

# Major Issues of University Education Policy in Hong Kong

**Michael H. Lee**

The Chinese University of Hong Kong  
Hong Kong, China

University education is believed to be one of the most controversial public policies in Hong Kong. Numerous changes have also occurred in the university education sector since the 1990s when the rapid expansion of university places was put into force. The most notable changes may include the institutionalization of quality assurance mechanisms, the reform of university governance and staff remuneration systems, the adoption of role differentiation among the universities, the potential emergence of private universities and community colleges, and the trend of internationalizing university education. This article identifies major issues of university education policy and examines those factors that are affecting the development of university education, in Hong Kong.

Key Words: Hong Kong, university education, policy

Universities are under growing political pressure for reform in face of more acute competition for public resources in tandem with a marked slowdown in the growth of funding (Lucas, 1996). In Hong Kong, university education has been thrust into the limelight of public discussion and debate. Numerous changes have also occurred in the sector since the 1990s when the rapid expansion of university places was put into force. This article identifies major issues of university education policy and examines those factors that are affecting the development of university education in Hong Kong. There are five sections. The article commences by reviewing briefly the development of university education in Hong Kong. The second section pinpoints major problems encountered by the university sector in Hong Kong over the past two decades. The third section addresses some important issues of university education policy in Hong Kong. The penultimate section discusses some factors and emerging trends affecting university education development in Hong

Kong, and the final section is the conclusion.

## The Development of University Education in Hong Kong

In Hong Kong, there are 8 degree-awarding higher education institutions funded by the government through the University Grants Committee (UGC), namely, the University of Hong Kong (HKU), Chinese University (CUHK), University of Science and Technology (HKUST), City University (CityU), Polytechnic University (PolyU), Baptist University (HKBU), Lingnan University (LU), and Institute of Education (HKIEd). Each of the eight UGC-funded institutions is an autonomous statutory body with its own ordinance and governing body. These institutions are entitled freedom and autonomy to manage their own affairs within the parameters of the law.

At present, about 14,500 first-year-first-degree places are made available among the eight UGC-funded institutions which cover about 18 per cent of the 17-20 age cohort. A further 24 per cent of people in the same age group have access to university education through enrolling in sub-degree or associate degree programmes and vocational training as

---

**Michael H. Lee**, Instructor Department of History, Chinese University of Hong Kong. Correspondence concerning this article should be addressed to Michael H. Lee, Department of History, Chinese University of Hong Kong, Hong Kong. Electronic mail may be sent to [michaallee@cuhk.edu.hk](mailto:michaallee@cuhk.edu.hk).

well as studying abroad. The UGC was established in 1965 to administer grants to HKU and CUHK, the only two universities at that moment. It has long been acting as the government’s adviser on the development and funding of university education and the management of grant allocation for the subvented higher education institutions (Information Services Department, 2004).

The origin of university education in Hong Kong was dated back in 1911 when HKU was founded. It was not until 1963 when the second university, CUHK, was established with an amalgamation of three private Chinese-medium post-secondary colleges. The university sector by the late 1970s accommodated no more than 2 per cent of the relevant age cohort between 17 and 20. The combined undergraduate population at the two universities was stipulated to grow at 3 per cent annually to achieve the aim of having more than 12,000 students in the sector by the mid-1980s (Hong Kong Government, 1978). Such a growth rate proved to be so slow that the participation rate of local university remained less than 8 per cent by the end of the 1980s (UGC, 1996).

In 1989, the government decided to expand the university sector by making 18 per cent of the 17-20 age cohort to be enrolled in local universities and higher education institutions for undergraduate education by 1994-95. Although it is questionable and debatable whether the government’s decision to expand the university sector was induced by the June Fourth Incident in Beijing in 1989, the move was really responding to the outflow of local professionals who opted for emigration before 1997 (Interview with Nigel French on 27 October 2003). The rapid expansion of university education was not only facilitated by enlarging the size of student population but also by upgrading the existing polytechnics and post-secondary colleges as universities, including HKBU, CityU, PolyU, and LU. The number of universities was increased from two to seven within the ten years from 1989 to 1999.

In 2000, the Education Commission (EC), an advisory body for the government in making education policies, recommended the development of private universities and the creation of community colleges to offer associate degree

programmes for secondary school leavers (EC, 2000). Almost all local universities responded swiftly to set up community colleges to run associate programmes since 2002. Other organizations such as Vocational Training Council, Caritas Adult and Higher Education Services, Tung Wah Group of Hospitals, and Po Leung Kuk have run or planned to run community colleges and associate degree programmes (Yung, 2002).

In 2000, the government declared that the post-secondary education participation rate would be increased to 60 per cent by 2010. Community colleges are expected to play an important role to cater for the growing demands derived from secondary school leavers (Tung, 2000). Nevertheless, the government did not pledge to provide substantial funding for this round of expansion and the participation rate of university education would remain unchanged.

### Problems with the Development

Despite the fact that most developed East Asian economies, including Hong Kong, Singapore, Japan, South Korea and Taiwan, are relatively generous in investing in university education, they still have to recognize the fact that resources are not unlimited particularly during times of regional economic depression and budgetary constraints. As a result of the Asian financial crisis at the end of the 1990s, the Hong Kong economy suffered a few years of economic downturn between 2000 and 2004, which led to the unprecedented level of budget deficit of more than HK\$70 billion in 2002-03 (Leung, 2003). In the face of a huge budget deficit, the government had been urged to control the growth of public expenditure amidst ever growing demands of social and public services when demands for social welfare and health care continued to grow. It seems that the university sector has to compete with other public policy areas for the same or an even smaller size of the pie of public expenditure.

Table 1 shows the amount of approved recurrent grants to UGC-funded institutions.

Table 1. Amount of Approved Grants to UGC-funded Institutions (HK\$ million)

	1994/95	1996/97	1998/99	2000/01	2002/03	2003/04	2004/05
Recurrent Grants	7,735	11,184	12,623	11,965	11,633	11,566	10,056
Total Amount of Approved Grants as percentage of Total Government Expenditure on Education	30.6%	30.7%	29.2%	28.4%	25.8%	25.8%	21.7%

Data source: University Grants Committee, *University Grants Committee Facts and Figures 2004*

It is observable, in Table 1, that the amount of recurrent grants for UGC-funded institutions was increased sharply from HK\$7.7 billion to HK\$12.6 billion from 1994/95 to 1998/99. However, the recurrent grants decreased from the academic year 2000/01 onwards, which reflects a 10 per cent funding cutback for the 1998-2001 triennium. Moreover, a further 5 per cent cut was imposed in the 2001-04 triennium. Subsequently, the government and eight UGC-funded institutions reached a compromise that the recurrent grant would be cut by 10 per cent in 2004-05, when the recurrent grants was accounted for about HK\$10.1 billion, provided that the amount of recurrent grant will not be affected in the first two years of the 2005-08 triennium and the reduction rate for the academic year 2007-08 should be less than 5 per cent (0-0-X arrangement). In other words, the university sector will have to encounter a total of 25 per cent funding cut between the ten years between 1998 and 2008.

Table 1 also demonstrates that the reduction of university funding has been treated as a means to correct the imbalance of resource allocation between higher and basic education. There were complaints that the massification of university education was accomplished at the expense of the improvement of the quality of basic education as revealed from the relatively high proportion of approved grants for the UGC-funded institutions out of the total government expenditure on education. The rate was steadily decreased from about 31 per cent in 1994-95 to less than 22 per cent in 2004-05.

The universities have to offer such kinds of courses on a self-financed basis so that tuition fees will become the main source of income. As mentioned earlier, in 2003, the government set up a HK\$1 billion matching grant, which is known as the Matching Grants Scheme (MGS) and was disbursed on a dollar-for-dollar matching basis, in order to push forward the universities to seek for social donations for their teaching and research activities (Leung, 2003). MGS was completed in mid-2004, when the eight UGC-funded institutions secured more than HK\$1.3 billion of social donations (UGC, 2005, pp. 6-7). The allocation of the fund among the institutions is shown in Table 2.

In addition, the government will have to reserve more resources for the restructuring of academic structures of senior secondary and tertiary education so that a three-year senior secondary and four-year undergraduate education system reform will be carried out between 2009 and 2012 (Education and Manpower Bureau, 2004; *Mingpao Daily*, 24 November 2004, Tsang, 2005).

Table 2. *Matching Grants Scheme for 8 UGC-funded Institutions (2003-04)*

Institution	Matching Grant (HK\$ million)
HKU	250
CUHK	228
HKUST	131
PolyU	201
CityU	45
HKBU	79
LU	45
HKIEd	21
<b>Total</b>	<b>1,000</b>

Data source: University Grants Committee, *University Grants Committee Facts and Figures 2004*

## **Issues of University Education Policy in Hong Kong**

In recent years, some issues of university education policy have emerged in Hong Kong, including the institutionalization of quality assurance mechanisms, the reform of university governance and staff remuneration systems, the role differentiation among different universities, the development of private universities and community colleges, and the internationalization of university education.

### *Institutionalizing Quality Assurance Mechanisms*

The UGC defines quality assurance as “the maintenance of the highest possible standards, both teaching and learning and in research, which are commensurating with an institution’s agreed role and mission.” (UGC, 2002a, p.18) The universities are held responsible for quality assurance in respect of institutions’ academic activities. The UGC introduced and managed a series of quality assurance mechanisms, namely, TLQPR, RAE, and MR in the 1990s.

TLQPR was introduced in the 1995-98 triennium. The second round of TLQPR would be conducted in the 2001-04 triennium. The objectives of the reviews were to:

- focus attention on teaching and learning;
- assist institutions in their efforts to improve teaching and learning quality; and
- enable the UGC and the institutions to discharge their

obligation to be accountable for quality.

The thrust of both rounds of TLQPR is on the processes which assure teaching and learning quality, not on the actual content of the curriculum or teaching and learning methods.

RAE was launched in 1993-94 with an aim to assess the research output performance of the UGC-funded institutions, principally for funding purposes. The second and third rounds of RAE were launched in 1996 and 1999 respectively. The forthcoming round of exercise will be held in 2005. It assessed the proportion of full-time active researchers, by cost centre, as a factor in determining the allocation of part of the institutional recurrent funding for research for the next funding triennium. Unlike TLQPR, RAE is an exercise directly related to funding assessment.

UGC embarked in 1997 on the programme of MR, which is aimed to:

- support the institutions in enhancing the quality of management;
- discharge UGC's accountability for ensuring that devolved funds and resources are managed appropriately; and
- focus attention on and to enhance the effectiveness of institutions' internal resource allocation, planning and financial processes.

MR aims to promote the sharing of experiences and best practices, as well as self-assessment and self-improvement, by the institutions in the areas of internal resource allocation, planning and financial processes relative to the institutions' academic plans and objectives. The reviews also investigated the management structure and system of institutions, while specifically not becoming assessments of the institutions' management or value-for-money audits. Although MR is not summative nor will their outcomes directly inform funding, the outcomes of the reviews will become implicit indicators to the UGC in its future funding decisions (UGC, 2000, 2002a).

Quality assurance also serves as major indicators for the UGC and the government to allocate funding and other resources according to the individual institutions' performance in teaching and learning, research, and management. Nevertheless, such a development has been criticized as a means not to improve the quality of education but produce much more pressure to comply with numerous quantifiable and measurable performance indicators that cannot reflect the genuine outcomes of education.

### *Reforming University Governance*

Another concern held by the UGC is related to the governance and staff remuneration structures of the universities. As a part of the education reform as proposed by EC in 2000, the UGC responded by commissioning a committee chaired by Lord Sutherland, who is formerly the head of University of Edinburgh in the United Kingdom, to conduct a review of the university education development in Hong Kong in 2001. The review report was released in March 2002. It addressed the importance of reviewing institutional governance in line with the principle of "fitness for purpose" (UGC, 2002b).

What the UGC tried to address is the importance of developing a strong model of management in the universities by means of strategic planning and also regular audits in order to monitor the performance of management in providing value for money and in carrying out executive decision that are in keeping with the strategic directions set by the governing body. HKU was the first UGC-funded institution underwent its governance review and its report was released in February 2003. One of the most important changes is that the faculty deans shall no longer be elected but appointed by the Council on the recommendation of the vice-chancellor in order to enhance the efficiency of management and decision-making processes with greater accountability and responsibilities (HKU, 2003).

With regard to the staff remuneration system, the UGC recommended the universities to delink their staff salary and remuneration systems from civil service pay and conditions, which are deemed as an impediment to international competitiveness in a sense that the universities cannot enjoy the flexibility of recruiting world-class scholars from overseas by following the government pay scale. Such a move is believed to be necessary to enable the universities more freedom and flexibility to devise their own remuneration packages in order to recruit and retain high quality staff at international level (UGC, 2002b). The UGC recommended the government to make decision regarding the delinking of salaries in November 2002 (UGC, 2002c). The eight UGC-funded institutions also declared to consider implementing the pay-delink policy after July 2003.

### *Differentiating Universities' Roles*

Lord Sutherland's report recommended that a small number of universities be strategically identified as the focus of public and private sector support that they can be

developed with capability to compete at the higher international levels with other universities inside and outside the region (UGC, 2002b, p.6). This statement implies that not all UGC-funded institutions will be developed as world-class universities, which should be built up on the basis of teaching and especially research strengths, to compete with top universities in the United States and some European countries. Nevertheless, it is doubtful whether it is feasible and meaningful for even the top universities in Hong Kong such as HKU and CUHK to compete for a world-class status (Ho, 2005).

The ambition of building up world-class universities upheld by the UGC has been affected by the similar development in neighboring countries within the Asia-Pacific region like Japan, Australia and Singapore. For instance, in Singapore, the two public universities, namely, the National University of Singapore and Nanyang Technological University were asked by the former Prime Minister, Goh Chok Tong, to become world-class universities by turning the island-state into a research and intellectual hub in the Asia-Pacific region as early as 1996 (Tan, 2005, p. 68). There were debates and discussions whether the universities should be categorized as research and teaching university partially according to their historical backgrounds and their areas of excellence.

In January 2004, the UGC released another report on the role differentiation among the universities in Hong Kong. Echoing Lord Sutherland's report in 2002, the development of university education depends on three core elements, namely, performance, mission, and differentiation. In response, the UGC has been asked to play a more proactive role in the university sector by strengthening its role in strategic planning and policy development, and thus steering the sector more effectively. That report put it clearly that

Hong Kong is too small a place to afford excessive overlapping of efforts in higher [university] education. The fiscal environment also calls for a very effective use of public money to enable the sector as a whole to advance, even in the fact of budget stringency. It is thus imperative that [the] UGC...maximizes the efficiency of the sector. Efficiency in higher [university] education systems increases if more focus and larger scale is realized. (UGC, 2004a, p.8)

The UGC recommended three major development directions for the university education sector (UGC, 2004a, p. 8):

1. In teaching, more collaboration within and between institutions is needed to eliminate unsustainable

duplication in the educational programmes offered, and to allow the transfer of students to interconnected programmes.

2. In research, more collaboration within and between institutions is needed to create larger research groups with more focused research programmes.
3. In non-academic operations, all available opportunities for joint endeavours, business process reengineering and contracting out of services should be seized.

Each institution should fulfill its own unique role based on its own strengths. In order to ensure the institutions performing their roles properly, the UGC will introduce a performance and role related funding mechanism into the funding methodology for the 2005-08 triennium. Institutions deemed not to be fulfilling their roles will have 10 per cent of their funding cut. Furthermore, a Restructuring and Collaboration Fund (RCF) was set up with HK\$203 million in 2004. The setting up of the RCF is aimed at supporting initiatives from the eight UGC-funded institutions to achieve greater value and quality for money through collaboration projects between institutions. Six proposals with HK\$51 million were approved for the RCF (UGC, 2005, p. 6).

Table 3 shows the roles of the eight UGC-funded institutions under the policy of role differentiation.

Closely related to the notion of role differentiation, there had been widespread concerns about the possibility of putting forward a merger between CUHK and HKUST since the issue was raised by the Secretary for Education and Manpower, Arthur Li, who is formerly vice-chancellor of CUHK, in October 2002. Subsequently the UGC, in April 2003, invited both universities to study the potential benefits and implications of the merger proposal for the institutions and their staff. Four months later, an Institutional Integration Working Party (IIWP), chaired by John Nilan, who is a former vice-chancellor of the University of New South Wales in Australia, to study the feasibility and desirability of the institutional integration in Hong Kong's university education, and also the potential benefits and drawbacks of integrating involving CUHK and HKUST through a model of merger (UGC, 2004b, p.5). The IIWP concluded that while merger between the two institutions concerned might be viable in the future, this issue should not be further explored for the present time. Instead, the working party strongly recommended the mode of deep collaboration to be adopted.

In the deep collaboration model, the partner institutions agree to merge functions in designated areas. Typical examples involve establishing a single office to handle some

Table 3. Roles of the UGC-funded Institutions in Hong Kong

Institutions	Roles
HKU, CUHK	To offer a comprehensive range of programmes and research across both the humanities and sciences, including medicine
HKUST	To focus on science, technology, engineering, and business, and its humanities programmes should aim to give intellectual breadth for students
PolyU, CityU	To offer professionally oriented programmes for first degrees and a few at sub-degree level
HKBU	To provide a range of first-degree, and taught and research postgraduate programmes
LU	To specialize in liberal arts programmes
HKIEd	To provide professional education and development for pre-service and in-service teachers

Data source: *South China Morning Post*, 31 January 2004; University Grants Committee, *Hong Kong Higher Education: To Make a Difference, To Move with the Times*

or many of the various support functions, such as information technology, human resource management, student support services, estate management, and professional staff development. When compared with a federation or merger, deep collaboration, which sits about mid-way on the continuum between a merger through federation and a loose affiliation and status quo, entails surrendering some control though less dramatically because governance structures, and indeed the very identities of the partner institutions, stay intact. Nevertheless, unlike a loose affiliation, there is a substantial modification of operational arrangements, usually with binding contracts to lock in commitments (UGC, 2004b, pp. 19-20).

The possibility of having federated universities could not be ruled out within 10 years even though the merger plan was rejected at this point. John Niland claimed that conditions in Hong Kong are ripe to move towards federation because institutions are ready to think about greater collaboration. Similar to the University of London and University of California systems, federation draws universities together but enables them to preserve some autonomy. It involves institutions conceding autonomy of governance and installing a single, overarching council and one vice-chancellor to take responsibility, albeit sharing it with the subsidiary governing bodies of each institution. Furthermore, tight federation involves central admission of students, the merging of overlapping programmes and degrees being awarded by the new university (*South China Morning Post*, 6 March 2004).

The controversy over the merger plan between CUHK and HKUST subsequently faded away with the release of Niland's report. In mid-2005, however, CUHK and HKIEd reached an agreement to have a deep collaboration until

2010-11. In fact, the restructuring of the university system in Hong Kong depends increasingly on the two-pronged strategy of role differentiation and integration, which will be in the forms of deep collaboration and then federation.

***Developing Private Universities and Community Colleges***

The development of private universities and community colleges is also attracting widespread attention among educational practitioners. The most popular rationale for developing private universities is that they serve to diversify the existing post-secondary education system, which is now being dominated by the government or public sector in both terms of finance and provision. More choices will be made available for students, who become more like consumers, to choose from among public and private universities. In this sense, the development of private universities should have a positive impact on the university system in Hong Kong.

The Hong Kong Shue Yan College will become the first private university in Hong Kong in 2006 (*Mingpao Daily* 9 November 2004; *South China Morning Post* 13 November 2004) while Chu Hai College plans to upgrade as a private university in 2008 (*The Sun* 10 November 2004). At the same time, the Caritas Francis Hsu College, which is run by the Catholic Church in Hong Kong, has submitted a 10-year plan to the government stating its goal to create the first Catholic university under the Church (*South China Morning Post* 13 November 2004).

However, there are at least two questions aroused in relation to the development of private universities in Hong Kong. On one hand, it is still uncertain who will be held responsible for evaluating the quality of these institutions. On

the other hand, more importantly, it concerns whether the government will provide private universities subsidies in terms of physical infrastructure like land and financial assistance if they were facing financial problems. It is also questionable whether the government will regulate the tuition fees charged by private universities in order to ensure that no students will be deprived of having opportunities to study in those institutions.

At the same time, there has been much rapid development of community colleges over the past few years since 2000. Almost all universities run associate degree programmes by setting up their own community colleges. Because most of these programmes are run on a self-financed basis, their tuition fees are even higher than UGC-funded undergraduate programmes in the universities. The development of community colleges does not only attract local universities but also other charitable and private organizations to become involved in the provision of associate degree programmes. It is not surprising to see competition among different service providers for secondary school graduates to enroll in their programmes, which are expected to be highly responsive to market needs and to be more like professional and vocational-oriented training.

This may raise another problem regarding the quality of associate degree programmes which are not necessarily assessed by accreditation or quality assurance authorities. Furthermore, unlike the United States, the government does not make any pledge to provide financial support to the development of community colleges, which serve as a locomotive for the further expansion of post-secondary education in Hong Kong. This may hamper the healthy development of community colleges because it seems to be difficult for the operators to run high quality associate degree programmes without the input of the government while students have to pay a high tuition fee, which is the main source of income to cover the operating cost. More importantly, another problem lies in the insufficient degree places available for a huge number of associate degree holders to continue their studies in local universities. This phenomenon occurs because of the government's reluctance to increase the university places for those associate degree holders, who may have to opt for more expensive degree courses run by overseas institutions or simply give up their studies and join the employment market. Although the further expansion of post-secondary education lies in the development of community colleges and associate degree programmes, it seems that such a fundamental change of the sector did not come with any long-term policy planning but

without much support from the government to enable the society to have a better understanding about the value and worthiness of community colleges and associate degrees.

### ***Internationalizing University Education***

The internationalization of university education is increasingly a popular issue for many countries (Knight, 2004, de Wit 2002). For university education in Hong Kong, the concept of internationalization can be understood from two dimensions at least. On one hand, we can look at the increase of the proportion of international students in universities. This means the inflow of international students in the local university sector. In 2003-04, there were 2,871 non-local students enrolled in UGC-funded higher education institutions which accounted for 4 per cent of the overall student enrollment. A majority of those non-local students were coming from the Chinese mainland as they accounted for 2,536 or about 88 per cent of the total number of non-local students studying in UGC-funded institutions. Out of those 2,536 mainland Chinese students, 1,729 enrolled in research postgraduate programmes whereas 908 studied in undergraduate courses (Trade Development Council, 2005, p. 4).

For instance, some universities such as PolyU, offer financial subsidies in the forms of scholarships and student assistantships to attract foreign students. CUHK has also made it clear that the proportion of international students studying in the institution will be increased to 25 per cent of the total student population of the university in the next five years. Apart from foreign students, what local universities have been focusing on is to attract undergraduate and postgraduate students from Mainland China. In some universities, like CityU, more than 30 per cent of research-based postgraduate students are coming from China.

On the other hand, local universities are keen to explore their "markets" for university education services outside Hong Kong. In recent years, most of them are focusing on the Chinese mainland market. Some universities are exploring opportunities of building up collaborative relationships with mainland Chinese universities to jointly offer self-financed taught postgraduate programmes and courses in China. In 2004, there were a total of 22 joint Hong Kong-Chinese mainland university education programmes accredited by the Ministry of Education in the China. The four UGC-funded institutions involved in those 22 programmes were HKU, CUHK, HKUST and PolyU (Trade Development Council, 2005, p. 5).

## **Factors and Trends Shaping University Education in Hong Kong**

This section turns to discuss the factors and trends shaping the development of university education in Hong Kong with reference to other countries' experiences.

### ***Pressure for Greater Accountability***

Similar to other public or social services, university education is under the great influence of the notion of accountability in that universities have been always asked to be more relevant and responsive to market needs. The review of university governance aims to allow more autonomy for institutions to make decisions and policies in a more efficient and effective manner. At the same time, the universities have been asked to comply with both professional and market accountability which is proved by a number of quality assurance mechanisms regarding their teaching, research, and management policies and activities. Accountability means also the dominance of market forces in shaping the development of university education in a sense that the importance of market relevance has been much emphasized,

### ***Competition or Collaboration?***

Universities are at the crossroad between competition and collaboration. It cannot be denied that universities are competing with each other in terms of outstanding academics, talented students, research funding, and, more importantly, social donations in the university education market scene. Although such a market is not a free market but is being subsidized by the government, inter-institutional and even intra-institutional competitions are quite obvious nowadays with the prevailing of performance indicators in the university sector.

While competition among universities is encouraged in order to stimulate institutional improvement, intra- and inter-institutional collaboration is of the same importance to prevent unnecessary resource wastage by reducing the duplication of teaching and research efforts. Competition and collaboration are not mutually exclusive but are complementary to each other to ensure a healthy development of university education. It is especially true for Hong Kong where the university system has long been suffering from the lack of collaboration that has resulted in unnecessary resource wastage. In short, a two-pronged strategy of competition and collaboration among the universities should be adopted to

ensure continuous self-improvement and efficient and effective use of limited resources simultaneously.

### ***Internationalization or Regionalization?***

University education is facing an imminent challenge of internationalization and perhaps regionalization. It is even more important for Hong Kong to notice the movement towards internationalization because there is an intention to develop the city into a regional hub for university education. Apart from involving much more exchanges of academics, students and knowledge across the national boundaries, the internationalization of university education denotes the fact that local universities have to export their education services in Mainland China and overseas.

As for Hong Kong, the universities may opt for regionalization before stepping into the stage of internationalization because they can enjoy comparative advantages in establishing their strategic bases by building up collaborations with the Chinese universities, particularly those which have been identified as key national universities and located in major cities, such as Beijing, Guangzhou, and Shanghai. With China's accession to the World Trade Organization, the universities in Hong Kong should make use of such a comparative advantage to expand its university education market share inside the Chinese mainland by competing directly with its universities. In short, university education can simultaneously be both import and export items for the Hong Kong economy at a later stage.

### ***Some Emerging Trends of University Education***

Wang Gungwu, who served as HKU's vice-chancellor between the late 1980s and early 1990s, points out that there has been a general decline in the confidence of Asian universities for the past three decades. In the past, many believed that it was due to the lack of funding and facilities which prevented universities for doing an excellent job. However, the focus has been shifted to the inadequacies of university structures and on how to reform them in order to enable more efficient use of funds and facilities to make distinctive contributions and thus justify their existence. Although most Asian universities aim at international excellence, they have met with frustration and have attributed this to the shortage of resources and lack of appreciation by their communities (Wang 1992).

In spite of these drawbacks facing most Asian universities, including the ones in Hong Kong, they are eager



to strive for a world-class status characteristics (Altbach, 2003). Another prominent scholar in the higher education studies, Burton R. Clark, predicts that the future of universities is the transformation towards the direction of “entrepreneurial universities” (Clark 1998, 2004). The meaning of “entrepreneurial” indicates “the attitudes and procedures that most dependably lead to the modern self-reliant, self-steering university.” (Clark 2004, p.7)

When most countries talk about quality assurance, university governance change and internationalization, the same issues have appeared in Hong Kong over the past decade. Moreover, while Hong Kong, as an international city, is striving to be a regional education hub in the Asia-Pacific region, the city is not immune from the influence of the global context of university education through the interflows of information and knowledge as well as the practices of policy learning and borrowing. Currie (2004) reminds us that if universities are going to be models of institutions for the society, it is necessary to shore up democratic collegiality against the rush to managerialize the decision-making processes in universities. Moreover, there is a need for caution against picking up the latest management fad. What is more important is to maintain scholarly integrity, peer review, and professional autonomy in the face of the growing threat of managerial accountability.

## Conclusion

This article has reviewed the development of university education policy in Hong Kong. While the universities still enjoy freedom and autonomy in governance and management, the government has been playing a more proactive role in terms of the planning and reform of university education through its arms-length use of the UGC. Particularly for university education, which is commonly seen as a private good more than a public good because it benefits individuals who are educated in the universities more than the society at large, the need of diversifying the sources of university funding is even more obvious. Nonetheless, it takes time to change the mindset of a society which does not perceive university education as a purely public or social service. In fact, individuals and other social members, such as entrepreneurs and philanthropists, may need to play a more proactive role in supporting university educational development in an era when financial resources are no longer unlimited. It is therefore important for the government, university management, academics, and students to work

together to enable the universities to go through the painful process of restructuring and reform especially during times of uncertainty and difficulty.

## References

- Altbach, P. (2003). The Costs and Benefits of World-class Universities. *International Higher Education*, 33, pp. 5-8.
- Clark, B.R. (1998). *Creating Entrepreneurial Universities: Organizational Pathways of Transformation*. Oxford: Pergamon.
- Clark, B.R. (2004). *Sustaining Change in Universities: Continuities in Case Studies and Concepts*. Buckingham: Open University Press.
- Currie, J. (2004). The Neo-liberal Paradigm and Higher Education: A Critique. In F.K. Odin, & P.T. Manicas (Eds.), *Globalization and Higher Education* (pp. 42-62). Honolulu: University of Hawaii Press.
- de Wit, H. (2002). *Internationalization of Higher Education in the United States of America and Europe: A Historical, Comparative, and Conceptual Analysis*. Westport: Greenwood Press.
- Education and Manpower Bureau (2004). *Reforming the Academic Structure for Senior Secondary Education and Higher Education – Actions for Investing in the Future*. Hong Kong: Government Logistics Department.
- Education Commission [EC] (2000). *Learning for Life, Learning through Life: Reform Proposals for the Education System in Hong Kong*. Hong Kong: Printing Department.
- Ho, L.S. (2005). The Way to Build World-Class Universities. In L.S. Ho, P. Morris & Y. Chung (Eds.), *Education Reform and the Quest for Excellence: The Hong Kong Story* (pp. 39-49). Hong Kong: Hong Kong University Press.
- Hong Kong Government (1978). *The Development of Senior Secondary and Tertiary Education*. Hong Kong: Government Printer.
- Information Services Department (2004). *Hong Kong 2003*. Hong Kong: Government Logistics Department.
- Interview with Nigel French on 27 October 2003.
- Knight, J. (2004). New Rationales Driving Internationalization. *International Higher Education*, 34, pp. 3-5.
- Leung, A. (2003). *The Budget 2003-04*. Hong Kong: Printing Department.
- Lucas, C.J. (1996). *Crisis in the Academy: Rethinking Higher*

- Education in America*. New York: St. Martin's Griffin.
- Mingpao Daily*, 9 November 2004. [in Chinese]
- Mingpao Daily*, 24 November 2004. [in Chinese]
- South China Morning Post*, 31 January 2004.
- South China Morning Post*, 6 March 2004.
- South China Morning Post*, 13 November 2004.
- Tan, J. (2005). Reforming the University Admission System in Singapore: Lessons for Hong Kong. In L.S. Ho, P. Morris & Y. Chung (Eds.), *Education Reform and the Quest for Excellence: The Hong Kong Story* (pp. 63-79). Hong Kong: Hong Kong University Press.
- Trade Development Council (2005). *Exporting Higher Education Services to the Chinese Mainland: The Hong Kong Advantages*. Hong Kong: Trade Development Council.
- Tsang, D. (2005). *Working Together for Economic Development and Social Harmony*. Hong Kong: Government Logistics Department.
- The Sun*, 10 November 2004. [in Chinese]
- Tung, C. (2000). *Serving the Community, Sharing Common Goals*. Hong Kong: Printing Department.
- University Grants Committee [UGC] (1996). *Higher Education in Hong Kong*. Hong Kong: Government Printer.
- University Grants Committee [UGC] (2000). *University Grants Committee of Hong Kong, China: Report for July 1995 to June 1998*. Hong Kong: Printing Department.
- University Grants Committee [UGC] (2002a). *Evolving with Time: Triennial Report 1998-2001*. Hong Kong: Printing Department.
- University Grants Committee [UGC] (2002b). *Higher Education in Hong Kong*. Hong Kong: Printing Department.
- University Grants Committee [UGC] (2002c). *UGC's Final Recommendations*. Hong Kong: UGC.
- University Grants Committee [UGC] (2004a). *Hong Kong Higher Education: To Make a Difference, To Move with the Times*. Hong Kong: Government Logistics Department.
- University Grants Committee [UGC] (2004b). *Hong Kong Higher Education: Integration Matters*. Hong Kong: Government Logistics Department.
- University Grants Committee [UGC] (2004c). *University Grants Committee Facts and Figures 2003*. Hong Kong: Government Logistics Department.
- University Grants Committee [UGC] (2005). *University Grants Committee Facts and Figures 2004*. Hong Kong: Government Logistics Department.
- University of Hong Kong [HKU] (2003). *Fit for Purpose: The Review of Governance and Management Structures at the University of Hong Kong*. Hong Kong: HKU.
- Wang, G.W. (1992). Universities in Transition in Asia. *Oxford Review of Education*, 18(1), pp. 17-27.
- Yung, A. (2002). Community College: A New Born Baby of the Hong Kong Education System for the New Millennium. *Hong Kong Teachers' Centre Journal*, 1, pp. 32-44.

Received March 10, 2005

Revision received November 11, 2005

Accepted December 5, 2005