

CHAPTER 4

INTERNATIONALISATION

INTRODUCTION

4.1 We take it as axiomatic that any discussion of Hong Kong's future must be conducted on the assumption that its international character is fundamental to its future success. This chapter is firmly rooted in that vision.

4.2 As discussed later in this report, our institutions must leverage Hong Kong's unique character of having both Chinese and Western elements in its culture. We would thus emphasise that focusing on internationalisation does not mean that our institutions should neglect or lose sight of the significance of our traditional values and local needs. In fact, internationalisation will further enhance the uniqueness and attractiveness of Hong Kong's position.

4.3 At the same time, in Chapter 1 we stressed the centrality of education in creating that future. Hong Kong's future in a globalising world critically depends upon the international capabilities of its future leaders. We also pointed out in Chapters 1 and 2 that there are strong features of globalisation appearing in world higher education. Hong Kong's higher education sector must look internationally to remain competitive. It cannot afford to look exclusively inward. In the academic domain as in others, the worldwide flow of information, capital and people continues to accelerate. Higher education sectors around the world now require worldwide competition for academic staff with a view to producing globally competitive students.

4.4 The current strategic plans of each UGC-funded institution show awareness of the general issue, and in most cases include specific related objectives. There is a sense of the potential for opportunities in Mainland China in some of these plans; a few perceive the importance of the particular character of Hong Kong in the future relationship between China and the West; and some reflect on the requirements for students. While it is natural that each institution should have some individual emphases as regards internationalisation having regard to their roles, we note however a considerable unevenness of awareness and clarity of analysis between these documents.

4.5 We recognise real achievement by some universities in the practice of internationalisation. Indeed, this is reflected by the internationalisation component in the high score of three Hong Kong universities in a recent Asian

ranking. We do not seek to diminish that success. Nonetheless, taken as a whole, we do not think that these strategic plans provide a sufficient strategy for the UGC sector in a matter as central as internationalisation is to the future of Hong Kong and its universities. The plans have two major limitations. First, although it is fairly early in this cycle of strategic plans, our enquiries suggest a very variable degree of tangible implementation of strategies (both between different objectives and for the whole strategy of individual institutions). This raises a concern about whether every institution is devoting adequate energy to internationalisation. That is not to deny the real achievement of some in their initiatives in Mainland China, but those initiatives do not amount to a full internationalisation strategy. We consider our institutions' relationship with the Mainland not to be a part of internationalisation (as set out in Chapter 5).

4.6 Second, the institutions' strategic plans could be further evolved in the context of a thorough understanding of the significance of internationalisation for Hong Kong as a whole and for the universities' responsible contribution to that general interest. We applaud the evidence that most universities are seeking to develop and strengthen in these strategic ways. Yet if these perspectives are not set within the general interest of Hong Kong, there is too great a risk of uneven commitment, energy and ultimately failure to produce collective benefit. Universities will be tempted to be concerned essentially with their individual competitive positioning. In sum, no UGC-funded institution should believe without further reflection that its current strategy meets the ambition that we believe is necessary.

4.7 As a matter of urgency, universities in Hong Kong should review, develop where necessary and implement explicit internationalisation strategies. Responsibility for this should be located permanently at the senior management level. However, substantial outcomes cannot be achieved effectively without collaboration with the Government. For its part, the Government needs to adopt a clear and specific strategy. Indeed, it should engage firmly in the internationalisation of education at appropriate levels, such as by participation in international fora for policy and action in this area (*e.g.* the UNESCO Forum on Higher Education, Research and Knowledge and the Institutional Management in Higher Education of the OECD, *etc.*). Moreover, it must be understood that a long-term and sustained commitment from both the Government and universities is vital to such a strategy. In a highly competitive international environment, the intended benefits cannot accrue if the course is held to only intermittently or if the stated goals are abandoned after a time. Given the importance that we attribute to this theme for the future of Hong Kong and its higher education, it is appropriate for each institution to agree with the UGC on a number of Key Performance Indicators for the implementation of its internationalisation strategy. The UGC should monitor their performance [E29].

Recommendation 9:

UGC-funded institutions should review, develop where necessary and implement internationalisation strategies as a matter of urgency. The UGC should monitor agreed Key Performance Indicators in each institution. The Government should adopt a strategy for internationalisation that includes collaboration with universities. Both should make long-term and sustained commitments to these strategies.

4.8 Internationalisation is not the same thing as developing relationships with Mainland China and encouraging Mainland students to study in Hong Kong. The building of strong academic relationships with Mainland China is an expression of Hong Kong's Chinese identity and a positive response to changing conditions. The development of a strong international character for Hong Kong's higher education will draw on and elaborate Hong Kong's inherent and historic strengths.

4.9 It is for this reason that we discuss perspectives on the Mainland separately in the Chapter 5. Nonetheless, a properly developed policy for the future requires both elements. This was clearly recognised by the Chief Executive in his 2009/10 Policy Address when he referred to Hong Kong higher education complementing the future development of the Mainland, attracting Mainland students and also stepping up exchange and promotion in Asia. Naturally, each institution will have its own particular approach and will weigh differently the balance between the two.

THE BREADTH OF INTERNATIONALISATION

4.10 First, some basic definitions should be clarified. The higher education sector has very often associated internationalisation principally with the recruitment of non-local students. However, it should permeate the whole gamut of institutional activity. As we have said before, universities are the breeding ground for future leaders. These leaders need to be internationally minded and thus universities need to attend to their students' mindsets, the internationalisation of the faculty and the curriculum, the integration between local and non-local students and other means. At the same time, universities contribute to the enhancement of Hong Kong's regional/global influence. They can only properly do so by an enterprising engagement with the exterior and the continuing development of their reputations and visibility. Finally, the Government cannot be indifferent but must be actively engaged on the side of

the universities.

4.11 Institutions and individuals within them have a legitimate and necessary instinct vigorously to pursue their own interests and objectives. Nonetheless, an international perspective must enter the institutional mindset into most areas of activity. This should not confine itself simply to the recruitment of non-local students and the pursuit of international research rankings. Internationalisation implies a sustained effort to settle Hong Kong universities into an active network of relationships.

4.12 Both the Government and the universities in Hong Kong have made considerable advances in recent years: performance in international league tables, based in large part on research output, has been impressive (five placed in the top 200 in a well-publicised ranking survey for 2010). Quota places available for non-local students in UGC-funded taught courses have increased to 20% of total places; permission has been given to non-local graduates to stay in Hong Kong for employment. Some exchange programmes exist, as does the placement of students in non-local environments for work or study experience. There are multiple research collaborations with groups outside Hong Kong. There have also been recent initiatives to establish campuses in the Mainland. Nonetheless, these initiatives are piecemeal. Equally, some aspects are out of balance (for example, over 90% of non-local students are Mainland students).

4.13 Hence, these good initiatives do not in themselves amount to the most productive strategy. We do not discount the power of individual institutions to get things done under the driving force of perceived opportunity, a sense of their own interest and a good understanding of their own capabilities. Neither do we discount the Government's ability to make intelligent adjustments to regulations in a timely manner. Nonetheless, given the great importance of internationalisation to the future of both institutions and the general Hong Kong community, we reiterate our belief in the necessity of a clearly formulated and long-term commitment by both. This will be most effectively achieved in a framework in which both are aware of and have agreed upon common objectives. Indeed, cooperation between them will ensure longer-term success. There needs to be a good understanding and consensus between the Government, universities, stakeholders and the community on the purposes of internationalisation and of the steps needed to promote it.

4.14 This does not mean that we believe actions should be prescribed to universities. We recommend the establishment of a forum in which the Government, UGC and universities are represented. This should serve as a point of discussion of and mutual information about the general issues and detailed practicalities of the internationalisation of the Hong Kong system. It

should also provide a site for the exchange of information on best practices.

Recommendation 10:

A forum should be established to facilitate collaboration between the Government, universities and the UGC in identifying and implementing effective policies and initiatives, and for spreading best practices regarding internationalisation.

4.15 An effective internationalisation strategy is not cost-free. There is a limit to the extent to which existing university budgets can accommodate necessary initiatives in this area. The importance of the objective justifies the establishment of an additional recurrent stream of funding for the UGC for this purpose. We recommend that this fund should be allocated on a competitive basis, because that would endorse an approach of entrusting practical action to the initiative of the institutions themselves.

Recommendation 11:

An additional funding stream should be attributed to the UGC to fund internationalisation initiatives and allocated through the Academic Development Planning process.

4.16 The remainder of this chapter offers guidance on significant aspects of an internationalisation strategy.

HONG KONG AS AN EDUCATION HUB

4.17 There has been frequent reference to the desirability of making Hong Kong an “education hub”. Without better definition, this term offers little guide to serious action. It is an ambition widely expressed at present (for example, in East Asia, Southeast Asia, South Asia, and the Persian Gulf). In the most direct sense, the term means 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. It also implies that these services are competitive because they are of comparative front-rank quality and delivered in an environment of high-level educational attainment and reputation. They can be delivered either in or outside Hong Kong, and are not necessarily confined to post-secondary education or indeed mostly to universities, but can also include secondary education.

4.18 Other indirect benefits of a hub strategy have to do with the

potential to keep incoming talent in Hong Kong and with the degree to which those educated here retain an affection for and understanding of Hong Kong. This will affect Hong Kong's business, political and other informal networks, and will contribute to the development of what Professor Joseph Nye has termed "soft power". It will generate a virtuous circle in that the quality of higher education in Hong Kong will attract external recognition and commitment, thus further enhancing its reputation and ability to improve.

4.19 However, if we are to compare Hong Kong with, for instance, the UK, Australia or even Singapore (a different model), there is no doubt that Hong Kong has a considerable distance to travel in terms of international students, general reputation and attractiveness, and insertion into a wide education market. Hong Kong has advantages over others in terms of existing quality and historical position, but success will require clear policy, investment and collaboration between the Government and institutions over time.

4.20 As this description shows, an education hub strategy treats "education" primarily as a commodity for economic exchange with a number of indirect side benefits. In our view, this is not the equivalent of an internationalisation strategy, but it is a significant part of such a strategy. Furthermore, as noted in Chapter 2, in the immediate future cross-border education will provide a fast-growing opportunity both in terms of a market and the development of the international horizon of Hong Kong's people and networks. We reiterate the prediction that in fifteen years' time Asia will constitute about 70% of the global demand for higher education. Cross-border education demand will be met by both the movement of students and by the movement of institutions in different forms. We address the question of cross-border student recruitment first.

CONDITIONS FOR THE SUCCESSFUL RECRUITMENT OF NON-LOCAL STUDENTS

4.21 In terms of student recruitment and international visibility, we recognise that institutions have been promoting themselves internationally. However, success in this highly competitive market demands an appropriate marketing strategy, adequately supported and financed in a sustained manner. This requires institutions to have well thought-out recruitment policies, usually implemented through a central office and leading to active involvement in recruitment fairs, *etc.* We advocate collaborative action by both UGC-funded and self-financing higher education institutions. On the one hand, this would produce greater efficiency in targeted impact than the efforts made by individual institutions; on the other hand, there is scope for reducing overheads.

Furthermore, the Government should support and join in overseas promotional activities, especially in Asian countries where there is strong growth in the demand for quality post-secondary education arising from rapid economic development. The Government should see this activity as an important means to presenting an image of excellence for the whole of Hong Kong. Existing official overseas networks could be used to facilitate the joint promotional efforts of institutions, such as the Government's overseas economic and trade offices and the global network of the Trade Development Council. The promotion of educational matters should become part of their direct responsibilities.

Recommendation 12:

Universities should develop appropriate strategies for the recruitment of international students. The Government should actively support this through its official overseas offices.

4.22 In comparison with good-quality universities internationally, 20% of non-local students in taught undergraduate courses appears to be about right for the time being. It can be managed without the serious dilution of local opportunity. However, although it is important to encourage Mainland students to enter Hong Kong universities, true internationalisation requires a much greater diversity of nationalities and cultural backgrounds.

4.23 Universities themselves should also recognise benefits particular to themselves. The first is the potential improvement of general student academic attainment. While there is a general benefit to the inclusion of non-locals in the student body, the presence of academically excellent non-local students does help to improve by emulation the general academic performance, as well as increasing the reputation of the host university. There is now a global competition amongst universities for the best students. While good students will be attracted by the existing reputations of Hong Kong's universities and the efforts of a sustained campaign to promote their profile, we believe that financial incentives are needed to attract the best. Currently, certain financial incentives could partially address this issue: the PhD Fellowship Scheme; the Hong Kong Special Administrative Region Government Scholarship Fund of \$1 billion, which caters for both local and non-local students in publicly funded full-time programmes at the degree or above level; and the fifth round of the Matching Grant Scheme, which can be used by institutions to provide scholarships for non-local students. More attention and resources should be devoted to this area. It would be short-sighted to envisage non-local students simply as income generators rather than as an investment in Hong Kong's quality and value.

4.24 The second benefit of non-local students is simply that they help to provide a multicultural learning and social environment for Hong Kong students. In our consultations and conversations during the preparation of this report, we heard much anecdotal evidence and general assertion that Hong Kong students and new graduates are too inward looking. There is a view (articulated quite often by employers) that new graduates in Hong Kong know too little about the outside world (and indeed show insufficient curiosity about it) to be ready to contribute in the kind of globalising economy in which Hong Kong must find its place. It is our view that non-local students provide one of the elements of a solution to that situation.

4.25 Students who leave their home countries to seek higher education abroad are demonstrating initiative and ambition. This alone suggests that they would be positive additions to Hong Kong. We have already stated the need for sound marketing arrangements. However, international students will not be attracted if they do not find an environment that helps them to engage effectively. Especially in comparison with some other potential destinations, the most significant deterrent in Hong Kong is the lack of hostel accommodation. Nonetheless, hostel accommodation should not be provided at the expense of local students – that would diminish the integration between local and non-local students, promoting tension between them. During our consultations, we discovered signs of such tension. We acknowledge that there are hostel projects, including joint hostels, in the pipeline and that land constraints are significant. On-campus accommodation is undoubtedly preferable, but we recognise the need to resort to off-campus accommodation or joint hostels. Nonetheless, we urge that the provision of more hostel accommodation is tackled as a matter of urgency. The 20% target for a properly composed international student body cannot be reached without it.

Recommendation 13:

The Government, working with the institutions, should increase hostel accommodation for local and non-local students as a matter of urgency.

4.26 Local students will find internationalisation irrelevant unless they interact – and enjoy doing so – with the non-local students in formal learning, informal learning and social environments. Similarly, the kinds of future benefits that we have outlined will not accrue if non-local students do not enjoy their experience in Hong Kong. Universities need to make sustained efforts to promote integration in the classroom and elsewhere. In particular, they should take care to mix local and non-local students in accommodation and to ensure that they run no courses or classes predominantly for non-local students.

4.27 The increase of the intake of non-local students with diverse backgrounds will require strengthening the student support services needed to assist them in adapting to Hong Kong and to promote the integration that we have outlined. Institutions should accord a high priority to this.

Recommendation 14:

UGC-funded institutions should increase their efforts to provide support resources and opportunities for non-local students to integrate them better with the local student body.

GREATER OVERSEAS OPPORTUNITIES FOR LOCAL STUDENTS

4.28 Hong Kong's future relies upon the ability of its best-educated people to understand the wider world and to become persuasive interlocutors with those with whom they do business.

4.29 The increase in non-local students mixing with the local student body is only one element in bringing a more international perspective to the student population. It is indisputable that the essential encounter with the outside – with its history, culture, and patterns of behaviour – is best met by spending time in a foreign environment. This should involve a structured and academically focused engagement in a foreign environment that is long enough to deliver a significant understanding of that environment and provide the experience of coping with the challenges of daily living in another context.

4.30 It is certainly the case that exchange activity and other forms of placement outside Hong Kong are powerful tools for cultivating the international outlook of students. With the help of the four rounds of the Matching Grant Scheme and earlier funding support from the Government, exchange activities have grown substantially in recent years. We welcome the attention that institutions are paying to this. During our consultations, responses from students participating in exchange activities were all very positive. In addition to the broadened horizons and new understanding that they gain, there are real side benefits. These students do serve as ambassadors to promote Hong Kong and they could directly demonstrate to the world what Hong Kong can offer as a regional education hub. Furthermore, institutions could more actively mobilise them to drive the development of a multicultural awareness back on their home campuses and to facilitate integration between local and non-local students.

4.31 The opportunity to engage in a non-local environment is a most important tool for widening the horizons of local students and giving them the necessary skills to work in an international context. We thus emphasise the need to enhance the range and quality of these experiences. With the new “3+3+4” academic structure, there should be more room for students to participate in exchange activities of various modes and duration. Institutions need to increase the numbers of students participating in existing schemes and diversify the types of experience they provide by the addition of new schemes. Furthermore, the importance of these opportunities should be emphasised by further recognition in a student’s transcript.

4.32 We draw attention to the highly successful schemes of “junior year abroad” run by a number of American universities and colleges with academic programmes in their own premises. One or two Hong Kong institutions might wish to adopt that approach to some extent.

4.33 It is, of course, not feasible to extend such programmes to all undergraduates. Nonetheless, we do believe that students, who, by preference or constraints of circumstance, choose to study in Hong Kong institutions should have the opportunity of international exposure that those who have studied abroad bring to the employment market in Hong Kong.

4.34 These recommendations about overseas opportunities imply additional funding. Such initiatives would fall directly within the object of the new recurrent funding that we have proposed. At present, the Block Grant from the UGC cannot be used for exchange purposes, other than to support an institution’s administrative costs in this regard. At the very least, that restriction should be lifted.

Recommendation 15:

The number and variety of overseas study opportunities for local students should be increased significantly. Funding should be provided for this, and credits should be attached to these programmes.

THE UNDERGRADUATE CURRICULUM

4.35 We have witnessed the recent rapid rise in prosperity and economic power of Asia, and the region’s increasing social and cultural complexity. It seems likely that the young Hong Kong graduates will need to engage specifically with the regional context in addition to global opportunities.

Institutions would do well to revisit their undergraduate curricula principally in the social sciences and the humanities to enhance the presence of Asian materials and themes. This should not suggest a radical revision that would subvert internationally recognised and tested disciplinary norms. Rather, there is another powerful reason to think seriously about such an approach. The Hong Kong environment offers an ideal context for the development of curricula that would combine Western and Asian problems and responses, experience, sources and cultural roots. Sensibly handled, such an additional focus would provide a distinctive character to part of Hong Kong higher education and enhance the learning horizons of local and non-local students alike. This would be in tune with what Hong Kong's historic function as commercial and cultural intermediary suggests about its contemporary opportunity.

4.36 Furthermore, universities should reflect on whether their formal and informal teaching and learning processes offer enough encouragement and opportunity to students to become aware of and informed about international matters. At the most direct level, there is the question of language. It is clear that Hong Kong's evolving relationship with Mainland China necessitates graduates' competence in Putonghua and written Chinese. At the same time, it is reasonable to predict that English will be a major language of international business and exchange. During our consultations, we found no reason to disagree with the assertion that too few new university graduates are adequately comfortable in English and Chinese. We urge universities to make renewed efforts in the area of language proficiency.

Recommendation 16:

Institutions should make renewed efforts to ensure and enhance students' biliterate (Chinese and English) and trilingual (Cantonese, Putonghua and English) abilities.

POSTGRADUATE RESEARCH STUDENTS

4.37 Non-local students are essential to high quality research in Hong Kong just as they are in other major university systems. Recruitment of the best is competitive; they have many of the same needs in what is for them a new environment, and they offer many of the same direct and indirect benefits to Hong Kong. Universities need to be attentive to them in the same way.

THE FACULTY

4.38 Historically, the academic faculty in Hong Kong has been characteristically international. This is one of the strengths of local universities in terms of internationalisation. It enhances the distinctive quality of the work and environment of these institutions at every level, in both direct and more subtle ways. This is a precious asset that universities must make particular efforts to maintain. Hong Kong needs a good mixture of academics: those who have done their doctoral work abroad, those who have worked in universities abroad, and those whose ethnic origins are not in Hong Kong. This mixture is important in three ways. First, it brings international experience to Hong Kong universities, thus ensuring realistic comparisons with international benchmarks and constructive criticism of local received wisdom. Second, it provides a natural insertion of universities and their departments into international networks. Third, it provides students with an immediate example of internationalisation amongst people who are likely to be amongst their role models. Indeed, such academics ought to be instinctive advocates of the virtues of looking outwards. A true diversity of cultural background is conducive to the creation of an internationalised learning environment. Although statistical evidence for such a matter has not been collected, it has been suggested to us that over the years the percentage of non-Chinese academics has declined.

Recommendation 17:

UGC-funded institutions should actively maintain the international mix of their faculty.

4.39 The pursuit of this policy will be challenging. The international market for academics, especially for high-quality individuals, is highly competitive. Hong Kong has no choice but to offer terms and conditions of academic employment similar to those elsewhere, especially for high flyers. This implies attention not only to salaries but also to issues such as housing allowances. While that presents significant managerial problems for universities, it was precisely to allow for it that university salaries were delinked from those of the civil service in 2003. Nonetheless, in addition to the factors already cited, international recruitment at this level is a significant element of these institutions' international reputation and their attractiveness to non-local students.

COLLABORATIVE NEEDS

4.40 Networks, collaborations and associations form much of the working substance of institutions' international engagement. These can be formal or informal; they range from research collaborations and the movement of students to the professional connections of academic faculty. It is clear to us that Hong Kong universities are quite vigorous in this domain, although the evidence suggests that not all are equally successful. Nonetheless, universities do need to be supportive of well thought-out individual, group and departmental initiatives. Some investment in younger staff before their profiles are well established, for example, would pay dividends in reputation for an institution.

4.41 Experience demonstrates that collaboration agreements between institutions do not work if the academic faculty do not "own" them. Research collaboration, in particular, is best grown from real faculty initiatives rather than as part of a general relationship created by two university administrations. Furthermore, there is neither reputational nor practical benefit to be gained by entering into a string of Memoranda of Understanding that do not have well-defined, concrete outcomes combined with explicit delivery mechanisms and timelines. Yet these arrangements should not be left entirely to faculty initiative. Collaboration needs to be set within general university strategy (for example, some concentrations of collaboration may usefully be nurtured) and a judicious use of university financial resources can be managed. In any case, an institution needs to be clear on at least three points before establishing a formal relationship with another or with others. First, it must be clear that there will be tangible and strategically significant returns on such collaboration, whether financial or academic. Second, it must be certain that the transaction cost in terms of staff time, finance, institutional focus, *etc.* is both manageable and justified. Third, it must be sure that its partner is of comparable reputation and quality to its own or if not, it is so at least in the area of the agreement.

A LOCAL PRESENCE ABROAD

4.42 The substantial and growing demand for cross-border higher education is already generating some cross-border movement of institutions – receiving non-local students is matched by local institutions offering education in non-local environments. This trend is likely to increase. An institution may place itself abroad in essentially four ways: distance learning, franchising its courses or degrees to another institution outside Hong Kong, offering joint degrees with another institution or establishing a campus elsewhere either stand-alone or in partnership. The opportunities are significant and they are relevant to the general purpose of internationalisation for Hong Kong. At the

same time, the risks are not negligible as examples from other university systems demonstrate. We refer to Hong Kong initiatives in this domain as part of our discussion of Mainland China in Chapter 5. Here, we offer general remarks. First, all of these options have high transaction costs in terms of both financial commitment and administrative time. Distance learning is a very specialised activity with its own specific expertise. It is suitable to institutions that already have experience in it and the infrastructure for it. Franchising involves serious issues in the choice of suitable partner and quality control. This is also true of joint degrees (of which a few examples already exist in Hong Kong universities).

4.43 A campus in a foreign location is an altogether more ambitious and complicated undertaking. The challenges already mentioned are that much greater and more onerous. Examples elsewhere suggest the need for local funding. It is imperative to understand clearly the source and nature of that funding. Equally, whether a stand-alone campus or a joint initiative, it is imperative to be very clear about what each partner expects to get out of the undertaking and precisely what responsibilities lie with whom. Where a partner university is involved, an institution must once again be sure that its reputation and quality match its own. Above all, an institution must enter into any of these options with a long-term horizon. It must be sure of its business plan and, in so far as this relies at all on its own academic staff, it must be sure of their support – experience elsewhere shows that initial enthusiasm can fade.

4.44 It is to be expected that such initiatives by Hong Kong institutions will multiply in the next decade. We regard that as a welcome development. Nonetheless, caution is necessary. Some of these initiatives have substantial start-up costs, all need careful planning and all involve significant investment of academic and administrative time. Above all, they require vigilance in protecting institutional reputation. We must stress with utmost seriousness the risk that an ill-conceived or ill-managed cross-border education initiative poses to the general reputation of Hong Kong as an education provider. This cannot be seen lightly as an internal incident manageable by the parent institution. As Hong Kong universities (and indeed other parts of the post-secondary sector) extend their operations out from the traditional forms, it will become all the more important that there should be robust quality assurance. This is discussed in Chapter 8.

A FOREIGN PRESENCE AT HOME

4.45 Of course, Hong Kong is already the site for the delivery of cross-border higher education from non-local providers under various

arrangements spanning from franchising through to mixed-mode delivery. There are grounds to suppose that self-financing operations could become more numerous in Hong Kong, attracted not simply by local demand but also by the prospect for drawing in non-local Asian students. This would be entirely in tune with the current trends of cross-border higher education in the Asia-Pacific region. To have substance, such an initiative would need to establish a local campus – either free-standing or co-located with another university. The Hong Kong Government may be envisaging such a development through its recent designation of specific sites for education.

4.46 Non-local private provision of this nature is not without problems. Experience shows that many of the institutions that set up outside their own country are not rated highly at home. Hence, the Government should be concerned about issues of reputation. At the same time, there is the risk of financial failure that attends any initiative in a free market. There are in Hong Kong reasonable regulations for the registration of non-local providers or, where there is collaboration with locally accredited institutions, for ensuring comparability of quality. Nonetheless, it would be advisable to review these provisions in the context of our recommendations on quality assurance in Chapter 8.

4.47 Another model, exemplified by Singapore and some Persian Gulf states, proposes that within one's own system there should be branches of foreign institutions or new units created by or on the model of such institutions. This implies a deliberate government policy to add to existing local provision through a strategy of determining how the higher education sector should fit together. The advantage is clear. Provided that these institutions have the highest international reputations, the receiving system benefits from that reputation which is, in some sense, grafted onto it. It follows that importing an institution that does not have such a reputation will not achieve this effect and may indeed be counter-productive. Indeed, it is our firm view that an indiscriminating general invitation to non-local institutions of relatively low reputation would be a serious mistake. Moreover, such developments have to be sponsored by government. Although, we have not had access to the detailed arrangements where this has occurred in other countries, it is clear that this option involves considerable public investment. That may involve the host government building the infrastructure (including buildings), providing subsidies and cash incentives and paying the salaries of staff. The higher the international reputation of the incoming institution, the higher the financial investment required.

4.48 Is this a desirable route for Hong Kong to follow? That is a difficult question to answer directly. Broadly speaking, existing examples offer

four different models. First, a non-local university can be asked to help plan and implement a new local university, most likely with a particular disciplinary emphasis (*e.g.* the social sciences). Second, particular departments from non-local universities can be invited to establish a local branch to provide teaching and training in that area. Third, a non-local specialist professional school can be invited to establish a branch campus: this might be a medical school or a business school, for instance. Fourth, one or more non-local universities or other cultural or research or policy institutes can be invited to join a collaborative centre locally.

4.49 For the most part, the local context of many examples elsewhere is sufficiently different from Hong Kong to make a direct translation of the model unwise. We think, for example, that existing provision in Hong Kong precludes the need for imported professional schools of the type described, although there may be a case for more technical, applied skills or skills not readily available in Hong Kong. Similarly, we are sceptical about the idea of bringing in a major foreign university in terms of direct cost/added value ratio for the Hong Kong population. As previously mentioned, various foreign universities already operate in Hong Kong and provide additional routes to degrees. It is possible, however, to envisage the case of a major foreign university wanting to establish a campus in Hong Kong aimed predominantly at a non-local student population. On one level, such an initiative would contribute to enhancing the general reputation of Hong Kong as a destination for education. The spin-off for Hong Kong would be incidental and it is a matter of judgment whether it would be adequate to justify the commitment of resources and focus. None of the existing models allows the government in question simply to allow some “natural” process to take place. All of the evidence suggests that any major initiative requires considerable engagement and watchfulness by the government over a long period in pursuit of a well-considered strategy.

4.50 Qatar illustrates this point. There, six departments from non-local major universities (including a medical school) have been operating for more than five years. Each was chosen for its provision of a particular discipline identified as necessary to the development of Qatar. Fully funded by Qatar, they will eventually be brought together in Education City to form an integrated higher education site. To our mind, Qatar is the most convincing model, devoid of the tensions and dissatisfactions that mark most of the other models available. However, it depends upon a very high level of investment and upon a stable, long-term strategy. On balance, this model is not transferable to Hong Kong. There is already a university system in Hong Kong with growing strength and an established reputation that is totally dissimilar to the original situation in Qatar. We believe that strategic investment in existing excellence

and in the development of identifiable strengths in Hong Kong is preferable.

4.51 Notwithstanding this general conclusion, we do see merit in another, smaller version. We refer elsewhere to the potential for Hong Kong higher education to develop distinctive research and graduate programmes that bring together Western and Asian perspectives. Where proven excellence exists in an institution, we see the possibility for collaboration with another internationally renowned institution to develop into a jointly funded and staffed centre in Hong Kong that would become a leading international focus for learning and scholarship. The initiative clearly needs to reside within an institution, but success would require additional investment. The establishment of a number of such centres would affirm the character and quality of Hong Kong institutions internationally. A small number of centres with this kind of focus already exist or are foreshadowed in universities' strategic plans.

Recommendation 18:

The higher education sector should develop a number of jointly funded and staffed international centres for high quality research and graduate programmes combining Asian and Western perspectives.

CONCLUDING REMARKS

4.52 Based on the notion that Hong Kong's future depends upon its active engagement in specific ways with the globalising world and its region, we have argued that universities are a crucial part of that engagement. They must pursue policies adapted to that vision. The institutions of higher education are a platform for students to prepare for that future. They need to train a population to see itself in international terms without losing their specific Hong Kong identity. Universities need to complement the development of the Mainland and affirm Hong Kong's own historic identity by supporting in their work its character as an international intermediary.

4.53 Of course, there are dangers in an exaggerated emphasis on international activity. The tendency to look globally and internationally means that institutions are increasingly referenced against global models and not domestic policy objectives. "Disembedding" occurs when activity that takes place in the global space becomes sufficiently important to overshadow or displace activity in the domestic space. There may be tension between the global strategies and priorities of the institutions on the one hand and the strategies and priorities of the Government on the other if the institutions

become more absorbed than the Government or the community in the global dimension of action. Universities and the Government have to watch over the balance carefully.

4.54 Nonetheless, if it wants universities to be effective the Government will need to respect their autonomy in global matters. At the same time, it must provide a clear general policy envelope. To facilitate the development of institutions in the area covered by this chapter, the Government will need to “go with” the universities out into the global space and think globally. It must provide intelligent and focused facilitation outside Hong Kong, and needs to enable the inward movement of talent, and then to keep enough of the globally mobile talent to create bonds of loyalty strong enough to build long-term capacity. Offering an environment conducive to creative people will provide institutions and the community with an edge that becomes self-reinforcing once the threshold is reached. This suggests that, in return, the Government can expect through the UGC to ensure that the universities are transparent, exposed to global referencing, dealings and requirements, and that their leaders and governance are up to the mark.

4.55 It is important to emphasise that internationalisation is a dynamic and changing environment. The recent OECD report, *Higher Education in 2030, Volume 2: Globalisation*, suggests some emerging trends. The model of students studying whole degrees at non-local universities may lessen over time and be increasingly replaced by shorter-term mobility for training and targeted courses (especially postgraduate courses). This is a logical consequence of capacity building in countries that currently see students going abroad. It suggests that over time non-local students may be more attracted to Hong Kong for taught postgraduate courses and the skills they offer rather than for undergraduate study. Another clear trend is the increasing mobility of institutions themselves – a tendency to establish mechanisms to deliver education outside their own local environment. As things stand at present, these are potential changes over time. Different models can exist side-by-side. The message, however, is that within strategies that suit their own interests and profiles, institutions must remain alert and creative. Government strategy should display the same characteristics.

4.56 The perspectives outlined in this chapter also require clarity about Hong Kong’s particular advantages. Put simply, what is it that will attract students, academics, universities and research teams to Hong Kong rather than to another existing or emerging education hub? Clearly, the quality of Hong Kong institutions and their academics is central, but it is not unique. The use of English in instruction and research in much of these universities’ work is also a strong advantage. However, it appears to us that the unique advantage of

Hong Kong resides in the combination of two factors. First, history has given it a deeply embedded character as an international centre, a meeting place, a market place of exchange, a point of encounter between different cultures and influences and ways of thought. Second, it is adjacent to Mainland China and has long been a principal point of entry, exchange, interpretation and fusion – a privileged place of observation in both directions. Hong Kong's universities have a remarkable opportunity to become principal locations for understanding modern China. They offer ideal facilities to foreigners (especially Westerners) for the interpretation of the rapid evolution of contemporary China and the roots of a powerfully rich culture. The assertion of China's growing economic and political strength intensifies the need of other countries, whether Western or Asian countries, for information and comprehension. Hong Kong's proximity to Mainland China, the quality of its universities and a recognisable and palatable environment (not least in terms of the rule of law and academic freedom) suggest that it can evolve its vital function as an international intermediary. It is also true that China's success poses complicated issues for it, too, towards whose study Hong Kong may in this way contribute significantly. This is a challenge in particular for the social sciences and humanities in Hong Kong. Their success in this role will generate substantial direct and indirect benefits for the future of Hong Kong.

4.57 Hong Kong's advantage is strong but it is not necessarily lasting. It faces the inclination of others to go straight into Mainland China. We have already seen a number of major foreign institutions seeking to establish units in the Mainland. Decisive action is required if Hong Kong is not to be by-passed and its real advantages discounted. Indeed, we may say the same of the other elements of internationalisation that have been discussed in this chapter.