different kinds of talents from all over the world. The immigration policies focus on (1) increasing the amount of immigration of primary and secondary school students and their families, (2) allowing foreigners with recognized and marketable skills to apply for a work permit, and (3) allowing university graduates to apply for their immigration visa within 1–2 months after they got a work in Singapore (Singapore FIS Education Centre, 2007). In addition, the Singaporean government also prepares the whole society for the future changes. Housing, public transportation, and basic facilities are all prepared for attracting foreign talents to settle in Singapore (Asian Development Bank Institute, 2012). It should be noted that English language proficiency and passing the citizenship test are usually required to attain citizenship.

7.6 Discussion and Implications for Hong Kong

It has been clear from the findings of this present study that a set of favorable policies and strategies at the national level was behind the success of the three competitors, Australia, the United Kingdom, and Singapore, enabling them to attract a sizable number of international students. Such policies are not confined to education policies but include population and employment policies. The experiences of our competitors highlight a significant role for the government in supporting the promotion of their higher education services. In addition, the findings also indicate that concerted efforts are needed to be made by the government, HEIs, and other concerned stakeholders in the development of overall marketing strategies and policies.

To position Hong Kong to become an education hub in the region, the Hong Kong government has recently introduced several key measures to further promote higher education. For example, the government has raised the additional ceiling for nonlocal students to 20 % starting from 1998 to 1999 academic year (UGC, 2013). The Hong Kong government has also increased funding to provide more scholarships and assistantships to nonlocal students. In addition, existing restrictive immigration regulations have been relaxed. According to the newly revised immigration laws, international students are allowed to work off campus during summer holidays and are allowed to stay up to 1 year after graduation to look for job (Hong Kong Immigration Department, n.d.). All these measures will definitely make Hong Kong a more attractive study destination for international students.

Our research, however, indicates that Hong Kong is still lagging behind competing nations in several areas. This study has identified several effective policies and strategies that may appear important to Hong Kong and may be used a reference to develop its own policies to promote higher education to students abroad.

The findings of this study highlight the importance of investing on higher education and research and development. As compared with these three competitors, the efforts made by the Hong Kong government lags behind in terms of its level of research funding as a share of GDP. Inadequate funding for higher education and research and development could have an adverse effect on the international perception of the quality of HEIs. Previous studies have found that the reputation of a university is a factor that international students weigh heavily when choosing their destination for overseas study (Bein, Noel, & Ragot, 2014; Bowman & Bastedo, 2009; Hemsley-Brown, 2012; Hemsley-Brown & Oplatka, 2006; Mazzarol, Soutar, Smart, & Choo, 2001; Mazzarol & Soutar 2002; Mullins, Quintrell, & Hancock, 1995). To enable education services to be internationally competitive, an increase in investment on higher education is necessary. The recent HK$18 billion dollars injected to the higher education sector will no doubt enhance the quality of research work and boost the international academic standing of HEIs in Hong Kong as a whole. However, the Hong Kong government should continue to make investment on higher education and research and development a key of their policy to enhance the international competitiveness of its higher education.

Second, the expansion of subsidized university admission quotas in Singapore and its strategic move in recruiting overseas students emphasizes the importance of providing access to higher education to a significant portion of the local student population, incorporating a proper mix of nonlocal students in HEIs. There seems to be a need for the Hong Kong government to review the current policy that 18 % of the local student population at the relevant age-group gets access to 14,500 publicly funded first-year undergraduate places via a quota. An increase in the undergraduate enrolment rate is highly beneficial. An increase in public funding for higher education at the undergraduate level and the development of private universities are ways to raise the undergraduate enrolment rate. The increase in admission quota for nonlocal students from 10 to 20 % of the approved student numbers for publicly funded program from the 2008–2009 academic year is an important step forward to expand the nonlocal student population size. It is recommended that a further increase in the admission of nonlocal students (if appropriate at all) could be achieved by increasing the total number of government-funded places while keeping the admission quota of nonlocal students at the 20 % level.

In terms of providing scholarships and assistantships, Hong Kong is on a par with these three key competitors. The Hong Kong government has recently established additional funds to provide more attractive scholarships to all students (Cheung et al., 2008). In addition to scholarships, low-interest loans are commonly available in these target markets. The Hong Kong government should explore the possibility of offering low-interest loan to selected international students. The Hong Kong government could also work with local banks that offer loans to prospective students who are planning to study in a recognizable and qualified university to make sure universities in Hong Kong are on their qualified list.

Our findings also suggest that these three governments have been actively collaborating with other governments to promote their higher education. While interviewing representatives from various HEIs in Hong Kong, one of the recommendations was that the Hong Kong government should take a more active role in initiating communications and conversations with other governments to discuss issues such as credit transfers, recognition of degrees, and joint programs to further promote their higher education in these Asian markets. It is recommended that the government enters into policy dialogues and international agreements regarding these aforesaid issues in the form of a memorandum of understanding with the Ministry of Education of selected Asian countries at the government-to-government level. The Hong Kong government should continue to expand its network to other potential countries by tapping into existing economic and political relationships with countries throughout the world.

The findings of this study support the notion that establishing a central agency could benefit Hong Kong. As mentioned, all three countries have a central agency to coordinate the implementation of policies and measures related to the development of the export of higher education. The creation of a designated agency like the British Council, Australia Education International, and Singapore Tourism Board with a formal and central role should be considered to facilitate the goal of exporting Hong Kong higher education. This agency could be supported by all interested

parties such as the Hong Kong Trade Development Council, the Hong Kong Tourism Board, the Hong Kong HEIs, the Hong Kong Education Bureau, and the industry. The major responsibilities of this agency may include undertaking generic promotion abroad, collaborating with other institutions and organizations, establishing a quality database, engaging in research and strategic development, and developing a formal performance management framework.

Considerations should also be given to establishing overseas offices to provide and disseminate important educational information to prospective students and their parents in selected Asian markets. Parents and students interviewed in these four target cities indicated that a local information center is extremely helpful when choosing their study destination. In addition to providing general educational information, other basic related basic information such as on employment and immigration should also be offered. The Hong Kong government could further explore and examine the feasibility of providing one-stop service to prospective students in these overseas offices. Using existing overseas offices run by other agencies (e.g., the Hong Kong Trade Development Council) to serve as an information center for international students could be cost-effective because it does not incur heavy investment.

The use of recruitment agents could be another effective means to recruit international students. Some HEIs' representatives interviewed supported the ideas of using agents to recruit international students to their campuses. However, they expressed the concern that with keen competitions, some agents may engage in unethical practices and give out inaccurate information to prospective parents and students in order to get the business. To avoid unethical practices and unhealthy competitions, special attention needs to be paid to monitor recruitment efforts by these agents. In addition, the Hong Kong government or the designated agency could explore and examine the possibility of providing in-house training to agents to ensure the quality of their service rendered and to award outstanding agents in the field.

It is also imperative that the Hong Kong government and HEIs should equip themselves with the necessary marketing information and intelligence to position themselves in this increasingly intense market. This may mean a substantial investment in conducting systematic marketing research in the selected markets. Few empirical studies have been conducted in these Asian markets. Further research is needed to fully understand the needs of prospective students. Of benefit would be an examination of the critical factors that may influence the decisions of prospective students in the selected markets.

Finally, our findings suggest that population and immigration policies are a central factor when students make their choice of study destination. According to a study by the British Council (n.d.), ease of immigration procedures and ease of finding employment during and after the study were two important factors that influence student selection of a host country. In the past, Hong Kong had restrictive population and immigration policies, which made it hard for international students to apply for work visas or to stay in Hong Kong to look for job after graduation. However, the recent revised policies allow international students to

work up to 20 h a week on campus during term time and take an off-campus job in summer. In addition, international students are now allowed to stay for up to 1 year to look for suitable job after their graduation (Cheung et al., 2008). These new policies will definitely make Hong Kong's higher education more attractive to international students in the selected markets. Furthermore, the possibility of their study leading to employment or citizenship could be an important factor when international students choose their destination for their overseas study. The Hong Kong government may want to consider relaxing the population policy further by lowering the qualifications and requirements of the admission schemes for skilled labor. Providing further supporting measures could also be beneficial in making Hong Kong a much more attractive place for study and work for international students.

7.7 Conclusions

In their study, Cheung, Yuen, and Yuen (2008) identified several key advantages of Hong Kong over its competitors in relation to their potential of being a regional education hub in Asia: an international world-class city, excellent infrastructure, high-quality education with affordable costs, and well-established quality assurance mechanism. In addition to these competitive advantages, the recent measures initiated by the Hong Kong government have added much needed strengths to Hong Kong's competitiveness. The competition in international education will continue to intensify as more countries enter the race. As suggested, more wide-ranging and coherent policies are likely to be needed by the Hong Kong government in order to compete with other key competitors. The implementation of these policies not only requires additional investment, but more importantly, it requires more careful policy planning and concerted efforts by the Hong Kong government, HEIs, and other bureaus and support by the general public as a whole.

Note This chapter was adapted from Cheung, Yuen, Yuen, and Cheng (2011) with substantially updated information on official statistics and latest government policies.

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Part III
Internationalization as International Student Development

Chapter 8
Cross-Border Higher Education for Identity Investment: Cases of Malaysian and Indonesian Ethnic Chinese Students in Hong Kong

Pik Lin Choi and Sylvia Yee Fan Tang

Abstract This article reports the results of a case study involving two ethnic Chinese students, one from Malaysia and one from Indonesia, who chose to pursue higher education in Hong Kong. By placing the students at the centre of an investigation of the social, political, economic and educational contexts of their home countries and host territory, the study sought to gain a holistic understanding of cross-border mobility. The findings suggested that the students' personal backgrounds and dispositions mediated the external push-pull factors involved in their decisions. The data showed that the two students' cross-border mobility allowed them to redefine their ethnic identities and create global academic and professional identities. The implications of the purposes of cross-border mobility and methods for examining student mobility are discussed.

Keywords Higher education • Cross-border mobility • Identity • Hong Kong • Indonesia • Malaysia • Ethnic Chinese • Life history method

8.1 Introduction

There were 14,512 nonlocal students in Hong Kong during the 2013–2014 academic year, constituting 15 % of the total student enrolment in publicly funded higher education programmes. Although the majority of these nonlocal students came from mainland China (78 %), about 17 % ($n=2493$) came from other Asian countries (University Grants Committee, 2014). This article discusses the findings of a study that considered the cross-border decisions of two Chinese descendant

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students from Malaysia and Indonesia. Determining why these ethnic Chinese decided to pursue their higher education in Hong Kong offers an interesting research path that touches on the increasing internationalisation of education.

Many cross-border mobility studies have been conducted at the system and institutional levels. However, relatively less attention has been paid to the motivating factors of individual students at the micro, macro and meso levels. The current study applied the life history method to examine the lives of two ethnic Chinese students from Malaysia and Indonesia, respectively, to reach a comprehensive understanding of the different forces at work in their decision to pursue a cross-border education. Its findings clarified the individually mediated push-pull factors involved and the effects their decision had on their lives and career development.

This article begins with a review of the literature related to cross-border mobility in higher education. After outlining the study method, it provides contextual analysis of the three territories involved, including Malaysia and Indonesia, from which the students hailed, and Hong Kong, which served as the host territory. It analyses the students' decision-making process, the various forces at work and the effect of their decision to pursue a cross-border education. Finally, it discusses a new conceptual understanding of their decision.

8.2 Trends of and Purposes for Student Mobility

Student mobility at the university level has drastically increased in the past few decades. It has been in the foreground of the study of higher education internationalisation (Kehm & Teichler, 2007; Ng, 2012). Many student mobility studies have been conducted at the macro and meso levels, with a major strand related to national and regional flows and statistics (e.g. Kelo, 2006; Marginson & Wende, 2007). The effect of student mobility on internationally oriented labour markets and careers and the values and purposes of internationalisation have been important themes of many macro-level studies (e.g. Gribble, 2008; Musselin, 2004; Stronkhorst, 2005; Trilokekar, 2010). Marginson and Wende (2007) reported that in 2003 there were 2.12 million designated foreign students located in the Organisation for Economic Co-operation and Development area (accounting for 1.98 million of the total) and other nations that provided data. The figure constitutes about 2 % of higher education students worldwide and will increase to eight million by 2025 (Altbach, 2004). Developing and high-growth regions that could not provide sufficient higher education opportunities used to send students to Western countries. However, a recent change in the cross-border flow necessitated the further pluralisation of the exporting nations. The trend of Asian students going to English-speaking nations such as the United States (USA), Canada and the United Kingdom (UK) has slowed (Altbach, 2004). Instead, some Asian countries such as Singapore, Malaysia and China have become attractive providers of international higher education. There are two reasons for the attraction. First, the Asian host countries offer significantly cheaper education programmes than their Western counterparts, and the status of

Asian universities has increased. Second, these Asian countries offer better job opportunities to graduates (Marginson, 2006; Ziguras & Law, 2006).

The purposes of increased higher education internationalisation have also been analysed at the policy, institutional and individual levels. At the policy level, Knight (2004) highlighted the pressing need for human resource development, nation building, strategic alliances, commercial trade and sociocultural development. Rationales promoting the internationalisation of higher education at the institutional level have included the boosting of academic standards, cultural diversity, student and staff development and income generation (Knight, 2004; Stohl, 2007). Furthermore, rationales promoting the internationalisation of higher education at the policy, sector and institutional levels have been increasingly dominated by commercial and financial benefits in different parts of the world (de Wit, 1999; Knight, 2006).

At the individual level, investment has been considered the source of students' motivation to pursue education. In their studies of second-language learners, Norton (2000) and Gu (2008) suggested that students invested in learning a target language to acquire a range of previously unattainable symbolic and material resources. One of the symbolic resources students gain from investing in a second language is an increase in cultural capital (Bourdieu, 1991). In addition to material gains, which Pyvis and Chapman (2007) called positional investments, there is a kind of self-transformative investment that results in the development of the person.

Most studies of student mobility have been conducted at the macro or meso levels, clarifying the trends and structural factors that influence cross-border mobility. Although studies have considered the relationship between the micro and macro/meso levels, they have focused on how wider social, political and institutional forces shape students' decisions. However, a recent attempt was made to explore the cross-border mobility of mainland Chinese students studying in Hong Kong with an approach that addressed the micro, meso and macro levels. The study was conducted to understand the interactions of students' internal and external factors in their decisions about where to pursue higher education (Li & Bray, 2007). This holistic approach informed the present study, illuminating the complexities of the cross-border education attainment decisions of ethnic Chinese students.

8.3 Choice of Cross-Border Education

Altbach's (2004) combination of push-pull factors has been widely applied to explain cross-border flows and analyse a student's choice to pursue cross-border higher education. The push factors include the unfavourable conditions of students' home countries, and the pull factors comprise the favourable conditions of the study destinations. Traditional push factors include limited access to higher education and the unavailability of desired programmes in the student's home country. The pull factors relate to scholarships, advanced research facilities and a better socioeconomic and political environment. Muzzarol and Soutar (2002) found that traditional push factors had become less important in recent years because many Asian

countries had improved their local supplies of higher education. The pull factors are stronger and include the student's perceptions of the better quality of an overseas programme, ability to gain entry into preferred courses, desire to improve his or her understanding of foreign societies and intention to migrate after graduation. In other words, in addition to the traditional educational, economic and political factors, social and cultural factors have gained increasing importance, as echoed by Li and Bray's study (2007) of mainland Chinese students who pursued cross-border higher education in Hong Kong. Their main motivations, from most to least important, were academic, sociocultural and economic.

However, Altbach's standard push-pull model has been criticised for focusing on the negative forces of a home country and the positive forces of the study destination, which are the respective macro- and meso-level contexts external to a student. The model does not cater to analysing a student's individual perspective in response to similar push-pull factors. The two-way push-pull model advanced by Li and Bray (2007) contributes to analysing home countries and institutions, which exert both negative forces that propel some students abroad and positive forces to keep students at home. Potential host countries and institutions similarly exert both positive forces (which attract international students) and negative forces (which repel students). The authors paid prompt attention to the personal characteristics of students that influenced how they responded to the external push-pull factors.

The two-way push-pull model is confined to the identification of certain features such as the family background, academic characteristics and personal perceptions of a student that shape his or her decision to pursue cross-border education in a certain location. There are limitations in determining the complexities involved at the micro, meso and macro levels that lead to students' final career choices. A synthesised push-pull model developed by Chen (2007) was relevant to the current study. The model was used to analyse not only the two-way push-pull factors but also the process according to which one chose to pursue a cross-border education.

Chen's study of four Chinese graduate students in Canada found that their decision-making process comprised three stages. The first or predisposition stage involved the decision to study abroad. During this stage, the students assessed their personal needs, searched for and acquired information related to studying abroad and ultimately made the decision to do so. The second stage involved the search, selection and application process, during which the students acquired information related to countries, institutions, programmes, locations and costs and compared and analysed all of the features offered by each country, institution, programme and location. By the end of this stage, the students had arrived at a decision about where to study, which schools to consider and how many to apply to. The third and final stage involved choosing a host institution. During this stage, the students assessed the institutional characteristics (academic and administration), country-specific features (environment, visa/immigration, economic/costs) and location of their chosen study venues.

As informed by the models of Li and Bray (2007) and Chen (2007), the current study examined the decision-making processes of an Indonesian Chinese student and a Malaysian Chinese student who crossed borders to study in Hong Kong. It

sought to understand the interactive forces at work in their decisions at the micro (individual characteristics), meso (higher education institution) and macro (national/territorial) levels. Moreover, it aimed to achieve a holistic understanding of the effect of cross-border education on the lives and career development of these students.

8.4 Method

The study, which was part of a larger study of the internationalisation of Hong Kong's higher education, focused on achieving an in-depth understanding of the decision-making processes of two ethnic Chinese students, the factors that contributed to their decision to pursue a cross-border education and the effect of their decision on their lives and career development. The students' career decisions had to be considered in the context of relevant political, social, cultural and economic relationships. The life history method was applied to the study due to its power to reveal how people's lives intersect with a society's history (Goodson & Sikes, 2001). This kind of inquiry strategy has been widely applied in the education sector since the 1980s. However, major attempts to use the method to study higher and adult education were not made until the early 1990s (Hoar, 1994). Despite gaining recent interest in the fields of higher education and migration (Fuller, 2007; Lewis, 2005), the method has rarely been applied in the area of international higher education.

This qualitative study followed up on a questionnaire sent to nonlocal postgraduate students coming to Hong Kong from Malaysia and Indonesia. Its purpose was to understand the complexities involved in the cross-border study decision-making process. The respondents provided demographic information with their completed questionnaires. Two respondents were approached and asked to participate in the study in 2007. In-depth interviews lasting 2–3 h were conducted with each respondent to explore his or her family and intergenerational backgrounds, education and work-related experience. Peter,[1] the Indonesian student, was in his final year of doctoral studies. Kim, the Malaysian student, was enrolled in the first year of a 2-year part-time postgraduate programme. The interviews were transcribed for thematic analysis. E-mail correspondence with the informants was maintained to trace their life and career development in 2008.

Although life histories are typically considered in case studies, they can also place a person at the centre of social, economic and historical investigations (Goodson & Sikes, 2001). Two types of documents were collected to ensure that the appropriate context was chosen. The first type included personal documents that provided the appropriate information to triangulate the personal context. These included web-based information and photographs of the respondents. The second type included documents related to the national and regional histories of the three locations, i.e. Indonesia, Malaysia and Hong Kong. These included national profiles

[1] Pseudonyms were used to protect the identities of the two participants.

such as statistical reports, national history monographs and education system policy papers taken from the websites of policymakers and higher education providers. As shown in the following sections, analysis of these documents outlined the important contexts for understanding the external push-pull factors in the students' cross-border education decisions.

8.5 Contexts for the External Push-Pull Factors

8.5.1 Indonesia

Indonesia is the fourth most populous country in the world, with 252.8 million people as of 2014 (Indonesian Population, 2014). Its physical boundaries were established by the Netherlands during the colonial era. Indonesia is a multi-ethnic society with more than 1000 ethnic and sub-ethnic groups (Suryadinata, Arifin, & Ananta, 2003). Javanese culture dominates, but its main language is a form of Malay known as Bahasa Indonesia, which has been the country's official language since the Dutch transferred sovereignty after World War II.

The Chinese were the sixth largest ethnic group in Indonesia at the time of the 1930 population census, but their rank dropped to fifteenth in the 2000 census, comprising about 1.5 % of the total population (Suryadinata et al., 2003). However, the Chinese are thought to control 70–75 % of the medium- and large-scale non-state enterprises in Indonesia (Koning, 2007). Determining the number of ethnic Chinese in Indonesia has always been complicated. Estimations reflect the ethnic group's long and troubled history, dating back to their arrival in Indonesia in the seventeenth century.

In the introduction of his book *A History of ModernIndonesia*, Vickers (2005), an Australian writer, sketched the general impression that people had about the country:

> Indonesia is generally featured in the world's media for its political violence and involvement in international terrorism. It has rated at the top of international corruption watch lists, and its president between 1967 and 1998, Suharto, was named the head of state who extorted the most personal wealth from his country. (p. 1)

The Chinese have frequently been the scapegoats for violence in Indonesia. Turner (2003) traced the conflicts between the ethnic Chinese and indigenous Indonesians back to the beginning of the Dutch rule. The colonisers introduced a divide-and-rule policy towards the people. The Chinese established many trade monopolies and controlled most of the banking sector, setting themselves apart from the pribumi majority. Therefore, the Javanese aristocracy in particular became deeply hostile towards the Chinese.

During Soekarno's administration (1945–1965), a directive was enforced that demanded the Chinese to close their businesses in rural areas and relocate to urban areas. Further intensifying the ethnic tensions was the establishment of Suharto's

New Order regime in 1966 and its 30-year consolidation of power. A series of assimilation policies was administered, strongly encouraging the ethnic Chinese to change their names to become more 'Indonesian sounding', banning Chinese script, removing dozens of Chinese-language newspapers, forbidding Chinese cultural expression and closing Chinese-language schools and education facilities (Turner, 2003). At the same time, the ethnic Chinese were the victims of continual official discrimination. One obvious measure involved applying codes to mandatory Indonesian identity cards that allowed Chinese holders to be identified as such. The May 1998 anti-Chinese riots were considered to prove the failure of the assimilationist policy, which placed the Chinese in a paradoxical position that made them an easy target of racial and class hostility (Hoon, 2006).

Indonesia is a multireligious nation. Islam is the dominant religion (Suryadinata et al., 2003). To a certain extent, the anti-Chinese sentiment was blended with wider Christian-Muslim conflicts. Some of the anti-Chinese violence was stoked by Muslim extremist groups who had been burning down Christian Chinese churches since the early 1990s (Vickers, 2005). Suharto's sanction on publicly discussing sectarianism (i.e. forbidding the reporting of ethnicity, race and religion in the media) was based on religious and ethnic conflicts. However, the Chinese were frequently the first victims of violence during the outbreaks.

In terms of higher education opportunities, Instruction No. 37/1967 was set to restrict the educational opportunities for Chinese during the establishment of Suharto's New Order regime (Freedman, 2003). A 10 % limit on university places for Chinese students was imposed for courses in medicine, engineering, law and science disciplines (Turner, 2003). The development of higher education in Indonesia has lagged behind. In terms of internationalising its higher education, Indonesia attracts few fee-paying foreign students and exhibits a net outflow of students. Indonesia lacks the full capacity necessary for doctoral training, and most Indonesian doctorates are completed abroad (Marginson & Sawir, 2006).

8.5.2 Malaysia

The Federation of Malaysia was formed in 1963, marking the independence of the nation after 170 years of British rule. Malaysia is one of the most multi-ethnic and multireligious countries in Southeast Asia, with a population of approximately 30.26 million in 2014 (Malaysian Population, 2014). Fifty percent of the population consists of the Malays and other indigenous ethnic groups known as Bumiputras. The Chinese are the next largest ethnic group, composing approximately 24 % of the population (Central Intelligence Agency, 2008). The Malaysian Chinese are descendants of the mainland Chinese, some of whom settled in the country as early as the fifteenth century.

Similar to Indonesia, interethnic conflicts are a part of Malaysia's national history. However, the ethnic Chinese in Malaysia have a record of being much more politically active than those in Indonesia. Although the Chinese have held few

political leadership positions, they have asserted sufficient influence to protect Chinese business interests. For example, Tun Tan Siew Sin, the president of the Malaysian Chinese Association, served as finance minister from 1959 to 1974 (Heng, 1997). Triggered by election results, the incident of May 13, 1969, culminated in a racial riot that originally involved the Malays and ethnic Chinese with the Indians joining subsequently. Wealth disparities between the Malays and ethnic Chinese fuelled the conflicts despite about one quarter of Chinese households in the New Villages having incomes below the government-designated poverty line during the 1970s (Government of Malaysia, 1976).

The New Economic Policy was introduced in 1971. It aimed at nation building and economic restructuring and consisted of a range of affirmative action programmes. Several clauses of the New Economic Policy gave economic and educational advantages to the Bumiputras, such as quotas in the ownership of public company stocks and entrance to universities. As such, the policy had a significant effect on the education and employment opportunities of the ethnic Chinese (Preparing for a Pogrom, 1969). Under the Ninth Malaysia Plan, the government aimed to narrow the income gap between the Bumiputras and ethnic Chinese from a ratio of 1:1.64 in 2004 to 1:1.50 in 2010 (Government of Malaysia, 2006). A national cultural policy was also instituted to promote Islamic values and Malay culture. Government intolerance of non-Muslim views has been exhibited in the public sphere. The Chinese in Malaysia maintain a distinct communal identity and rarely intermarry with native Muslim Malays for religious and cultural reasons. Similar to Indonesian Chinese, most Malaysian Chinese consider their Chinese identity in ethnic, cultural and political terms.

In 1971, Malay was made as the main medium of instruction in all state-run educational sectors, from primary schools to universities. The ethnic Chinese were determined to protect Chinese education, and a Chinese organisation known as Dong Jiao Zong began to provide Chinese education to its children (Dong Jiao Zong, 2002). Although Chinese primary schools that used Mandarin as their main medium of instruction were state supported, they received disproportionately smaller funding than did state schools that taught using Malay. These Chinese schools, which enrolled 85 % of the total Chinese student population in 1988, suffered from teacher shortages, insufficient textbooks and poor facilities (Heng, 1997). Although private Chinese secondary schools were allowed to continue, the government did not recognise their examinations. At the tertiary level, Chinese enrolment in three main universities dropped from 48.9 % of the total enrolment to 26.5 % during 1970–1980, and Malay enrolment rose from 40.2 to 66.2 % (Ling et al., 1988). As a result, middle-class and affluent families financed their children's education in overseas schools and universities. Most graduates from private Chinese secondary schools currently further their studies in Taiwan, Japan or English-speaking countries such as the United States, the United Kingdom and Australia. A majority of overseas university graduates do not return to Malaysia (Ziguras & Law, 2006), partly because non-Malays face limited options under the order of the established government.

8.5.3 Hong Kong

Hong Kong is located on the south coast of China and borders of Guangdong Province. It was ceded to Britain by the Qing Dynasty in 1842 and reverted to Chinese sovereignty on July 1, 1997. This change in sovereignty differed from other cases of independence such as Indonesia and Malaysia. First, Hong Kong did not gain independence but rather became incorporated within China. The 'one country, two systems' agreement was expected to guarantee Hong Kong a high degree of autonomy in terms of its capitalist economic system and ways of life for 50 years following the handover. Hong Kong continues to operate its own laws, currencies and education system. Second, steps were taken towards decolonisation well before 1997, giving Hong Kong a long period to prepare for the political handover (13 years from the signing of the Joint Declaration in 1984). Third, Hong Kong was in excellent financial shape at the time of the handover (Bray, 1997; Luk Fong, 2001).

The residents of Hong Kong are predominantly ethnic Chinese. Many arrived in Hong Kong during the Chinese Civil War and after the People's Republic of China was established in 1949. During mid-2014, the Hong Kong population was approximately 7.23 million. According to the 2011 population census, 94 % of the Hong Kong population is Chinese (Census and Statistics Department, 2012). However, Hong Kong is often considered a metropolitan city in which Eastern and Western cultures meet. Despite this, King (1996) argued that modern Hong Kong Chinese seemed to have 'no identity problem' (p. 274). Three quarters of the ethnic Chinese adolescents in Hong Kong identify as either Hongkonger or primarily Hongkonger and secondarily Chinese. Fewer than one quarter consider themselves Chinese or primarily Chinese and secondarily Hongkonger (Lam, Lau, Chiu, Hong, & Peng, 1999), indicating that the ethnic Chinese in Hong Kong tend to culturally identify as Chinese yet prefer to assume a regional rather than national identity (Leung, 1996). This finding also suggests that many Hong Kong-born Chinese tend to distinguish themselves from those living in mainland China (Lau & Kuan, 1988). Many families have members residing outside the territory, in mainland China or in countries such as Australia, Canada and the United States (since 1997). Thus, Hong Kong has become a place where people's identities are fluid and hybrid (Luk Fong, 2001).

The education system in Hong Kong has largely followed the British model. English is taught in all aided primary and secondary schools. The influence of the United States is also growing in Hong Kong's higher education. Universities now employ more academic staff members who earned their degrees in the United States rather than other countries (Postiglione, 2005). All of these factors provide platforms for universities in Hong Kong to engage in global academic discourse and internationalise Hong Kong's higher education. Higher education institutions were limited before 1989, with only 2.2 % of secondary school students permitted to enter one of the two local universities. However, universities began to expand rapidly in the 1990s, and Hong Kong currently has 17 degree-awarding higher education

institutions (GovHK, 2014). A more visible intention to internationalise Hong Kong's higher education was observed after the government released its Action Agenda as part of China's 11th Five-Year Plan (Education and Manpower Bureau, 2005). The agenda recommended exploring ways to attract more nonlocal students to study in Hong Kong and to develop Hong Kong into a regional education hub. Certain policies related to scholarships, student visas, part-time work and employment that encourage students to pursue cross-border education in Hong Kong have already been put in place (Cheng et al., 2009).

Due to Hong Kong's strong link to the Chinese maninland, many mainland Chinese students cross the border to study in Hong Kong's higher education institutions. Hong Kong also attracts many students from Macau and Taiwan (Hong Kong Institute of Education, 2008), making it an interesting meeting place for student descendants from Greater China.

8.6 Interaction of Internal and External Factors

8.6.1 Personal Characteristics of the Indonesian Student

Peter, an Indonesian Chinese student, was granted a scholarship from a university in Hong Kong to pursue his doctoral studies. He was the sixth generation of his family in Indonesia. His ancestors migrated from the maninland China for 'economic reasons and better living conditions'. Although not incredibly proficient in English, he had a great talent for science. He was among the few ethnic Chinese students able to gain undergraduate admission to an Indonesian university. Peter identified himself as the offspring of the lower middle class. If he had not been successful in securing scholarships from different transnational funds and overseas universities, his parents might have only been able to support his graduate studies in Malaysia.

> Although I haven't been there, Malaysia is not attractive to me. When I was studying for my bachelor's degree, I was thinking about studying abroad. And I applied everywhere. I applied to Australia, Germany, the US, everywhere and everything. But what I got first was the scholarship to Thailand. [The Indonesian government] does not appreciate us. We have exams, but we cannot compete with the Indonesians because of the discrimination issue. We are not awarded outstanding credits in the class. So we would be outside of the top 10 [universities in Indonesia]. (Peter)

Peter's potential in environmental technology was developed in Thailand, where he studied for his master's degree. He was able to produce significant research papers with his supervisor. Peter was highly absorbed in his research and aimed to study further with a prominent professor in the field who worked at a Hong Kong university. He was ultimately awarded an international postgraduate scholarship offered by the university, which paid for his tuition fees and living expenses in Hong Kong. Upon graduating with his doctoral degree, he was offered a job at the university.

8.6.2 Personal Characteristics of the Malaysian Student

Kim, a Malaysian Chinese student, was admitted to a part-time postgraduate course in education in Hong Kong. As a Chinese descendant, Kim's grandfather moved to Malaysia from Southern China. Both of her parents were university-educated professionals. Kim was sent to an international primary school in the fifth grade. She recalled the reasons for her parents' decision:

> I was in a private Chinese school from Primary 1 to 4. Perhaps my parents thought the class size was too big. I heard of some classes having more than 70 students. I remember the school life there was really tough. For example, we had heaps of homework during the 3-month school holidays. (Kim)

Kim had an opportunity to live in Canada for a few months before attending primary school in Malaysia. She learned English well and received private tuition from an English tutor. She found English school fun and was relatively happy to be free from homework. She received her secondary education at the same English private school.

Sometimes Kim had the feeling that she did not share the same world as her peers because 'many parents were celebrities'. Moreover, her educational experience did not provide her with opportunities to learn Malay well, in part because 'the grammar and spelling of Malay were evolving and kept changing in the early 1990s'.

After Kim completed her first degree in Malaysia, she began her first job as manager of a fashion chain store. The experience of supervising 'problematic' adolescent sales assistants in the store made her realise the importance of education: 'I cannot teach in Malaysia because my university is not local [state run] and my degree is not in education. That makes things complicated'. Kim then began to get involved in education-related jobs. She worked as a career consultant in the information centres of some private universities. One was a Chinese-run university, which she chose because she considered it 'a good opportunity to serve the Chinese community'.

Cross-border study became more realistic only when she learned about a postgraduate teacher education programme in Hong Kong as a result of her knowledge of and exposure to career information. Discovering the programme made her realise her aspirations to be a teacher. Unlike Peter, who as an undergraduate was always determined to study abroad and actively searched for relevant information, Kim was more interactive during the predisposition and search, selection and application stages involved in her decision to study overseas. Peter's choice was facilitated by his competitiveness in gaining scholarships from higher education institutions or nongovernmental organisations. Kim's choice was supported by a job opportunity in Hong Kong. She was employed as an English instructor in a tertiary institution, and her salary supported her part-time study studies in Hong Kong.

8.6.3 Personally Mediated Two-Way Push-Pull Factors

In the process of choosing to pursue a cross-border education, Peter and Kim were influenced by their personal characteristics, significant others and two-way push-pull factors (Chen, 2007). As an ethnic Chinese Christian, Peter perceived little opportunity for development in the country. The critical push factor for Peter was the idea that 'in Indonesia no one can get to the top position if you are not a Muslim'. Kim similarly found her conditions unfavourable for her development:

> It's not fair. Ultimately the laws are there to protect the Malays. … Teachers hired by the government have a lot of advantages. They can use a 2–4 % interest rate to buy a car and a house with a long grace period. (Kim)

Although the pull factors were evident, Peter and Kim's border-crossing mobility was mediated by their personal characteristics and identity. Their personal needs and the results of their personal assessments energised a range of career-planning actions (Chen, 2007).

> I am luckily Chinese. We are multilingual, and more importantly we are a group of progressive people. (Kim)
>
> I have a good education and can look around for other opportunities. (Peter)

The pull factors were clearly related to the characteristics of Hong Kong as a study destination. Although at the systemic level Hong Kong is a Chinese-speaking region, English is the medium of instruction in most of its higher education institutions. This factor played an important role in Peter and Kim's search, selection and application stages. It presented an advantage for Kim because she was most proficient in English. Peter found it more suitable to learn English with students in Hong Kong rather than native English-speaking students in other Western countries. Moreover, Hong Kong offered quality education and institutional facilities, and tuition fees in the city were lower than those in the West, including Australia (Marginson, 2006). Hong Kong's geographic proximity, business and cultural ties with the maninland China provided additional attractive elements. Studying in Hong Kong would serve as a stepping stone for the students' career development in other parts of the world. The economic environment and better pay offered by Hong Kong and the opportunity to apply for permanent residency after a 7-year stay were other pulling factors.

Despite the relative short history and thus limited international visibility of Hong Kong's higher education, Peter and Kim chose to study in the region partly because they had both visited it previously. Kim arrived as a tourist, and Peter was selected to participate in an exchange programme while he was in Thailand. Peter observed that 'everything [was] so convenient' in Hong Kong, referring not only to the city's quality of life but also to cultural aspects such as its food and dialects. Kim did not feel 'left out' because people talked to her in English when she had difficulty understanding Chinese.

Those with influence in Peter and Kim's lives also mediated their choice to study at Hong Kong universities (Chen, 2007). The decision to provide Kim with an

English private school education in Malaysia both created and eliminated education and career opportunities. Kim's parents, who completed their higher education in the United Kingdom and Canada, told Kim that the Chinese were 'not genuinely accepted in the West'. These remarks had an effect on Kim's choice to purse a cross-border education. As for Peter, the prominent figures in his academic field, including the supervisor of his master's programme in Thailand, directly and indirectly pointed his career path towards Hong Kong.

The scholarship offered by transnational bodies, the higher education opportunities offered to nonlocal students and the policy change related to employment in Hong Kong at the systemic level thus facilitated the final choices of these students. Note that the reverse push-pull factor required a comparison with a third country to affect the final choice of the host institutions (Li & Bray, 2007). Indonesians have experienced difficulties applying for admission to US universities since the September 11 terrorist attacks. Although Singapore was Kim's first choice for a study location, the Singapore government admitted only state-employed teachers to enrol in its postgraduate programmes. As such, Hong Kong became Kim's best option.

8.6.4 Cross-Border Choice as Identity Investment

These two ethnic Chinese students shared common motivations that affected their lives and career development. The concept of identity investment can be used to capture these motivations. The students' decision to study in Hong Kong involved the anticipation of not only material gains but also symbolic resources (Gu, 2008; Norton, 2000). Ethnic identity was arguably an integral component of the symbolic resources they sought to attain. Their choice to pursue a cross-border education involved surrendering their assets with the expectation of gaining future benefits.

> My boyfriend is in Malaysia. We planned to get married, but I gave up in the end after I got the contract as an English tutor. If you ask me what I have given up, I'd say that it is my marriage. … This opportunity is hard to come by. I'd regret it if I missed it. (Kim)
>
> Choosing this opportunity presents a personal cost but also profits and gains. I always think of the long-term effect of the present decision on my future benefits. (Peter)

The students' investment could be traced to their awareness of their ethnic identity and the threat of inequality associated with educational, social and economic opportunities. The students believed that the affirmative action programmes in their countries resulted in the unfair treatment of people of different ethnic and religious identities. However, both students had a good knowledge of their personal assets including their language competence and academic achievements. These assets constituted their identity investment, which allowed them to break new ground away from their home countries (Willmott, 1999): 'We know very well we are from China and our ancestry is Chinese. … Although we are Malaysian, from the bottom of our hearts, we know we have another identity' (Kim).

In the same vein, Peter said that he felt Chinese wherever he lived and that it was his 'sole identity'. The choice to study in a community where one's ethnic identity was no longer a barrier clearly yielded good returns for his investment. Moreover, the geographical proximity and political relationship between Hong Kong and the maninland China in addition to the sociocultural characteristics of the Hong Kong Chinese people prompted Kim's search for a better understanding of Chineseness.

> Now I have developed an interest in Hong Kong history. I found Hong Kong people to be very hardworking. … I may stay in Hong Kong for a longer time. But I'd also like to go to Taiwan, perhaps for 1 or 2 years, depending on the culture there. I want to understand how they look at themselves. That is interesting! They seem to be rejecting China and I'm curious to know if they see themselves as Chinese. (Kim)

As a unique meeting place for different groups of Chinese descendants in Greater China, Hong Kong provides a space for students such as Kim to further their sociocultural exploration while facilitating a better understanding of ethnic identities, including one's own and that of others. Cross-border higher education provides students with a global imagination (Rizvi & Lingard, 2000) that facilitates the construction of a global academic and professional identity, one that was particularly strong in Peter's case. Peter's academic identity emerged after his international higher education in Thailand. He gradually established the capacity to write and publish academic papers in his master's programme. His academic identity was further strengthened and recognised when he was successfully admitted to a transnational visiting fellowship programme in Taiwan and secured UNESCO research funding shortly after completing his doctoral studies in Hong Kong.

As Peter observed, 'When I came here, I didn't think that far ahead. I just thought one step ahead'. Peter developed a global identity out of his border-crossing activities, beginning with a regional body in Asia followed by an international organisation in the United Nations. If Peter had remained in Indonesia, it might have restricted his academic identity. His global academic identity constituted a social identity that probably would have been denied there. Peter believed he would initially work in universities and then go into the industrial field. He believed he would not return to Indonesia, reasoning that 'people choose the best for the future'.

The decision of Peter and Kim to pursue a cross-border education secured both students better educational and employment opportunities. It was a process of identity investment, which opened up possibilities to juggle 'multiple histories, positions and politics' (Meerwald, 2001, p. 388). Through international higher education, the two ethnic Chinese students straddled the historical influences of both their home countries and Hong Kong. In terms of their race and cultural understanding, Kim and Peter found that they shared many similarities with the Chinese in Hong Kong. They experienced 'no problem mixing with people and living in the city'. In fact, most of the time, they used English to communicate in their learning and work environments.

Despite the growing global economic power of China, these two Chinese descendants showed no intention to study or work in mainland China. The colonial history

of Hong Kong and the fluid identities of people in the Hong Kong Special Administrative Region became resources for these two students, one Indonesian and one Malaysian, to explore their Chineseness to a certain extent. Peter's connection with the academy in Taiwan and Kim's interest in understanding Taiwan Chinese indicated their continuous commitment to considering their own ethnic Chinese origin and that of others.

8.7 Discussion and Conclusion

The current study offered insights into the decision of two ethnic Chinese students from Indonesia and Malaysia, respectively, to pursue cross-border higher education. Each case was analysed to clarify the decision-making process, the factors contributing to the decision and the effect of cross-border study on the students' lives and career development. Given the small sample size, no generalisations can be made from the two case studies. Nevertheless, findings from initial cross-case analysis (discussed as follows) draw attention to the common experiences of the two ethnic Chinese students, which may have implications for the purposes and study of cross-border higher education.

8.7.1 Motivation for Cross-Border Higher Education

Data analysis showed that the two ethnic Chinese students from Indonesia and Malaysia, respectively, had not only educational and economic needs but also an identity need that motivated their decision to pursue cross-border education. The literature has long found one's investment in social identity to be associated with the goal of cross-border higher education. The gaining of expertise and qualifications through international higher education has symbolic and subsequent benefits for a student's social status and economic returns (Chapman & Pyvis, 2005; Gu, 2008). However, the symbolic and subsequent benefits for the two ethnic Chinese students considered in this study were arguably the satisfaction they gained from identifying their ethnicity and their development of global academic and professional identities.

Identity is an important source of motivation in the decision to pursue cross-border education. A student's need for ethnic identity is based on an acute awareness of his or her ethnic origin and the perceived marginalisation of his or her participation in the educational, social, economic and political spheres. Although Malaysia is a highly internationalised economy, it exercises a national protection practice of restricting highly skilled jobs to Malaysians. In a similar way, the 'waters of Indonesia have still to settle' (Vickers, 2005, p. 7) in terms of the ethnic struggle and new political agendas of Islam. Both the Indonesian and Malaysian Chinese

students were conscious of the disadvantages they faced, and they did not want to be constrained by state-defined identities. This factor became the major motivation behind the decision of the two students to cross their borders. Moreover, the opportunities for a cross-border education encourage the construction of multiple identities (Brewer, 1999), such as global academic and professional identities, as found in this study. This finding is in line with the previous finding that sociocultural factors have gained new prominence in cross-border mobility (Li & Bray, 2007; Muzzarol & Soutar, 2002). As the two cases of the ethnic Chinese students from Indonesia and Malaysia showed, ethnic discrimination in one's home country increases his or her need for identity.

Hong Kong was chosen as the education destination for this study not only due to its good academic quality, affordable tuition fees and reasonable living expenses (as compared with the Western countries) but also for its closeness to the blooming economic power of China. The unique demographic and sociocultural characteristics of Hong Kong in the Greater China region are uniquely attractive to nonlocal Chinese students. In view of the identity needs of these ethnic Chinese students, Hong Kong may play a contributing role in cross-border higher education. The good mix of many kinds of Chinese people in Hong Kong, from different territories and with different social historical backgrounds, provides a good opportunity for students to deepen their understanding of Chineseness. In addition, higher education institutions in Hong Kong that enrol cross-border students from these territories must play an active role in facilitating ethnic understanding among the students. Both Hong Kong students and cross-border students from places such as Malaysia and Indonesia should be encouraged to know and appreciate the complexities involved in national histories. If Hong Kong can provide a platform for students to put the social, historical and cultural development of different nations (such as China, Malaysia and Indonesia) and different ethnic groups into perspective, it may encourage the establishment of more just and humane communities in which differences in ethnicity, religion and wealth are transcended.

8.7.2 Study Methods for Cross-Border Mobility

The findings of this study echoed the findings of other studies that have applied statistical approaches and suggested that tuition fees, scholarships and the academic quality of a university are important factors influencing a student's final decision to pursue cross-border education (Kehm & Teichler, 2007; Marginson, 2006). Using the life history method, the current study offered a rich description of the complexities involved in the decision-making process, such as the trade-offs between leaving loved ones behind in a home country and the imagined returns of one's investment in the study destination. As Becker (1970) observed, one's life history can give meaning to the overworked notion of process. Furthermore, life histories show how people reconstruct their identities across a range of factors at work at the micro, meso and macro levels.

Although the life history method places students at the centre of analysis and gives them a voice, what they say cannot fully be understood without analysing the relevant political, economic, religious, social and cultural contexts (Goodson & Choi, 2008). In this study, the conceptualisation of cross-border choice as an identity investment made sense only when the lives and career stories of the two students and their decision to pursue higher education in Hong Kong were interpreted within the nation's political, social, economic and educational contexts. Without disregarding this study's sampling size limitations, this method could provide a fuller picture that supplements what cannot be obtained simply through questionnaires. It also gives concrete examples that illuminate Li and Bray's conceptual framework (2007), indicating that decisions about higher education destinations are determined by the interaction of students' internal factors and the external forces of two-way push-pull factors. Life history research conducted carefully under consideration of student mobility and with a large sample involved should provide promising results and offer possibilities for a better future for students, fields of education and interrelated human societies.

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Chapter 9
International Students on Campus: Cultural Difference and Internationalisation Policy and Practice

Peter Bodycott

Abstract This chapter call for higher education institutions and administrators to develop more effective internationalisation policy and management procedures to support international student adaptation. For many international students, fitting in to their new learning environment and developing intercultural relations are significant challenges. The chapter examines how local and international students' cultural capital and expectations can influence intercultural understandings and practices. It argues for new policy, management and teaching approaches that reflect value in building understanding of cultural diversity and which address the cultural and academic expectations of international students and their families. The chapter uses, as an example, students from Confucian heritage societies studying in Hong Kong. However, the recommended approaches can be adapted to students from different cultural backgrounds.

Keywords Chinese • Hong Kong • Higher education • International students • Internationalisation policy

9.1 Introduction

Higher education institutions must develop more effective internationalisation policy and management procedures to support international student adaptation. Higher education today is a far cry from gowned professors, oak-lined higher halls and classrooms where attendance was compulsory and the curriculum stressed reproducing knowledge and assessment by examination. Twenty-first century higher education students can choose to study in class, online or overseas. They expect formative and summative assessment tasks. They can choose to attend classes,

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assume their higher education degree will prepare them for different jobs and expect to gain high-paid employment on graduation. While I exaggerate and simplify the differences that have occured in higher education, the reality is that today's students are different. They study in a highly competitive environment, they have high expectations and study in institutions that are affected by globalisation. This places pressure on the institutions and the students and their parents. Gone are the days of free higher education, of days when a student simply attended their local university. Today's students, provided they have the funds to do so, may choose to study within their state, their province, their country or internationally. Local and international higher education institutions compete to recruit them. The crowning prize for these institutions is international prestige gained from rankings fuelled by resources provided for research and for many by international student fees.

In 2012, more than 4.5 million students from different cultures elected to live and study abroad. The majority of these students come from mainland China, India and Korea. In total, students from Asian countries represented 53% of all foreign students enrolled worldwide. The most popular destinations were Australia, Canada, France, Germany, the United Kingdom and the United States (Organisation for Economic Co-operation and Development [OECD], 2014). The internationalisation of higher education, as measured by international student mobility, is booming. However, we know little about how higher education institutions provide for international student needs or how they use the cultural capital the students bring with them.

In many countries, higher education institutions provide a pool of international graduates from which government and businesses can entice the most skilled and academically talented to stay following graduation. In so doing, international students provide a means to offset the brain drain associated with local students seeking study abroad as well as ensuring and preserving a capable future workforce (Vietor & Thompson, 2008). We also know there are also potential social, educational and cultural benefits of having international students on campuses and in classes. For example, they can provide local staff and students with first-hand opportunities to develop their socio-cultural and intercultural knowledge and skills. That is, provided higher education institutions develop ways to cater for their academic, socio-cultural and personal needs (Bodycott, Mak, & Ramburuth, 2014).

What motivates or drives the largest group of internationally mobile students – mainland Chinese – to study abroad? How do they fit in? What effect do they have on the higher education institutions in which they study? Finding answers to such questions are at the heart of the call heralded in this chapter. Hung, Shive, Wang and Diu (2005) found that studying abroad presented opportunities to develop and enhance Chinese students' academic knowledge and intercultural competencies. A degree from a high-ranking Asian or Western higher education institution where English is the medium of instruction was highly valued. Mainland Chinese parents believe an overseas degree will increase the Chinese family's status and their children's earning potential (He, 2011). This is largely because of rich Confucian traditions underlying mainland Chinese society. These traditions place a high emphasis

on education and filial piety (Deutsch, 2006). This chapter will explore aspects of these traditions and the potential effects they have on intercultural adaptation and involvement while studying abroad and on the institutions in which they study.

9.2 Why Recruit International Students?

The motivation behind international student recruitment varies. For many higher education institutions, profit margins are major motives (Ruby, 2009). For example, in 2010–2011, higher education was Australia's third largest export earner behind coal and iron at over $15.7 billion Australian dollars. This revenue funded the employment of over 125,000 people and 25 % of all higher education teaching (Olsen, 2011). The United States, Britain and Canada also report considerable returns on investment from international student recruitment.

However, governments and higher education institutions would never admit to the allure of the international student recruitment dollar as being the single motivation or benefit from recruiting international students. Nevertheless, many rely on such rewards and aggressively trade in the competitive international student recruitment space. Others, who may have outstanding education programmes, cannot compete, and this inability to attract international students places them at a disadvantage. This is often true for developing countries or those who lack international reputation or environmental appeal. Similarly, higher education institutions with small student populations and course offerings do not stand a chance against the more cashed up more established higher education institutions. This is obvious in the different international rankings of higher education institutions. In some countries, Hong Kong, for example, international students are viewed as a means to diversify the higher education and increase intercultural development opportunities for local students (Education Bureau, 2007). A quick glance at the marketing paraphernalia of many 'famous' higher education institutions will lay claim to such ideals, yet lack detail or research evidence of achievement.

Nonetheless, recruiting international students under the banner of internationalising higher education has grown into a major global industry over the past 30 years. The most recent to enter the market are Asian, East Asian and South East Asian governments and higher education institutions. These include mainland China, Korea, Japan, Taiwan, Malaysia and Singapore. While traditionally the main source of international students, these governments and higher education institutions are now marketing themselves internationally as higher education destinations. The Malaysian government, for example, has sponsored a network of overseas Education Promotion Centres found mainly in Malaysian embassies in the United Arab Emirates (UAE), Indonesia, Vietnam and China (Beijing). As part of its pro-business strategy, the Singapore government is promoting 'Singapore Inc.' globally. It has mapped out several thrusts for growth in this area, including generous financial incentives for foreign students and liberal immigration requirements that have made it easier for international students to remain following graduation (Lane & Kinser, 2011).

Mainland China has stated aims to become a study abroad destination for international students. It plans to increase the number and size of scholarships to achieve its recruitment goal of 500,000 international students by 2020 (Chen, 2011). Whether it is the allure of financial gain, the need to build potential workforce numbers and capacity or broaden local student skills and understandings, international student recruitment is big business. However, while there are positives for students, host institutions and countries, there are also negatives.

9.3 Decision-Making and the Effects of Study Abroad

To understand the decision-making, motivation of students and effects of study abroad, research identified the push-pull factors that affect student decision-making (Li & Bray, 2007; Mazzarol & Soutar, 2002). 'Push' factors include economic, social or political forces in a student's home country. For example, the likelihood of a student gains a place in a local higher education or future employment opportunities. 'Pull' factors on the other hand are those that make a host country or institution attractive to students (Mazzarol & Soutar, 2002). These include the reputation of the institution, the promise of support for international students, its location or costs (Hung et al., 2005).

For students from mainland China and other Confucian heritage societies, questions have been raised about study abroad decision-making. For example, Bodycott's (2009) study of 251 mainland Chinese parents and 100 students found differences in what parents and their child rated as important. While parents sought the longer-term social and economic benefits, students saw the benefits of an international education experience and better quality of education. While parents were attracted by future employment prospects, the possibility of migration and scholarships, students were drawn to the accommodation, the English-speaking environment, buildings and grounds.

Bodycott and Lai (2012) also found that many mainland Chinese students studying in Hong Kong felt disenfranchised during family decision-making about study abroad. In their study, over 65 % of the mainland Chinese study abroad students surveyed were studying in a higher education institution, a country or degree course that was not of their choosing. Such findings, they attribute to a culture rich in Confucian values – one that values education, respects family traditions and authority and which is engrained in principles of 'filial piety' (Salili, Fu, Tong, & Tabatabai, 2001).

For traditional mainland Chinese students, confronting or disagreeing with parents is a sign of disrespect (Chope & Consoli, 2006). In Chinese culture, the family plays an integral role in career decision-making (Ma & Yeh, 2005). This again reflects the cultural value of 'filial piety' and its emphasis on respect and obedience towards authority and older individuals (Leong & Serafica, 1995). In essence, filial piety requires the child to respect his/her parents, to obey them, take care of them as they age and advise them in later life. Such values underlie and influence not only

the thinking of parents and students towards study abroad but also the status of the student in family decision-making (Deutsch, 2006).

Many Chinese students see the opportunity to study abroad as a step closer to a broader more liberal Western world. However, for their parents, the choice of studying in another country often represents a literal investment in the family's future (Bodycott, 2009). This investment can take different forms and yield many benefits. Following a successful longer-term study abroad experience, there is a potential employment opportunity in the host country or on return to China. This can mean longer-term financial and personal security for the student and in turn the parents and extended family. A successful study abroad experience may also bring academic and social benefits. In Chinese society, many believe a foreign degree is of higher status than a local university degree. Therefore, a student returning home with a degree from a foreign university is perceived to have strengthened use of English, intercultural competencies and an increased scope of professional and social networks. Such skills and qualities are prized in mainland China (Chen, 2011; Cheng, 2009).

With much to gain from a successful study abroad experience, mainland Chinese parents and occasionally extended family are prepared to commit extensive amounts of money and family involvement to support their "one" child. This commitment places pressure on the student to deliver on the family's financial and cultural investment that is, to be successful in the shortest time possible and by this to reduce the family's financial load and help secure the future of the family (Bodycott & Lai, 2012).

While studying abroad, students from Confucian societies often find themselves under great pressure to perform academically. They, like all international students, are challenged by the need to fit in and to cope with the stresses that arise. Many experience 'culture shock' – the stress and conflicts that occur when they encounter a different culture (Winkelman, 1994). There are also stresses associated with separation from family and friends. These are compounded by stresses such as differences in educational expectations, differences in social and cultural behaviours, a new language of communication and pressures of interacting and setting up social relations with host nationals. There are also stresses around the need to live and deal independently with financial and academic matters (Trice, 2007).

To understand the effect of study abroad and Chinese students' ability to 'fit in', studies have focused on the students' psychological and socio-cultural adaptation (Spencer-Oatey & Xiong, 2006). Ward and Kennedy (2001) reasoned that a 'stress and coping' perspective was needed to understand and deal with international students' psychological and socio-cultural adaptation. Bitsika, Sharpley and Holmes (2010) found anxiety, depression and feelings of isolation to be the principal source of psychological stress experienced by study abroad students. Padilla and Perez (2003) found that an individual's ability to work in a manner consistent with the values, beliefs, customs, mannerisms and language of the host culture is of major importance in helping adaptation. For many Chinese students, the normal pressures of adaptation are aggravated by home-based cultural values and expectations. For example, the pressure to succeed that is placed on them by parents and underlying

cultural expectations may adversely affect the student's willingness or ability to fit in. This may see the student withdraw from activities on campuses, which in their mind are distractions from their primary mission, i.e., academic success. Higher education institutions have a 'duty of care' to be aware of such expectations and develop ways to support students academically, socially and culturally (Bodycott, 2012).

Other studies have explored how international students react to the stress associated with intercultural adaptation (Stoynoff, 1997) and whom they turn to for help. Bochner, McLeod and Lin (1977) found that international students seek locals for help with language and academic difficulties, but turn to co-nationals for emotional support. Co-national groups or societies are commonplace on university campuses. Al-Sharideh and Goe (1998) found that such groups help increase students' understanding and self-esteem. They encourage cultural identity, offer emotional support (Maundeni, 2001) and can help in dealing with the stresses associated with adaptation (Woolf, 2007). However, differences in student personality, experience or the way they react can also lead to problems in co-national groups (Lin, 2008). Kim (2001), for example, found that co-national groups can increase the stress that students often experience when crossing cultures and negatively affect their intercultural transformation and adaptation. Ward and Searle (1991) also found that high levels of co-national communication can tighten cultural identity and make students less willing to adapt to the local culture. Bodycott (2009; 2015) proposed that while co-national groups have the potential to aid in intercultural interaction and adaptation, they can also have an adverse effect on family relations and coping, which adds to the stresses being experienced.

For many international students, having local friends can result in better intercultural adaptation, lower levels of stress (Redmond & Bunyi, 1993) and less psychological adjustment problems (Ward & Searle, 1991). However, stimulating international and local student networks and friendships has proven problematic (Brown, 2010; Spencer-Oatey & Xiong, 2006). This is true of all international students. These include those from different countries such as Taiwan, Singapore, mainland China and Hong Kong who share and inherit similar Confucian values and find themselves studying in a country from the same cultural sphere. Sharing such values, however, does not make the students the same, and these students bring with them significant differences in thinking and cultural practice. Therefore, host institutions must acknowledge and address the social, academic and psychological, and cultural needs of "all" students.

For example, despite the closeness, there are significant political, linguistic and cultural differences between mainland Chinese, Singaporean, Taiwanese, Macanese and Hong Kong Chinese students. In mainland China, Taiwan and Singapore, the standard spoken form of Chinese is Mandarin. This is a Beijing dialect. In Hong Kong and Macau, people normally speak Cantonese. There are two writing systems for Chinese language. Mainland China and Singapore follow 'simplified Chinese characters'. Hong Kong, Macau, Taiwan and many overseas Chinese communities use 'traditional Chinese characters'. Therefore, Hong Kong institutions that host

international students from mainland China and abroad need to address such differences.

International students, like those in Hong Kong, no matter what their cultural heritage, must work to understand and be understood often using English as a second language. This involves filtering host culture messages through their own culture to ensure that what they are saying or understanding is clear, fitting and unambiguous (Colvin & Jaffa, 2007). This can be a tiring and exhausting process, prone to mistakes and misinterpretations. To be successful, students must put differences in politics, ideology, language and educational beliefs aside and work to understand the new culture. Similarly, host institutions must work to incorporate international student perspectives into the curriculum and provide ways to support their engagement with local students in classrooms (Bodycott, Mak, & Ramburuth, 2014).

International students also need to extend their 'comfort zone', to mix with others in and increase their flexibility and readiness to adapt (Wilson, 2011). To do so means having an understanding of themselves as individuals and as second language users and learners – second language identity. They must also be aware of how to use the ideas and knowledge developed at home and abroad, that is, their cultural capital (Bourdieu, 1986), to take part and engage in social and educational life while studying abroad. However, for many international students, their home institutions, families or recruiting agents spend little time developing such understandings or preparing students for the intercultural certainties of study abroad (Benson, Barkhuizen, Bodycott, & Bell, 2014).

There are also myths about study abroad promoted, often unwittingly, by institutions and recruiting agents. Despite research to the contrary, there is a presumption that social networks and friendships will develop automatically because of studying abroad. For example, if you go to Hong Kong to study, then you will make many Hong Kong friends and social networks. However, developing lasting relations with local students takes time to develop (Dwyer, 2004). Such development is dependent on the intercultural skills or willingness of local students to interact with international students. Without intervention by institutions in the form of active policy and practices, many international students will continue to spend more time socially and academically with fellow nationals than they do mixing with local students. Such engagement diminishes the value of the international education experience both local and international students.

With increasing numbers of international students on campuses and in classes, often for short periods, it is not surprising that some local students may not feel the need to develop relations. Therefore, the onus of responsibility falls to the institutions to understand the background of international students and develop policies and practices that reflect and bring about such understanding. Following this, staff for example need to develop ways to help students fit in, to foster relations between local and international students, and devise strategies to improve the cultural capital of both groups. This includes building bridges of understanding and communication between groups that share a similar cultural heritage.

9.4 Implications for Internationalisation Policy, Management and Practice

Internationalisation policies and management practices differ depending on institutional missions, objectives and expected outcomes. These can be influenced by government public policy context of which institutions are part. As discussed, for some institutions and governments, the incentive is chiefly economic (Ruby, 2009). For others, guided by government policy, it may be a combination of business and developing international and regional political soft power (Trilokekar, 2009). In keeping with Knight's (2004) definition of internationalisation, there are those institutions that see international student recruitment as a core part of a country's international development. Such institutions, like many in Hong Kong, provide opportunities to build student and staff cultural capital through heightened teaching and learning and an internationalised curriculum.

Despite differences in the open or often tacit motives for internationalising, the degree of academic success and intercultural adaptation achieved by individual students is an important but at times overlooked consideration. Institutions need to be mindful that international students' academic and socio-cultural success can have a direct effect on the respective institution's reputation and their ability to preserve or develop international student numbers.

Reports such as Parke (2014) note that Chinese parents are beginning to question the financial and academic value of a degree earned abroad. There are parent concerns that students spend too much time in class engaging with fellow nationals than with local students. Much of Hong Kong education and culture have been influenced by the ex-British colonialists (freedom of speech, civil rights, law and order) and underlying Confucian heritage. This blend of cultural thinking and practice is an attraction for many international students, including those from mainland China (Bodycott, 2009). However, to offset the concerns of parents identified by Parke (2014) and to ensure benefit from socio-cultural immersion is dependent on students actively interacting with the culture while abroad. This as discussed, is best achieved by developing social and academic relations with local students.

With this understanding, one Hong Kong institution imposed a policy whereby student housing would be multicultural. International and local students would be placed in a room with a local student studying the same academic course and in the same year. The result was immediate, with international and local students seen socialising and working together during weekdays and on weekends. This institution's policy and practice are juxtaposed by international and other Hong Kong higher education practices which see international students housed in separate international student dormitories or rooms. Separation from domestic students reduces the benefits and likelihood of social relations or intercultural understanding developing.

Similarly, there are also concerns that some Chinese students graduate without knowing much about either the current international situation or context or how it relates to Chinese enterprise (Bodycott, 2009). In short, institutions have much to gain and lose if they fail to deliver programmes that respond to the academic and intercultural needs and expectations of international students and their parents.

Therefore, integral to any internationalisation policy must be strategies, which consider the differences and likenesses in the academic, social and cultural experience and expectations of international students. In Hong Kong and other Asian countries, for example, institutions need to respond to the needs of all international students including those from other Confucian heritage societies. While they may share a core similar cultural heritage, there are significant political, educational and social differences that may affect the social dynamics and learning in the classroom. Higher education teaching staff need to be aware of such differences and have the skills to integrate and build intercultural respect and understanding.

Internationalisation and higher education policy must recognise differences in social identities gained through a lifetime of exposure and play a significant role in developing and shaping of students' socio-cultural, psychological and academic development and career choices. These identities can influence student behaviour and the strategies they use to adapt to and integrate into the new culture. For example, second language identities can affect the way a student interacts with other speakers of the language (see Benson, Barkhuizen, Bodycott, & Bell, 2014).

Internationalisation policy must focus on developing and improving the intercultural understandings and skills of all staff and students. As suggested, teaching staff must be sensitive and responsive to the learning needs of different cultural groups. They need to be expected and trained in ways to include international perspectives in the content on their lessons. Including intercultural competencies as attributes of all graduates was one way to focus and develop academic teaching staff in one Hong Kong institution. They found ways to use international student knowledge and experience in classroom tasks and discussions. They identified ways to adapt teaching and learning tasks to meet the intercultural learning of all students. Complementing this was the need to educate local and international students about differences in socio-cultural behaviour and in teaching and learning approaches. Sharing and discussing student understanding and differences in perspectives and practice became a feature of classroom teaching and learning. Such activities supported developing and strengthening intercultural skills and social integration. Cultural mentoring and intercultural mediation programmes can help strengthen intercultural interaction and adaptation (Pedersen, 2010).

Such gains in intercultural development and support of staff and all students however can only happen when internationalisation policy mandates such practice. Research has identified practices that should be considered essential in such policy. These may include internationalising the curriculum (Leask, 2001), including intercultural as qualities for all students (Campbell, 2010), and developing compulsory intercultural mediation and social integration practices (Owens & Loomes, 2010). Importantly, central to such practices is an understanding and commitment by higher education management to ensure cultural understanding and that needs of different cultural groups are infused into policy-based procedures, professional development for staff and support programmes for all students.

International policies and practices that embrace intercultural development of staff and students will increase cross-cultural tolerance and building of social and cultural capital. Importantly, they offer support for international students' involvement in classrooms and their ability to fit in to their new social and academic context.

Higher education institutions that seek and accept international students, notably those from mainland China, must ensure they deliver on their academic and socio-cultural expectations of both parents and students. Studying abroad can be a stressful experience. Parental-cultural pressure placed on students to succeed, to develop strategic social networks, to improve their second language ability or to find employment may aggravate this stress. Institutions and staff must also be aware that these expectations may have an adverse effect on students during their time abroad.

Institutions, not recruitment agencies or agents, have a duty of care to develop relations with both parents and students from the earliest contact. Orientation and transition programmes involving both the parents and their child need to be designed and implemented. These programmes must begin in the home country and when needed be run in the local language. Concurrent programmes to support and inform parent understanding of the changing academic and social adjustment needs of their child should become a feature of an institution's commitment to international students and their family.

Continuing parental support may also involve regular newsletters and either face-to-face or online in-country social networking forums. These forums would allow parents access to general discussion or private sessions with university counsellors and staff who possess high levels of intercultural understanding and competence. Parents may be invited to take part in country or online seminars on issues related to different stages of their child's academic development. The aim of these seminars is to help parents understand and develop strategies to better support the academic and social integration of their children while they are studying abroad. For example, seminars may focus on topics ranging from stress and coping strategies to future career and host country employment laws and opportunities following graduation.

Many traditionalists may think that such support to be the antithesis of what higher education study and life is about. However, in this new age of international student mobility and accountability, acknowledging and addressing the socio-cultural and learning needs of international students will increasingly become expected practice. In the past, understanding and responding to cultural difference were once thought to be the responsibility of the international students. For example, choosing to study in Australia means adopting the Australian way; if you are in Hong Kong, you follow the Hong Kong way. There are many parts of studying abroad that international students must learn to understand and accept. However, times have changed and so must policy and practice. International students also bring with them information and skills from which fellow students and staff can benefit. Therefore, the onus is on the institution and staff to ensure the content of courses reflects a broad international perspective and the knowledge and skills of all students are recognised and used.

Similarly, within modern families and especially those who choose to study abroad there is often a high regard for education and parent and student expectations of educational value. Therefore, higher education institutions need to be proactive in their respective support and management. Institutions also need to be mindful that an informed and empowered parent body will lead to substantive benefits not

only for the student (their child) but also for the institution itself. Such commitment will increase student satisfaction, socio-cultural and academic adaptation. It will reduce student attrition, increase retention (Szekeres, 2010) and increase the likelihood of continuing positive financial return.

9.5 Conclusion

For institutions and societies who seek international students, there needs to be a significant shift in thinking about internationalisation policy, management and practice. First, the realisation is that international students, no matter if they share similar cultural values and practice or not, have the potential to contribute much more to an institution than mere financial resources. The students offer untapped and valuable cultural insights and experience. These can be used to inform intercultural understanding, skill, development and support of all staff and students. Second, local staff and students need to be expected and educated in ways to adapt, integrate socially and develop intercultural competencies. Local students must be required to learn from others, including those from different cultures and develop the skills to do so. Third, academic content and skill development is not culture specific. In an increasingly competitive and global labour market, intercultural knowledge and skills are essential for all students. Finally, institutions must address the cultural understandings, needs and expectations of all students – local and international – and their parents. Such understandings and related support practices must be an integral part of internationalisation policy and practice. Internationalisation policy needs to recognise and respond in kind to cultural differences in student learning and to provide tangible support for both student and parents.

In a globalised international education environment, institutions are confronted with realities. Government funding for higher education institutions in many parts of the world is in decline or cannot be guaranteed. The number of local domestic students entering higher education is increasing while retention and graduate employment rates are falling. Global competition for local students is increasing. Internationalstudent mobility is leading to an academic brain drain and decrease in the quality of local domestic workforces. To compensate, higher education institutions, worldwide, are seeking to recruit international students. To survive institutions need to be competitive, and these challenges pose a problem for all institutions and especially those from smaller countries or regions such as Hong Kong. To attract and retain the number of high-quality international students, institutions need to rethink and revise their internationalisation policy and practice. What is needed is an internationalisation policy and curriculum that recognises and supports the academic, social and cultural needs and expectations of both students and their parents, a policy that mandates administrative and academic staff to include international perspectives and practice in all facets of their work. Failure to align internationalisation policy with the needs and expectations of staff, students and parents may result in a less than successful experience for students and likelihood

of a poor international institutional report card being circulated. Conversely, such a policy has the potential to strengthen intercultural understanding, tolerance and acceptance of all students.

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Chapter 10
To Stay or Not to Stay in Hong Kong: An Examination of Mainland Chinese Undergraduates' After-Graduation Plans

Xuesong Gao

Abstract Recent decades have witnessed a dramatic rise in the cross-border flow of students in search of information, knowledge and credentials. This has far-reaching academic, financial and social consequences for students and their host communities. Drawing on Ajzen's (1991) theory of planned behaviour, this study explored a group of mainland Chinese undergraduates' decisions and plans for their careers and lives beyond graduation from a major university in Hong Kong. Twenty-three mainland Chinese undergraduates participated in in-depth interviews about their educational experiences and the plans they had after graduation in Hong Kong. Analysis of the data revealed that most of the participants considered Hong Kong as a transition point in their lives and had no intention to settle down permanently in the city, confirming the impression that these 'elite' students were highly mobile or 'floating'. In other words, they considered their educational experiences as contributing factors to the realisation of their transnational aspirations. The transnational nature of these students' educational migration suggests that host communities such as Hong Kong consider them as not only potential human resources for the local economy but also part of their expanding social networks, which are strategically important for these communities to enhance their global influence.

Keywords Internationalisation • Cross-border student migration • Transnationalism • Theory of planned behaviour

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10.1 Introduction

Recent decades have witnessed a dramatic rise in the cross-border flow of students in search of credentials, knowledge and information, which has far-reaching academic, financial and social consequences for the students and their host communities (e.g. Altbach & Knight, 2007; Waters, 2008). Consequently, an increasing number of studies have explored cross-border students' educational experiences while focusing on issues such as their adaptation and adjustment (e.g. Gu, Schweisfurth & Day, 2010; Kim, 2008; Yan & Berliner, 2010), social or friendship networks (Hendrickson, Rosen & Aune, 2011; Lim & Meier, 2012) and language and academic literacy development (e.g. de Guzman Albela, Nieto, Ferrer & Santos, 2006; Skyrme, 2007). Because many student migrants, especially those from developing countries, settle in their host countries, researchers have likened these students' migration to 'brain drain' for their countries of origin and 'brain gain' for the host countries (Szelenyi, 2006). However, recent studies have begun to problematise the unidirectional nature of 'brain drain' and 'brain gain' and contended that cross-border student migration can be conceptualised in terms of 'brain circulation' (Favell, Feldblum & Smith, 2006). Such research has recognised the increasingly transnational nature of cross-border student migration in which students may 'forge and sustain multi-stranded social relations that link together the societies of origin and settlement' (Basch, Glick Schiller, & Szanton-Blanc 1994, p. 7; Dimmock & Leong, 2010; Lim & Meier, 2012; Yeoh & Lin, 2013).

Because studies have largely examined cross-border students' adaptation upon arrival, there is a need to explore how these students make career-related decisions upon graduation. In communities such as Hong Kong and Singapore where these cross-border student migrants are considered valuable human resources (e.g. Li & Bray, 2006, 2007; Yeoh & Lin, 2013), researchers have tried to understand why these students decide to migrate (e.g. Dimmock & Leong, 2010). Much research must be conducted to appreciate how and why these students decide to remain in their host communities upon graduation. For this reason, this article reports on a study that examined the future plans of a group of mainland Chinese undergraduate students enrolled in an English-medium university in Hong Kong and addressed the following research questions:

- What do final-year mainland Chinese undergraduate students intend to do upon graduation in Hong Kong?
- Why do they make these after-graduation plans?

The study drew on Ajzen's (1991) theory of planned behaviour to appreciate mainland Chinese undergraduates' decisions and plans for their careers and lives beyond graduation given the sociocultural conditions in Hong Kong. To this end, this article offers a brief contextual description that situates the study's inquiry into mainland Chinese undergraduates. It then outlines the theory of planned behaviour, which served as the study's theoretical framework. Finally, it describes how the study was conducted and presents its findings related to the students' after-graduation plans.

10.2 Mainland Chinese Undergraduates in Hong Kong

Driven by the appeal of an English-medium tertiary education and the international reputation of Hong Kong universities, an increasing amount of highly qualified students have come from the Chinese mainland to Hong Kong universities to pursue undergraduate studies (e.g. Li & Bray, 2006, 2007; Oleksiyenko, Cheng & Yip, 2013; Postiglione, 2005). According to statistics provided by the University Grants Committee (UGC), 4638 mainland Chinese undergraduates studied at funded Hong Kong universities during the 2010–2011 academic year, and 1591 more were admitted as undergraduates in July 2013 (Taikungpao, 2013). All of these undergraduates had to achieve better academic results to gain admission into Hong Kong universities than they did to gain admission into first-tier universities in mainland China. Therefore, these undergraduates were largely 'elite' students from mainland China and were a major impetus for Hong Kong to develop into a regional education hub (Cheng, Cheung & Yeun, 2010). Although the local Hong Kong economy clearly needed these highly successful academic achievers, studies have portrayed a complex picture of the graduation of mainland Chinese students. According to a survey conducted by Li and Bray (2007), 28.4 % of respondents wanted to go abroad after graduation, and 44.8 % said they would decide what to do after graduation according to the prevailing circumstances. This uncertainty might have been associated with the challenges involved in finding local employment upon graduation. It might have also been related to the variety of linguistic and sociocultural challenges the students had to cope with during their stays in Hong Kong. For instance, most of the students spoke Putonghua and other regional varieties of Chinese but were unfamiliar with Cantonese, the lingua franca in Hong Kong. They also had to overcome the challenges presented by English, which was widely used as the medium of instruction in Hong Kong. Having been born and grown up in mainland China, they had different sociocultural, historical and political experiences than their local counterparts and therefore found it difficult to socialise with locals and were often isolated from local student groups (Gao, 2010; Gu, 2011).

The Hong Kong government has adopted a variety of measures to retain quality migrants. For instance, it introduced the Immigration Arrangements for the Non-local Graduates scheme in 2008, which allowed all nonlocal graduates from degree programmes to apply for visa extensions without job offers (Geng & Li, 2012). If nonlocal graduates stay in Hong Kong for 7 years, they can also apply to become permanent residents. The critical public scrutiny of the presence of mainland Chinese students in Hong Kong has unfortunately become more intense. Critics have questioned whether Hong Kong universities should take so many nonlocal students given that only 18 % of local high school graduates are able to enter publicly funded universities to pursue undergraduate studies (Waters, 2008). Local students must also compete with these nonlocal graduates for well-paying jobs, fuelling public complaints that mainland Chinese students are exhausting valuable educational resources and employment opportunities that would otherwise be available to local students (Kan, 2011). Such anti-migration sentiments have not been limited to

Hong Kong, as similar complaints have also been made about student migrants from mainland China in other communities such as Singapore (Dimmock & Leong, 2010; Yeoh & Lin, 2013). Nevertheless, these complaints have made it imperative to investigate how mainland Chinese undergraduates make after-graduation plans given their contextual conditions.

10.3 The Theory of Planned Behaviour as a Theoretical Lens

The current study of the after-graduation plans of cross-border mainland Chinese students was informed by relevant vocational choice and behaviour research (e.g. Meier, 1991; Hou & Leung, 2011; Sauermann, 2005). These studies have advanced a variety of perspectives in their investigations of individuals' career choices and decision-making behaviour. The theory of planned behaviour has been applied to examine individuals' career decisions as complex human behaviour (Millar & Shevlin, 2003; Song, Wanberg, Niu & Xie, 2006).

Ajzen (1991) proposed the theory of planned behaviour to explain human behaviour in terms of intention, its immediate determinant. He further conceptualised individuals' behavioural intention in terms of their 'perceived behaviour control', 'attitude towards the behaviour' and 'subjective norm' (Ajzen, 1991, pp. 181–182). The notion of 'perceived behaviour control' is similar to Bandura's (1982) theorisation of self-efficacy and refers to individuals' beliefs in how well they can realise what they plan to achieve.

Although 'attitude towards the behaviour' refers to individuals' positive or negative assessments of their planned actions, the 'subjective norm' according to Ajzen's (1991) theorisation refers to one's perceived obligation to undertake these planned actions. The theory of planned behaviour has been used to explain 'the importance of cultivating patterns of exploratory behaviour in young people' before their 'effective career decision-making' (Millar & Shevlin, 2003, p. 40). It has also been used to explore the close connection between the subjective norms of individual job seekers and the intensity of their intentions to search for employment, which confirms the 'importance of social factors in the job-search' process (Song et al., 2006, p. 501). These studies have confirmed the need to consider both individual factors (e.g. decision-making styles) and contextual conditions (e.g. social networks) when interpreting individuals' career decisions (e.g. Hou & Leung, 2011).

Graduate studies in foreign universities can profoundly affect the personas of cross-border students because they affect their decision-making styles and skills (e.g. Dimmock & Leong, 2010). For instance, Dimmock and Leong (2010) study of migrant students from mainland China in Singapore identified three types of students: 'intellectuals' who were determined to 'pursue academic studies, wherever it may be'; 'opportunists' who intended to 'maximize career potential in whatever way possible' and 'loyalists' who intended to return to mainland China upon graduation (Dimmock & Leong, 2010, pp. 35–38). Moreover, cross-border students' personas change, which in turn changes the way they forge and sustain social networks. In addition to helping them pursue particular after-graduation plans, these changes

mediate their particular subjective norms (e.g. Lim & Meier, 2012; Yeoh & Lin, 2013). Therefore, the theory of planned behaviour can help to enrich the interpretation of mainland Chinese students' after-graduation plans if attention is paid to how Hong Kong's sociocontextual conditions mediate the students' intentions.

10.4 The Inquiry

The current study interpreted mainland Chinese undergraduates' plans upon graduation from Hong Kong universities (Gao, 2014). Informed by previous studies of mainland Chinese students' first- and second-year experiences (Gao, 2010), the study focused on mainland Chinese students enrolled in social sciences and humanities courses, especially in the disciplines of business, finance and economics, as they were more likely to stay in Hong Kong than those in the science stream. Following Miles and Huberman (1994, p. 441), an effort was made to 'think purposively and conceptually about sampling' when recruiting participants, who ultimately comprised 23 mainland Chinese undergraduates in the arts, business and social sciences disciplines (Table 10.1). Notices were posted on the campus of one leading English-medium university in Hong Kong and online social networks to recruit potential participants. As Table 10.1 shows, all of the participants had spent at least 2 years in Hong Kong, and most were living in Hong Kong while completing 3-year undergraduate programmes. All of the participants were in their early 20s, and most had not learned Cantonese, the lingua franca in Hong Kong, before arriving.

10.4.1 Data Collection

The interviews were conducted in Putonghua, a language common to the participants and interviewer. The participants were asked about their educational experiences and plans after graduation in Hong Kong. They were asked about what motivated them to come to Hong Kong to pursue an education and their level of satisfaction with their educational experiences. In particular, they were asked about the plans they had upon graduation and why they had such plans. The interviews usually lasted 1 h and were audio recorded. All of the interview recordings were transcribed, and the transcripts were returned to the participants for checking and confirmation.

10.4.2 Data Analysis

During analysis, the 'paradigmatic analytic procedures to produce taxonomies and categories out of the common elements across the database' were used as guided by the research questions in multiple stages (Polkinghorne, 1995, p. 5). In the first stage, the interviewer read through all of the transcripts without any specific focus

Table 10.1 Participants (n=23)

No.	Names	Gender	Discipline	Year of study	Place of origin
1	Guang	Male	Accounting and finance	Year 3	Guangxi, South China
2	Chong	Male	Accounting and finance	Year 3	Sichuan, Southwest China
3	Hai	Male	Accounting and finance	Year 3	Shanghai, East China
4	Nan	Male	Accounting and finance	Year 3	Hunan, Central China
5	Xian	Male	Economics	Year 3	Shaanxi, West China
6	Lin	Male	Economics and finance	Year 2	Jilin, Northeast China
7	Jiang	Male	Economics and finance	Year 2	Zhejiang, East China
8	Lian	Male	Economics and finance	Year 3	Liaoning, Northeast China
9	Xiao	Male	Political sciences	Year 2	Zhejiang, East China
10	Dong*	Male	Statistics	Year 2	Guangdong, South China
11	Chun	Female	Survey	Year 2	Jilin, Northeast China
12	Ji	Female	Accounting and finance	Year 3	Jilin, Northeast China
13	Chu	Female	Economics and finance	Year 2	Sichuan, Southwest China
14	Qing	Female	Economics and finance	Year 2	Sichuan, Southwest China
15	Shan	Female	Economics and finance	Year 3	Shaanxi, West China
16	Si	Female	Economics and finance	Year 3	Sichuan, Southwest China
17	Su	Female	Education	Year 4	Jiangsu, East China
18	Ning	Female	Journalism	Year 3	Zhejiang, East China
19	Jian	Female	Journalism	Year 3	Fujian, South China
20	Hui	Female	Journalism	Year 3	Anhui, East China
21	Yun	Female	Medical sciences	Year 3	Yunnan, Southwest China
22	Du	Female	Psychology	Year 3	Sichuan, Southwest China
23	Long	Female	Social sciences	Year 3	Heilongjiang, Northeast China

Note: Participants all names are pseudonyms. Dong spoke Cantonese as his first language before arriving in Hong Kong

as a preliminary review. The general impressions gained through this preliminary review set the background for subsequent analysis. In the second stage, the data were processed to generate a chronological narrative of each participant in Hong Kong. In the third stage, the students' after-graduation plans were identified along with the reasons they cited for their stated preferences in each narrative. Informed by Ajzen's (1991) theory of planned behaviour, the data were categorised into themes to determine how their plans could be interpreted. In the final stage, cross-case comparisons were made to explore how the individual participants' experiences differed from or echoed one another and whether any recurring patterns could be identified. The following interpretation of a data extract from Xian's response to a question about whether he considered Hong Kong a place to settle illustrates the data analysis process:

> Extract 1
> I thought about it before. I should consider Hong Kong as a stepping-stone, but not as a destination. I wanted to make full use of my academic freedom here to experience what academic research really is and then take advantage of the international academic exchange opportunities here. […] I wanted to use it as my window to the world.

During analysis, this extract was noted for capturing the ambiguous perceptions the participants had about Hong Kong in their life trajectories. In light of Dimmock and Leong's analysis (2010, pp. 35–38), Xian could be considered as both an 'intellectual' and an 'opportunist' who was highly representative of the participants' attitudes towards Hong Kong and transnational aspirations. As reflected by the extract, Xian wanted to pursue doctoral studies in the United Kingdom upon graduation ('after-graduation plan') because his academic studies in Hong Kong had helped him access the international academic community and increased his confidence in his global mobility ('perceived behavioural control'). He also did not want to stay in Hong Kong after graduation ('attitudes') but rather desired to have global mobility, an essential requirement for realising his transnational aspirations ('subjective norms'). Because this interpretation could have been quite arbitrary, additional readings were conducted to enhance the quality of analysis. Efforts were also made to verify preliminary interpretations with relevant participants.

10.5 Findings

Data analysis revealed that most of the participants were ambiguous about Hong Kong in the context of their after-graduation plans, confirming the impression that these 'elite' students were highly mobile or 'floating' (Table 10.2). Informed by Ajzen's (1991) theory of planned behaviour, the participants' perceived control, subjective norms and attitudes towards staying in Hong Kong upon graduation were examined to fully appreciate their after-graduation plans. Although they perceived Hong Kong to offer better employment opportunities, most of the participants valued career development opportunities more than location. Furthermore, most seemed to consider Hong Kong as a transition point and had no intention to settle permanently in the city. In other words, they considered their educational experiences as contributing factors to the realisation of their transnational aspirations (Basch et al., 1994; Yeoh & Lin, 2013). These observations are elaborated with data extracts in the following sections.

10.5.1 To Stay in or Leave Hong Kong

Data analysis yielded a complex picture of the participants' intentions to stay in or leave Hong Kong upon graduation (Table 10.2). At the time of the interviews, most of the participants had recently begun to look for employment or apply for further studies elsewhere. Although four of the participants had already received job offers, most were unable to commit to any after-graduation plans. Nevertheless, most of the participants could be classified as 'opportunists' who tried to 'maximise their life chances' in terms of their career development and living environments by choosing to stay in or leave Hong Kong after graduation (Dimmock & Leong, 2010,

Table 10.2 Participants' after-graduation plans

Themes emerging from analysis		Number of participants
Remaining in Hong Kong for employment (not for settlement)	Working in Hong Kong upon graduation	16
	Working in Hong Kong for permanent residence/ working experience and further studies/work elsewhere (including mainland China)	8
	Settling in Hong Kong	1
	Working in Hong Kong but living across the border	1
Further studies elsewhere	Further studies elsewhere and return to mainland China	3
	Further studies elsewhere and return to Hong Kong	2
	Further studies and settle elsewhere	2
Return to mainland China	Return to mainland China	2
	Working in mainland China upon graduation	1

Participants might have had multiple after-graduation plans

p. 37). Given the purposive participant selection process, it is unsurprising that at least 16 of the participants expressed the desire to stay in Hong Kong after graduation. Most of them were undertaking business-related programme studies. However, none of the participants planned to settle in Hong Kong for a long time, suggesting the transnational nature of their educational endeavours (Basch et al., 1994; Dimmock & Leong, 2010; Yeoh & Lin, 2013). Half of the participants also planned to move to mainland China or elsewhere after becoming permanent residents. Most of the participants hailed from economically developed coastal provinces in mainland China such as Jiangsu and Zhejiang. Five of those who planned to stay in Hong Kong felt uncertain as to whether they would be able to find employment. Only a small number of participants could be considered 'intellectuals' who were intent to pursue academic knowledge or 'loyalists' who were 'centred on returning to mainland China' (ibid., p. 38). Although two of the participants contemplated the possibility of returning to Hong Kong after studying overseas, four of the participants had no plans to stay in Hong Kong upon graduation.

The participants' ambivalence towards Hong Kong is reflected in Extract 1. Such ambivalence was also found among those who were already offered jobs by companies in Hong Kong. Shan, a Year 3 student specialising in economics and finance, proved herself as an intern over the summer and received a job offer at a major investment bank. During her interview, she occasionally mentioned that she planned to pursue master's studies in arts or arts management elsewhere:

> Extract 2
> Although I am not 100 % sure, I am quite positive that I will do further studies *elsewhere* (author's emphasis). I just feel that I have not had enough studies because I have only studied in Hong Kong. In addition, the finance programme here does not give me enough knowledge. I want to do a degree programme that gives me utmost satisfaction.

Other participants who decided to stay in Hong Kong after graduation were willing to live there for up to 7 years, the minimum residence requirement to become a permanent resident. These participants shared the aspirational belief that permanent residence together with a special administrative region passport would make it much easier for them to travel to different parts of the world. Lin believed that permanent residence in Hong Kong enabled her to be more mobile on a global scale, a belief indicative of her transnational aspirations (Basch et al., 1994):

> Extract 3
> There are quite a few privileges attached to being a resident in Hong Kong. For instance, it took me only a week to get a French visa before I went to France. My friends applied for French visas on the mainland and many of them got rejected. Some of them were delayed by the visa problem for half a year and their exchange studies were supposed to be 1 year. […] Permanent residents in Hong Kong do not have any of these problems. If they go to countries like Great Britain or Canada, they do not even need to apply for a visa.

Intimated in Lin's admission was the 'subjective norm' or what constituted the ideal achievement for individual mainland Chinese undergraduates in relation to their educational investment in Hong Kong (Ajzen, 1991). These students perceived that their educational efforts should help them achieve transnational mobility, an issue that is elaborated further later in this article. Being a globally mobile individual also means that participants such as Lin had no plans to settle in Hong Kong permanently. They decided to stay in Hong Kong upon graduation so that they could accumulate work experience and acquire transnational mobility, improving their career development in mainland China or other communities.

The participants who planned to go overseas to pursue further studies also spoke ambiguously about their future connections with Hong Kong. Some of these participants did not rule out the possibility that they would come back to Hong Kong again for employment for the reason suggested by Lin in Extract 3. For example, Si wanted to pursue a master's degree in the United States of America (USA) and even work there before returning to Hong Kong or mainland China. She explained her plan for further studies in terms of her curiosity about the countries she was interested in but did not have enough time to learn about:

> Extract 4
> I stayed in France for one semester but I spent most of the time travelling around Europe. I changed my impression of Europe afterwards. […] The US is one of the most powerful countries in the world, no matter how bad its economy is these days. It still deserves me spending two or three years deepening my understanding of the country.

In contrast to participants such as Si, others such as Long decided to leave Hong Kong for the mainland or elsewhere without any plan of returning. Long wanted to leave to pursue a law degree in the USA in spite of her parents' opposition, as indicated in the following extract:

> Extract 5
> My parents wanted me to stay in Hong Kong after graduation. […] If I went to another place that is farther away from them, it would be more difficult for me to return to them. […] They wanted me to leave after I got permanent residence, but I just feel that I cannot stay any longer. […] I am still young and need to go to different places. I do not want to stay here for 4 years just for the sake of obtaining permanent residence.

Distant locations were an attractive element for some participants. For others, home had a magnetic appeal when planning for the future. Two of the participants had explicit plans to return home for family reunions, either after undertaking further studies abroad or gaining some work experience in Hong Kong. These participants were 'loyalists' according to Dimmock and Leong's (2010, p. 38) analysis. When asked whether he wanted to become a permanent resident in Hong Kong, Xiao responded as follows:

Extract 6
Xiao: This does not matter to me. […]
Interviewer: Have you ever thought about Hong Kong as a place for permanent residence?
Xiao: No, I have not. I will return home.
Interviewer: Why?
Xiao: I have parents at home. I want to return home and live with them. […]
Interviewer: Have you thought about bringing them here for a reunion? […]
Xiao: I do not think that my parents will come here. Even if I did bring them here, they would not get used to living here. Living in Hong Kong would not be good for them. They have no friends here. […] They also have serious language barriers. They would not have the kind of easy life they have now on the mainland.

In summary, the participants had a variety of after-graduation plans. Although a few of them had relatively fixed plans such as working in Hong Kong or pursuing further studies abroad, most of them were seeking satisfactory conclusions to their undergraduate studies. Therefore, it was important to examine their self-efficacy beliefs or how confident they felt about their capacities to execute these plans.

10.5.2 Uncertainties About Staying in Hong Kong and Confidence in Future Careers

The participants spoke of the great uncertainties they had about their futures beyond graduation in the interviews. These uncertainties might have been related to their migrant student status and unstable economic situations in Hong Kong. The participants were also enabled by their recent experiences in Hong Kong to take charge of their life courses.

Although four of the participants had already received job offers at the time of the interviews, the participants largely felt that their migrant status in Hong Kong compromised their career prospects. According to their perceptions, one of the disadvantages of being migrant students was their lack sufficient local knowledge. Su, who was enrolled in a teacher education programme, was concerned about whether her identity as a mainland graduate would be a barrier when looking for teaching posts:

Extract 7
I do not feel that I have any competitive edge when I am looking for teaching jobs. My local classmates will know more about where to look for jobs. I will discuss this with them more and find out more information. […] Will the schools not consider me favourably because of my origin?

Participants such as Su were apparently concerned about possible biases being shown against applicants of mainland Chinese origin. Such concerns were likely genuine, as it is often problematic to assume that 'elite' migrants encounter 'the *least* barriers' when making career advances in a new community (Favell et al., 2006, p. 16). As Chong reported, local employers seemed to prefer employing local students even when looking for interns, a highly valued stepping stone for graduate employment. In his interview, Chong mentioned that many internship opportunities were available only to local students:

Extract 8
The first condition is always that applicants need to be *permanent Hong Kong residents* (interviewee's original emphasis). We were denied such internship opportunities due to this condition. […] Some of the posts did not clarify this condition. When you went there for interviews, you realised that they were looking for local Chinese applicants. In other words, other things being equal, they chose local applicants even if you had better academic results.

Denied such internship opportunities, the participants were not confident in their ability to find local employment upon graduation, as most of the graduate jobs available in local companies required some or substantial work experience in Hong Kong. For example, Ning came to Hong Kong as a journalism student with a love for local Chinese culture. After spending a couple of years in Hong Kong, she became uncertain about whether local Chinese newspaper companies 'would be interested in having' her. For this reason, participants such as Ning were motivated to apply for positions at multinational corporations that valued their experience and connections to mainland China. Ning was actively looking for opportunities at media corporations with broader readerships such as *Asia Weekly*. She was well aware that whether she would stay in Hong Kong after graduation depended on 'rare opportunities'. Lian was understandably highly anxious about his career prospects upon graduation after spending 'over HKD$400,000' on his university education. He noted that the situation was not encouraging and reported experiencing great difficulties in finding internship opportunities:

Extract 9
I look for internship opportunities all the time. The prospects do not seem to be as good as last year. I have very few friends who have found summer internship opportunities.

Although the unstable economic situation undermined the participants' confidence in securing graduate employment and staying in Hong Kong after graduation, they had positive beliefs in their self-growth as migrant students in Hong Kong. As mentioned earlier, all of the participants had to overcome linguistic barriers to pursue academic studies in the English medium. They also had to address the differences in academic cultures between mainland China and Hong Kong. The curricula in Hong Kong universities allowed them to increase their knowledge, and the fast-paced Hong Kong society taught them how to manage their time well. They became increasingly confident as they overcame these difficulties. For this reason, Dong was highly satisfied with his academic achievements:

Extract 10
I have learned a lot in my studies. I had a full understanding of my discipline and a good understanding of my career development upon graduation. In my disciplinary studies, the university also gave me a lot of opportunities to take different courses [….] such as common core courses. It would have been difficult for me to learn all of these things in mainland Chinese universities. […] Life is so fast paced in Hong Kong, too. I learned to schedule my time and activities so that I could be more efficient.

To overcome their various challenges, the participants learned to use the resources that supported their personal and career development. For example, seven of the participants joined the university mentorship scheme to obtain additional support from highly experienced peers. Although the quality of the support varied, the participants benefited from interacting with local mentors who offered valuable information and specifically local knowledge. For this reason, participants such as Guang were highly grateful for the support they received from mentors:

Extract 11
Interviewer: Was your mentor very helpful?
Guang: He was very helpful. He worked at HSBC and shared a lot of background knowledge about the bank with me, such as its operations and culture. He also gave me advice about what I should focus on. This was highly specialised knowledge, much better than that available on the Internet. He had worked there for years and he knew them well.

The preceding extract indicates that mentors' assistance enabled the participants to feel confident in their career development. It is unsurprising that the participants who invested heavily in expanding their local social networks were usually more successful at obtaining local employment after graduation. The personal growth that these participants experienced enabled them to make plans other than working in Hong Kong.

10.5.3 Career and Life Expectations: Subjective Norms

The variety of plans that the participants had for life after graduation reflected their career and life expectations and constituted their subjective norms when making decisions. The participants had clear visions of what they wanted to achieve after completing their studies. However, these visions were often subject to various mediating social agents, especially the participants' parents. All of the participants' studies were financed by their parents, whose expectations needed to be considered when making after-graduation plans. At least three of the participants had visions of life and career trajectories after graduation that differed from those of their parents. At the time of the interviews, they were struggling to persuade their parents to concede to their plans.

All of the participants were fully aware of the monetary investments in their education and wanted to ensure that their educational efforts in Hong Kong would make a difference. They expected their educational endeavours to help them achieve better results in terms of career development and further education oppor-

tunities than they would have otherwise attained studying in mainland Chinese universities. They were highly motivated to prove that they were different from their mainland counterparts. Jian noted the following:

Extract 12
My mother has this thought. She thinks that my child, if he is a permanent resident in Hong Kong, will have a better future. She also thinks that it would not make any difference if I just returned to the mainland after spending 4 years and so much money on this degree in Hong Kong. I would do the same if I studied at a mainland Chinese university. My grades could allow me to study in prominent universities such as Peking University or Fudan University. It does not make any sense for her to spend so much money in Hong Kong.

Consequently, although being a permanent resident of Hong Kong no longer mattered so much to Jian, she believed it was important for her to become a permanent resident in Hong Kong to distinguish herself from her counterparts in mainland China. For this reason, she was eager to find career and further study opportunities that would allow her to stay longer than 7 years and become eligible for permanent residence in Hong Kong.

The feeling that they had little competitive edge compared with graduates from mainland Chinese universities also drove the participants to ensure that their academic studies would make a difference. Reflecting on his graduation, Jiang made the following observation:

Extract 13
If I returned to the mainland after spending 3 years in Hong Kong, I would not be able to claim that I was better than my mainland Chinese counterparts. I do not think that my experience in Hong Kong has much value. However, Hong Kong has more career opportunities. If I stayed in Hong Kong after graduation. I would have more access to the business community here. It would be easier for me to accumulate valuable professional experiences here.

Students such as Jiang valued professional experience as something that would enable them to improve their careers even if they returned to the mainland. An ideal situation for many was to 'become permanent residents' and work at 'good positions' in desirable locations (Hai).

Hui, a journalism student, was worried about the extra costs involved in staying in Hong Kong solely for the sake of becoming a permanent resident. Hui wanted to find a decent job at a 'respectable' media company, report on issues she considered important and gain some work experience in Hong Kong upon graduation. However, she was not strongly motivated to acquire permanent residence:

Extract 14
Permanent residence is definitely the goal. It may be just a by-product. Because I am here, I really want to have more work experience. However, when I look at my friends on the mainland, they really have good career opportunities there. If I stay in Hong Kong too long, I may miss the opportunities provided by the rapid development on the mainland.

Some participants had planned to leave Hong Kong upon graduation from the start. They were determined to see the world, including countries like the USA. They were strongly committed to pursuing further academic knowledge in their special-

ised fields. Du, a psychology student, confessed her initial dislike for Hong Kong and her after-graduation plans as follows:

Extract 15
I initially did not like this place and then decided that I must study elsewhere upon graduation. I specialise in psychology, and the centre for that academic community is in the States. Therefore, I shall go there for further studies. Although I have gotten used to living here, […] because of my desire to do further studies, I will leave for the States upon graduation.

Du referred to the USA as an ideal place for academic studies. She felt that further studies in her discipline in Hong Kong would not add much value to her career aspirations, as Hong Kong was comparatively located on the periphery regardless of the impressive achievements of its internationalisation efforts. As a result, she felt that she had to leave for a place where she could acquire more academic capital. This finding also spoke to the attitudes the participants had towards staying in Hong Kong, which further explained why they all considered Hong Kong as a transition point and not a 'destination' (Xian).

10.5.4 Attitudes Towards Hong Kong as A Place of Settlement

Although all of the students found Hong Kong to be an attractive place to study and work, almost none of them believed they would live in Hong Kong for a long time. Even those who had already found local jobs before graduation perceived Hong Kong as a stepping stone (as reflected in Extract 1). According to Ji, they wanted to 'work here for a few years' and then 'go back to the mainland or abroad … if better opportunities arise'. Ji further commented that 'none of them thought about retiring in Hong Kong' and explained her ambiguous attitude towards the city as follows:

Extract 16
I like the system in Hong Kong. Everything is very transparent and highly efficient. However, Hong Kong also has its problems. It is too densely populated. It has too many people. Hong Kong is a really good place for decent work. As for living, mainland China or other places are much better.

The students' reservations about Hong Kong as a place for permanent settlement were underscored by their mixed feelings towards it. Participants such as Qing considered limited living space as an important reason why they planned to leave Hong Kong upon graduation or after becoming permanent residents:

Extract 17
From the very start, I did not think I would live here for long. I do not like small living places. […] I am thinking about working here for 7 or 8 years and then returning to the mainland.

In addition, the participants weighed the potential loss of valuable career opportunities elsewhere. In Chun's view, although the ease of travelling abroad as a permanent resident of Hong Kong was an important incentive for her to stay, she considered 'a good position' to be a much more important factor in her after-graduation plans:

Extract 18
If I can find a good position in Hong Kong, I will stay on. If I have a good position on the mainland in a big city like Shanghai or Beijing, I will go back to the mainland. It does not matter.

Participants such as Chun believed they would leave Hong Kong if they found more attractive career opportunities elsewhere. Most of the participants, who were enrolled in economics, finance and business programmes, believed that Hong Kong as an international financial centre presented more career opportunities. They also noted that Hong Kong provided a politically safe environment for work. Hai observed the following:

Extract 19
Hong Kong has more investment bank opportunities. Therefore, they do not think that I will return to Shanghai if I work in the finance industry. […] Hong Kong also has better social benefits. It is also more politically stable. There is always instability on the mainland. For the sake of safety, they think it is better for me to live abroad.

Moreover, the participants believed that Hong Kong had a transparent society, which they considered important for advancing their careers. For instance, Nan was attracted by a fair workplace that would value his competence and rather than his social connections. His mother persuaded him to return for exams to become a civil servant in mainland China:

Extract 20
If I return to the mainland for work, I think that I will need to spend more time working on my social networks rather than improving my professional competence. On the mainland, it does not matter how well you can do the job. It matters how closely you are connected to certain individuals. In Hong Kong, I think that my professional competence will be more valued.

The participants were aware that they had to endure stark realities such as crowded living conditions and missed opportunities if they decided to stay in Hong Kong after graduation. They trusted that their decisions to stay in Hong Kong would make a difference in their lives and career trajectories.

10.6 Discussion

The current study found that mainland Chinese undergraduates considered various factors when making after-graduation plans. Although the findings portrayed the participants as highly mobile or ‘floating’, they revealed that the migrant students widely perceived Hong Kong as a stepping stone rather than a settlement destination. The findings also reflected the role Hong Kong played in the participants’ plans for transnational mobility and the ambiguous attitudes the students had towards their future in Hong Kong.

Hong Kong has always functioned as a transitory place, and constant flows of commodities, ideas and people have made it a bridge connecting different parts of

the world (Postiglione, 2005). The mainland Chinese undergraduates considered in this study followed thousands of migrants in having ambitions that extended beyond Hong Kong. They also followed thousands of other mainland Chinese students worldwide in considering their educational adventures as means to acquire transferrable academic/social capital, i.e. academic qualifications and work experience, in their transnational journeys (Dimmock & Leong, 2010; Li & Bray, 2006, 2007; Yeoh & Lin, 2013). Nevertheless, Hong Kong continued to attract most of the participants interviewed. Although they might not have had any long-term plans after graduation, most wanted to stay in Hong Kong for employment and to acquire professional experience. All of the participants were asked questions about the rising tension between local and mainland Chinese. Although the participants were concerned, none of them considered the tension as a major obstacle to their graduation planning. Some of the participants who contemplated leaving Hong Kong for better careers and additional education opportunities did not rule out the idea of returning to become active participants in the city in the future. However, these 'elite' graduates were likely to experience challenges in adapting to their workplaces after graduating from university, and some of the participants were uncertain about their futures in Hong Kong (Favell et al., 2006).

The participants did not refer to Hong Kong as a destination, as they required new perspectives of how mainland Chinese undergraduates would contribute to the community that provided them valuable educational and career opportunities. It is extremely important to recognise the transnational nature of the participants' educational migration (Basch et al., 1994). By pursuing academic studies in Hong Kong, they intended to achieve international mobility as educated professionals, a desire that functioned as 'subjective norms' regulating their after-graduation plans (Ajzen, 1991). Although few of the participants thought of Hong Kong as a destination, they were likely to forge ties with local and nonlocal students in Hong Kong. Such connections help cities or countries like Hong Kong that are insignificant in size but have aspirations on the international stage realise their international ambitions. They should help reverse the often claimed 'brain drain', as some of the participants in the inquiry planned to return to mainland China. Given the increasingly close connections between Hong Kong and China, these individuals will probably play a crucial role in sustaining the influence of Hong Kong on different parts of mainland China. They should also extend the influence of Hong Kong in the rise of China as a global power. In other words, it does not matter whether cross-border students such as the participants in this study stay in the communities where they receive their educations. Relevant governments should conceptualise these students as part of their expanding social networks. This strategic action would allow them to assert themselves on the international stage and realise the financial and social benefits of educating such students in publicly funded institutions.

10.7 Conclusion

The current study investigated a group of mainland Chinese undergraduates' after-graduation plans in Hong Kong as informed by Ajzen's (1991) theory of planned behaviour. Most of the 23 undergraduate student participants considered Hong Kong as a transitional stop and not as a destination. There are 6000 mainland Chinese undergraduates enrolled in Hong Kong's publicly funded tertiary institutions, and an even higher number of postgraduate students from mainland China are currently studying in Hong Kong. Therefore, caution is needed when generalising the findings of this study to other mainland Chinese students in Hong Kong. Because many of the participants had recently begun their final year at university, they might have had different views and experiences at the end of the year. Nevertheless, most of the participants should be considered pragmatic 'opportunists' who improved their career opportunities and life conditions through their educational endeavours (Dimmock & Leong, 2010). Students' transnational nature requires communities such as Hong Kong and Singapore that focus on attracting quality migrants to boost their human resources for their knowledge-based economies and reconsider the implications of educating such students in their public educational institutions. One way for communities to appreciate these students is to consider them as part of their expanding influence and social networks, which are strategically important to these communities. For this reason, further research is required to investigate how these students are integrated into professional communities locally and elsewhere and how their professional experiences mediate their connections to the host communities beyond their educational endeavours.

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