

CHAPTER 5

RELATIONSHIP WITH MAINLAND CHINA

5.1 Many of the issues discussed in Chapter 4 also apply to Hong Kong universities' relationships with the Mainland. Nonetheless, we have separated the discussion of the Mainland because, in an important sense, Hong Kong faces two directions – both towards the wide world and towards Mainland China.

5.2 The rapid economic growth and rising prosperity of China in recent years has stimulated increasing interest around the world in studying and learning about China. Given Hong Kong's proximity to and close relationship with the Mainland, and the use of English as the medium of instruction in most of its institutions, Hong Kong is well placed to develop into a global centre for studying China-related subjects. Although some institutions already have programmes in this area, we see much room for further growth. This is also an area that would help to distinguish Hong Kong in its internationalisation efforts.

5.3 While universities in the West have reported increasing numbers of students studying the Chinese language and other China-related subjects, our discussions with local stakeholders revealed that Hong Kong students' knowledge about Mainland China is surprisingly low. We believe it is vitally important for our students to have a better understanding and knowledge of their country, not the least because Hong Kong is now an integral part of China, but also because the Mainland offers vast opportunities with rapidly improving working conditions. At the same time, our students will increasingly be competing with Mainland students for job opportunities not only in Hong Kong, but also globally. Hong Kong institutions should thus equip their students with the necessary skills and knowledge to meet such challenges.

5.4 It is timely for this report that the Central Government issued *The Nation's Medium and Long-Term Education Reform and Development Outline for 2010-2020* earlier this year after extensive consultation. The Outline sets forth the guiding principles and priorities of education reform and development in China. It encompasses all aspects of education reform. First and foremost, it emphasises the strategic importance of the role of education in raising the quality of the people, improving society and strengthening the country. Amongst other key issues, it identifies the importance of increasing and improving exchange and collaboration with international institutions, providing incentives for well-known international institutions to collaborate with domestic

institutions in teaching and research, and attracting talents to the Mainland. Hong Kong must seize this opportunity to deepen its relationship with Mainland institutions.

5.5 The need for Hong Kong to be involved in and to contribute to the rapid development of Mainland China is unquestionable. For Hong Kong's higher education sector to stay relevant in this process, there should be genuine exchange and collaboration at various levels and in different areas. In particular, Hong Kong should play a more significant role in the development of the Pearl River Delta through meeting the growing demand for higher education from Mainland students, and contributing to the Pearl River Delta's technological advancement through research collaboration. It appears to us to be sound and practical policy to focus on the Pearl River Delta because of proximity, opportunity and existing cultural and economic ties. However, we do not discount deepening collaboration elsewhere in Mainland China.

5.6 Hong Kong-Mainland ties have strengthened in recent years with the recruitment of more Mainland students, amounting to 4,562 undergraduate students (8,429 at all levels) or 8.1% of the undergraduate student population (11.4% of student population at all levels) in UGC-funded institutions in 2009/10. The institutions report that the quality of their Mainland students is high both in terms of Mainland rankings of the secondary schools from which they came and in comparative terms within the institutions themselves. In this respect, the recruitment of Mainland students achieves one of the aims of the diversification of the student body discussed in Chapter 4. Their recruitment also helps to verify the attractiveness of Hong Kong universities.

5.7 The presence of Mainland students on Hong Kong campuses also provides local students with the opportunity to gain a better understanding of their peers in the Mainland through interaction with them. Indeed, universities should provide more opportunities for students to acquire knowledge about the history and public affairs of Mainland China. However, as noted in Chapter 4, Hong Kong students have not exhibited sufficient desire to embrace non-local students in their circles. A common complaint from both international and Mainland students is that Hong Kong students are generally reluctant to speak any language other than Cantonese, and show little interest in including non-local students in their activities. We are concerned about this insular attitude. Our institutions could do more in providing counselling, support and encouragement to both local and non-local students to promote a more inclusive attitude on campus.

5.8 Currently, the majority of our non-local students are from the Mainland. However, as argued in Chapter 4, internationalisation requires a

much greater diversity of non-local students. Institutions will need carefully to balance the recruitment of Mainland and other non-local students. Competition for quota places between them should result in a continuing rise in the quality of non-local students generally, with beneficial effects in all the aspects to local students. In any event, institutions should not diminish their efforts to recruit top-quality Mainland students.

5.9 At the same time, the Mainland's rapid economic development, especially in the Pearl River Delta, is likely to generate a significant amount of unmet demand for higher education opportunities. Subject to the precautionary issues discussed in Chapter 4, Hong Kong universities could contribute to meeting this demand and thereby enriching and diversifying their non-local networks. We would encourage Hong Kong universities to pursue actively and according to their individual strengths the development of distance learning, of collaboration in joint or double degrees, and in a measured way other forms of delivery of educational provision in the Mainland.

5.10 UGC-funded institutions have for some time been establishing links with Mainland institutions in offering joint programmes, such as the Master of Business Administration (MBA) (International) programme jointly offered by the University of Hong Kong and Fudan University in Shanghai and the MBA in Finance programme jointly offered by the Chinese University of Hong Kong and Tsinghua University in Beijing. Recently, there have been some initiatives to establish campuses in the Mainland, especially in the Pearl River Delta. The Hong Kong Baptist University and Beijing Normal University jointly founded the United International College in Zhuhai with the approval of the Mainland's Ministry of Education. The University of Hong Kong has announced a plan to establish a campus in Shenzhen. The Chinese University of Hong Kong has signed a Memorandum of Understanding with the Shenzhen Municipal Government expressing its intent to enhance collaboration in education by establishing a campus in Shenzhen. The Hong Kong Polytechnic University has signed a Memorandum of Understanding with the Dongguan Municipal Government to conduct a feasibility study relating to education and research in Dongguan.

5.11 Although we support these efforts, we note the substantial resources, both human and financial, that will be needed to make any cross-border collaboration successful. In this regard, we would urge our institutions to balance the need to maintain standards in Hong Kong with the desire to expand their network in the Mainland.

5.12 Hong Kong institutions have also established partnerships with Mainland counterparts in research. Many have a research presence in the

Mainland of varying size and scope, and possibly in several different locations. Most prominently, 12 laboratories in UGC-funded institutions have been approved by the Ministry of Science and Technology as Partner State Key Laboratories in conjunction with the relevant State Key Laboratories in Mainland [E30]. State Key Laboratories carry out innovative research that takes into account the direction of national technology development, the national economy, social development and national security, contributing to the nation's scientific and technological development.

5.13 However, a significant limiting factor in the collaboration at State Key Laboratories in Hong Kong is the prohibition on the use of research funding from the Mainland by such laboratories outside the Mainland. It would require government-level negotiation to enable the flow of research funding in both directions, which would benefit institutions in both Hong Kong and the Mainland. This is discussed further in paragraphs 5.20 to 5.21 below.

THE IMPORTANCE OF THE PEARL RIVER DELTA

5.14 The Pearl River Delta is clearly an area of major opportunity for Hong Kong higher education, just as it is for Hong Kong more generally. The quality of higher education in Hong Kong can provide considerable added value to its hinterland. This strategic direction is enshrined in *The Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020)* [E1]. Cross-border institutional mobility will be the site of many future innovations, and has the potential to grow in terms of the volume of collaboration, established sites and number of students. Collaboration in the delivery of degrees or the creation of new academic locations can involve all types of post-secondary/higher education institutions, including UGC-funded and private institutions. Judging from experience elsewhere, relative proximity can be an important ingredient of success. It encourages the real participation of academic staff, understandably tied by family and perhaps research considerations; it facilitates a common identity between branches; it promotes the identification of common concerns and themes in study, teaching and research; and it will eventually foster real partnerships with reciprocal benefits.

5.15 The vitality (and thus ultimate success) of such developments will come from individual institutions leveraging their own strengths and pursuing their own objectives. This is true not just of initiatives in the Mainland but also more generally in internationalisation. We believe that it would be counter-productive to attempt to drive this from the outside. Nonetheless, it does appear that present collaborative efforts in particular are largely uncoordinated. There are greater synergies to be unlocked between Hong

Kong institutions. It would be desirable for there to be an inter-university forum (organised perhaps by the Heads of Universities Committee) to identify the opportunities for synergy and to disseminate best practices.

Recommendation 19:

Institutions should establish a clear strategy for developing different types of relationships with the Mainland, and in particular the Pearl River Delta.

ROLE OF THE GOVERNMENT

5.16 The Government has a crucial role to play in facilitating the developments that we have discussed. It needs to work with the Mainland authorities on cooperation agreements at the government level. This will provide more regulatory certainty to aspiring local institutions, and such agreements are necessary for their planning. Indeed, the creation of joint or double degrees with Mainland universities requires prior approval from the relevant Mainland authorities. Mainland regulations do not currently allow non-Mainland institutions or other organisations to establish educational institutions there without a Mainland partner. Compliance with local and national regulations may be laborious and demanding, and achieving clarity over mutually agreeable objectives is onerous for institutions.

5.17 The relationship with the Mainland is growing in a context of pressures on Hong Kong institutions from the introduction of the new four-year curriculum and its consequences. Hence, we believe that the success of this development requires the Government to root its stated objectives in the negotiation of a settled regulatory framework with Mainland authorities that acknowledges and enables the mutual benefit that deeper collaboration will bring to both Hong Kong and the Mainland.

FACILITATION OF CROSS BOUNDARY RESEARCH

5.18 The same opportunities and the same necessary role of the Government apply in the area of research. We discuss the condition and perspectives of Hong Kong research elsewhere in this report. Here, it is sufficient to say that Hong Kong research is of a high standard (as evidenced by international league tables and by the results of the local Research Assessment Exercise) and that the available funding for it is necessarily small, given the size of the tax-paying population, in comparison with large university systems (such

as that in Mainland China).

5.19 There is obvious fruitful research synergy between Hong Kong and the Mainland. In recent years, a burgeoning research budget has allowed higher education institutions in the Mainland to emphasise applied research in support of the nation's economic development, while at the same time strengthening basic research. In Hong Kong, the Government has also made significant investments in university research. Nonetheless, there are currently impediments in funding the obvious synergy. Research funding originating in Hong Kong cannot generally be used outside Hong Kong, and research grants awarded in Mainland China cannot be used to do work in Hong Kong. During our consultations, stakeholders in Hong Kong made it clear that the restriction on the trans-border use of funding is an impediment to more research collaboration with the Mainland. Of course, the establishment of campuses in the Mainland might eventually allow Hong Kong researchers to participate in Mainland research funding. However, this is not a solution to what can be done in research in the short to medium term for our universities.

5.20 The use of research money is a complex question engaging, amongst other matters, the interests of the taxpayers and issues of accountability. Nonetheless, we believe that the Government should work with the Mainland authorities to define the conditions under which some flexibility might be achieved for a two-way flow of some research funding. Some budget in institutions on both sides might be reserved for high-impact joint research collaboration. This will enable Hong Kong to contribute more effectively to the Mainland. In the Pearl River Delta, this will complement the existing cooperation schemes in the field of innovation and technology, including, for instance, the Shenzhen-Hong Kong Innovation Circle, the Partner State Key Laboratory Scheme and the Guangdong-Hong Kong Technology Co-operation Funding Scheme. It is also in line with the direction of promoting innovation and technology as set out in the *Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020)* [E1].

5.21 Hong Kong has the proven infrastructure to support the development of high technology industries, including amongst others its excellent university research. The Mainland is a vast potential market with an extensive manufacturing base, rich human resources and strong research capabilities. It is expected that with the increased flexibility, Hong Kong and the Pearl River Delta can further build on their respective advantages and provide a conducive environment for cooperation in a more profound and diverse manner. This will also reinforce Hong Kong's intermediary role in promoting technological cooperation between the Mainland and the rest of the world, through joint efforts with Mainland counterparts to attract more overseas

enterprises to conduct R&D projects in Hong Kong or in the Pearl River Delta.

Recommendation 20:

The Government should initiate negotiations with relevant authorities on the Mainland with a view to easing regulatory requirements in teaching and research collaboration with Mainland institutions, especially the portability of research funding.