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1. Introduction

Hong Kong, a former colony of Britain, and since 1997, one of the Special Administrative Regions (SAR) of China, has retained its autonomy in education as laid down in its mini-constitution the Basic Law. According to Article 5 of the Basic Law, “the previous capitalist system and way of life shall remain unchanged for 50 years” after the Handover of Hong Kong from Britain to China. Nevertheless, a series of reforms in Hong Kong's education systems were embarked to introduce national education in line with the change of sovereignty and to increase the territory's competitiveness in face of challenges brought by a globalized economy. Such measures have been the major concerns in reforming the primary and secondary education sectors, whereas enhancement of competitiveness is central to the reforms in the higher education sector. In order to position Hong Kong as an “education hub” and upgrade the human capital of the city in anticipation of a knowledge economy, the Hong Kong SAR Government and the higher education institutions have formulated progressive initiatives to create “world-class universities” while widening the access for higher education. Unlike reforms in primary and secondary sectors, most reforms in the higher education sector have received far less coverage by the media and thus gone unnoticed by the community-at-large although “competitiveness” is a well-received concept underlying the success of Hong Kong. With a closer look, we will, however, discover that continuous reforms at system level have been introduced in Hong Kong's higher education sector. Among them are reforms to massify higher education, enhance quality assurance, diversify funding sources and internationalization. This paper aims at highlighting the reforms in massification and quality assurance and discusses some of the major concerns arising from the reforms.

2. Education Reforms in the “One Country, Two Systems” Context

Before entering into the discussion of education reforms, one should be aware of the high degree of autonomy enjoyed by Hong Kong under the “One Country, Two Systems” principle. The principle, promising "a high degree of autonomy" and "Hong Kong People ruling Hong Kong," was enshrined in the Basic Law, the mini-constitution of the “Hong Kong Special Administrative Region (HKSAR)” that came into effect on 1 July 1997 when Great Britain handed over Hong Kong’s sovereignty to the People’s Republic of China.

Specifically in the realm of education, the Basic Law (Annex 1) stipulates that the HKSAR Government shall, on its own, formulate policies on the development and improvement of the education system, science and technology, and education institutions of all kinds may retain their autonomy and enjoy academic freedom (Articles 136-137, 139, BL, 1997).

The Education Bureau of the HKSAR Government is charged with the responsibility to formulate, develop and review policies, programmes and legislation in respect of education from pre-primary to tertiary level; and to oversee the effective implementation of educational programmes in HKSAR (EDB, 2009a). Whereas the Trade and Industry Department is charged with the responsibility for conducting Hong Kong's international trade relations, implementing trade policies and agreements including the negotiation of GATS (TID, 2009), despite HKSAR has not made any specific commitments in Education Services.

In practice, however, China’s rise as a new economic power in the world and the magnet for international investments makes it impossible for the business-oriented HKSAR to be independent from the influence of China and remain unchanged for the said 50 years. “Integration” between HKSAR and China led by economic activities followed by other aspects of life, has become the driving force for development of HKSAR. In higher education, integration with China includes the recruitment of Mainland Chinese students, the establishment of branch campuses or research institutes in China, and applications to establish national key laboratories or institutions in HKSAR, etc. Despite the substantial difference in

terms of “academic freedom” between HKSAR and Mainland Chinese institutions, mobility between faculty members has also seen a tremendous increase. Scholars are eager to conduct research projects in China context or establish links with Chinese partners for research and teaching purposes.

On the other hand, being one of the powerhouses of globalization in the Nylonkong delta (New York, London, Hong Kong) coined by Time Magazine (TM, 2008), HKSAR embraces globalization and thus is well aware of the need for internationalization and massification of higher education in order to develop the city as an “education hub” and to provide its economy a well-trained workforce to compete in the global knowledge economy. Enhancement of competitiveness therefore tops the agenda of higher education reforms and is well-received by the institutions and general public.

In short, HKSAR’s higher education reforms under the principle of “One Country, Two Systems” have been navigating between the territory’s promised autonomy in education affairs and the urge for integration with China, and at the same time, responding to the challenges of globalization. The following sections shall highlight major higher education reforms in HKSAR with special attention paid to the peculiar relations between HKSAR, China and other global players in higher education.

3. Massification of Higher Education

3.1 New University or Upgraded Universities

Until early 1990s, Hong Kong had only two universities – the University of Hong Kong (HKU) established in 1910 and The Chinese University of Hong Kong (CUHK) established in 1963. Universities were regarded as “training grounds for civil servants, professionals and urban elites”. By 1981, only two percent of the relevant age group occupied a university place, which gradually grew to eight percent in 1989 (Postiglione, 2007).

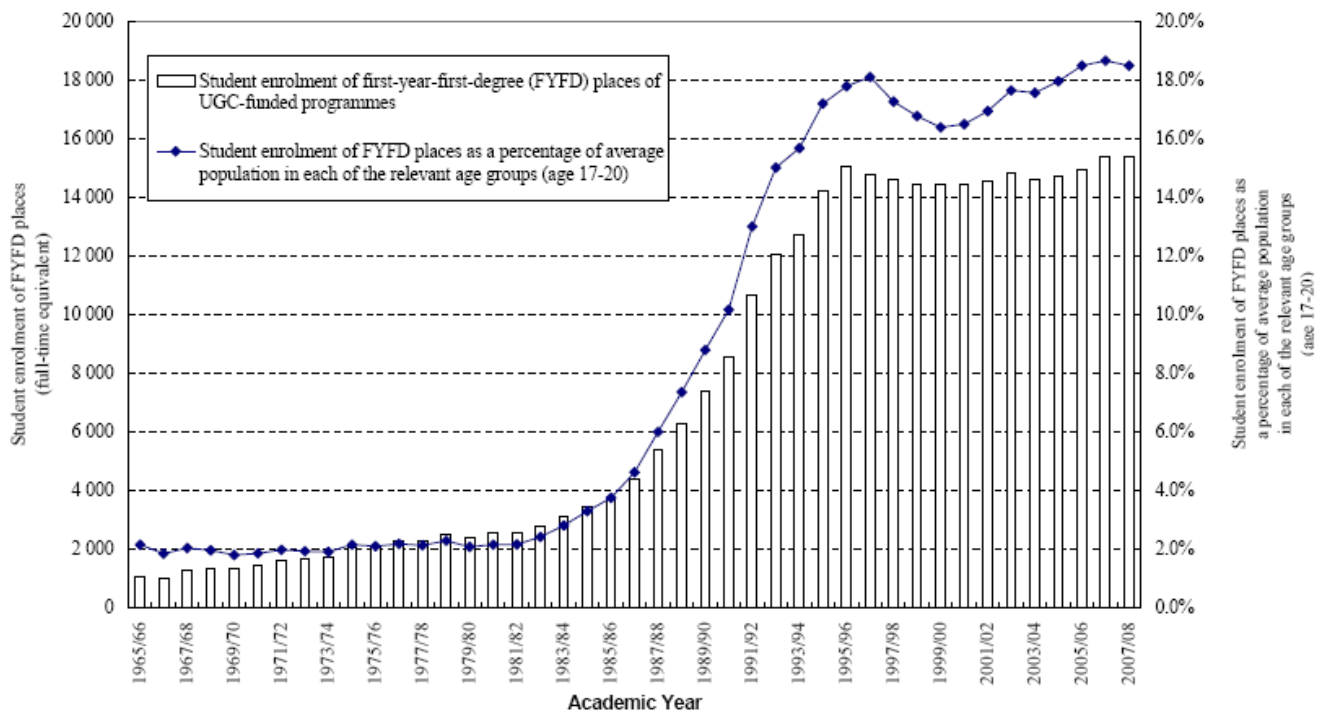
In view of an outflow of professional talents who were uncertain about Hong Kong's future after the reunification, the HKSAR Government announced in October 1989 its decision to undertake a massive expansion of university education by 1994-95. As a result, the participation rate in university education reached 18% as planned, with universities providing 14,500 first year, first degree (FYFD) places for the 17-20 age group in 1994-95 (UGC, 1993). This was mainly achieved by establishing the Hong Kong University of Science and Technology (HKUST) in 1991 and granting full university status to a college and two polytechnics in 1994-95. Hong Kong Baptist University (HKBU), originally founded in 1956, and The Hong Kong Polytechnic University (PolyU), originally founded in 1972, were granted full university status in November 1994, and the City University of Hong Kong (CityU), founded in 1984, was granted full university status in January 1995.

Following the expansion in 1994-95, Lingnan University (LU), founded in 1967, was also granted full university status in 1999, whereas the Open University of Hong Kong (OpenU), founded in 1989, and Hong Kong Shue Yan University (SYU), founded in 1971, were granted university status in 1997 and 2006 respectively as self-financing universities. Today, there are eight higher education institutions in HKSAR funded by the University Grants Committee (UGC) within the purview of the Education Bureau. They include the above seven universities and the Hong Kong Institute of Education (HKIE) which could award degrees but has not been granted a university status. Together with the two private universities OpenU and SYU, the self-financing Chu Hai College of Higher Education and the publicly-funded Hong Kong Academy for Performing Arts, HKSAR has now a total of 12 degree-awarding higher education institutions (EDB, 2009b).

Despite the fact that more higher education institutions were granted full university status since 1994-95, the number of FYFD places provided by UGC-funded institutions has been capped at around 15,000. In 2007-08, the number of FYFD places is 15,427 catering for about 18.5% of the 17-20 age group (Figure 1) (UGC, 2009e). To further expand higher education

participation in HKSAR without creating more publicly-funded places, the HKSAR government has resorted to self-financing programmes and privatization of higher education institutions.

Figure 1. Student Enrollment of First-year-first-degree (FYFD) Places of UGC-funded Programmes 1965-66 to 2007-08



Source: University Grants Committee, HKSAR

3.2 Self-financing Associate Degree Programmes

Aiming to massify HKSAR's higher education, the Chief Executive of the HKSAR announced in his 2000 Policy Address that 60% of the 17-20 age cohort would be enrolled in higher education by the year 2010. To achieve the target, the HKSAR government introduced in the same year local self-financing associate degree programmes to augment the traditional vocational-oriented and profession-specific higher diploma that have been offered by publicly-funded institutions like PolyU and CityU. Associate degree programmes are commonly offered by community colleges in the United States and Canada, whereas diploma programmes in the United Kingdom or and other Commonwealth countries. The two types of programmes coexist, but students of self-financing associate degree outnumbered the students

of publicly-funded diploma programmes. In order to encourage enrolment in associate degree programmes, Means-tested Grant / Loan Scheme and Non-means-tested Loan Scheme under the administration of Student Financial Assistance Agency were also expanded to cover full-time, local HKSAR students pursuing accredited self-financing associate degree programmes in 2001-02 (EDB, 2008).

As a result, the total supply of self-financing sub-degree places had increased by nine-fold during the period from the 2000-01 to 2005-06 academic years and the overall higher education participation rate for the 17-20 age cohort doubled in five years' time, from 33% in the 2000-01 academic year to 66% in the 2005-06 academic year. After 2005-06, the self-financing sub-degree sector has entered into a period of consolidation, with the number of self-financing higher education providers stabilizing at around 20 and the number of places at around 23,000 to 24,000 (EDB, 2008). As evident in Table 1 (EDB, 2008) below, the self-financing sub-degree sector and its by-product self-financing degree programmes have contributed a lion's share in the massification of higher education in HKSAR with their exponential growth over the years, while the number of publicly-funded places remains more or less constant.

Table 1. Supply of Full-time Post-secondary Places at Intake Level in 2000-01 to 2006-07 Academic Years

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Bachelor's Degree							
Publicly-funded	14601	14582	14590	14586	14584	14600	14600
Self-financing	0	245	490	958	1922	2550	2465
<i>Sub-total</i>	<i>14601</i>	<i>14827</i>	<i>15080</i>	<i>15544</i>	<i>16506</i>	<i>17150</i>	<i>17065</i>
Sub-degree							
Publicly-funded	6929	7208	8511	9527	9391	8850	7683
Self-financing	2468	5951	7752	10032	16362	23334	24085
<i>Sub-total</i>	<i>9397</i>	<i>13159</i>	<i>16263</i>	<i>19559</i>	<i>25753</i>	<i>32184</i>	<i>31768</i>
Total	23998	27986	31343	35103	42259	49334	48833

Source: Education Bureau, HKSAR

3.3 Problems and Possibilities

The massification of higher education through the introduction of self-financing associate degree programmes has created two major problems: articulation and quality assurance. Each year, there are over 20,000 graduates from self-financing associate degree programmes, but the number of senior year graduate places available for them to earn a Bachelor's degree is very limited. According to the objective of the Education Bureau, the UGC-funded institutions will provide a total of 2,894 senior year undergraduate places for graduates of sub-degree programmes and students with other qualifications in 2008-09. This is a response to an outcry that self-financing associate degree holders, after spending a fortune, only find themselves not gaining entry to a local university or not being able to find work in the relevant fields (SCMP, 2008a). Together with the emerging self-financing degree sector, some 5,500 places may be available for sub-degree holders. Nevertheless, majority of sub-degree holders still has no chance in attaining a bachelor's degree either because they cannot afford the tuition of self-financing degrees or gain entry to publicly-funded places. This has resulted in massive disillusionment of associate degree graduates who perceived associate degree programmes as bridging courses for a bachelor's degree.

Other than the lack of articulation routes, associate degree graduates also face the problem of unemployment because their trainings are generic rather than professional trainings targeting a specific industry. Unlike the traditional publicly-funded higher diploma programmes, which have over 35 years of history in Hong Kong and thus well-recognized for their vocational and professional values in specific industries, employers and the general public in HKSAR have insufficient recognition and confidence in the quality of self-financing associate degree graduates. "With over 20 providers of self-financing sub-degree programmes, competition among course providers and financial pressure have given rise to concerns about the quality of the sub-degree sector, in terms of programme quality, quality of teaching staff and facilities, as well as quality of students and graduates" (EDB, 2008). News about course providers

indiscriminately admitting students who do not meet minimum entry standards, relaxing exit standards, or providing courses that have not been accredited by the relevant professional body such as the Nursing Council (SCMP, 2008a) dealt a further blow on the confidence of employers and general public in associate degree graduates.

To resolve the problem of articulation, further development of self-financing degree programmes or private universities, as well as reviewing the current 18% publicly-funded FYFD limit, appear to be possible solutions. In the *Report of the Phase Two Review of the Post Secondary Education Sector 2008* commissioned by the Education Bureau, it is recommended that “Subject to resources availability, suitable support measures, such as land grant at nominal premium for campus development and possible one-off grants for self-financing universities to upgrade their facilities might be provided.” The recommendation was made with reference to the establishment of Hong Kong’s first private university, Shue Yan University (SYU) which was provided with \$200 million by the government for the setting up of a General Development Fund to support the long-term development of the university (EDB, 2008). Shortly afterwards, the Legislative Council of HKSAR passed a motion on 10 December 2008 to “raise the limit of university places for publicly-funded bachelor's degree programmes to allow more students...to enroll in publicly-funded degree programmes, so as to ease the long-standing shortage of articulation places in bachelor's degree programmes for sub-degree graduates, and at the same time, encourage the provision of more private university places to alleviate problems” (LegCo, 2008a). This indicates the government’s intention to encourage the establishment of private universities in HKSAR on top of increasing degree places in publicly-funded institutions. A private college Hang Seng School of Commerce has already pledged to make the college a private university by 2012 claiming that it has the land and facilities to become a private university (SCMP, 2008b) and the community colleges affiliated with UGC-funded institutions are believed to have interest and potential in turning themselves into private universities as well.

In anticipation of further proliferation of self-financing programmes and private universities, the problem of standards and quality becomes imminent. There are calls for more government regulations over the self-financing higher education sector by introducing more stringent quality assurance mechanisms. The *Report of the Phase Two Review of the Post Secondary Education Sector 2008* acknowledges that “improving the quality of the self-financing post-secondary sector is most critical and crucial to ensuring the healthy and sustainable development of the sector in the long run”. It also recommended that “improving quality and transparency, should be implemented as a matter of priority.” This will be discussed in detail in the following section.

4. Quality Assurance of Higher Education

To prepare HKSAR for global competitions in a knowledge-based economy and develop the city as an “education hub”, massification, marketization and privatization of higher education are expected to be the ways forward. These new trends in higher education have raised social concern about the quality of higher education (Mok, 2000) followed by the calls for more rigorous and systematic mechanisms to ensure the quality of both publicly-funded and self-financing programmes. Institutions have started to adopt a “corporate management” approach at the turn of the century (Chan & Mok, 2001) and step up their internal quality assurance measures covering administration, teaching and research. Notions such as quality education, accountability, choice, competition, quality assurance and responsiveness have become increasingly popular among education policy-makers (Mok & Tan, 2004). New quality assurance measures at system level have also been introduced indicating more central planning and control on higher education quality.

4.1 Quality Assurance Initiatives for Self-financing Sub-degree Programmes

Similar to UGC-funded degree programmes, quality assurance measures have been in place in the sub-degree sector in HKSAR. Sub-degree programmes provided by self-accrediting universities in HKSAR must undergo the universities' own internal quality assurance mechanisms as for regular degree programmes; and programmes offered by non-self-accrediting institutions have to be validated by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ). As for programmes provided by non-local providers, they must be registered under the Non-local Higher and Professional Education (Regulation) Ordinance (Cap. 493) which came into effect in June 1997 to address the issue of standards and quality by ensuring that the institutions are recognized in their home country and that the courses provided are “maintained at a level comparable with a course conducted in the home country leading to the same qualification and is recognized as such by that institution, the academic community in that country and the relevant accreditation authority in that country (if any)” (EDB, 2008c).

Nevertheless, the proliferation of self-financing associate degree programmes in recent years provided by private institutions and the self-financing arms of UGC-funded institutions has called for a more stringent control of quality to increase the recognition and confidence of employers and the community in associate degree graduates. Quality assurance is also seen as an important justification for possible extension of government subsidy to provide more articulation routes to enable the graduates' attainment of a bachelor's degree.

In response to the concern of quality, in August 2005, the Joint Quality Review Committee (JQRC) was established to oversee the quality assurance matters of the self-financing sub-degree programmes offered by the UGC-funded institutions and their self-financing arms (EDB, 2008). In 2007, an Information Portal for Accredited Self-financing Post-secondary Programmes (IPASS - www.ipass.gov.hk) was also launched to promote enhanced transparency and easy access of sub-degree programme information for the reference of the

students and public (IPASS, 2009).

In 2008, the Education Bureau released the *Report of the Phase Two Review of the Post Secondary Education Sector* recommending joint efforts by the various quality assurance committees and agencies to enhance the comparability of their quality assurance mechanisms and to strengthen their quality assurance process for course providers, paying particular attention to ensuring compliance of admission and exit standards. It also recommended that government funding schemes should be geared “towards quality enhancement rather than increasing the supply of sub-degree places further” and government loans be extended to students enrolled in programmes offered by non-local institutions in HKSAR provided that these institutions “seek accreditation locally for their non-local degree (and top-up degree) programmes” (EDB, 2008).

Moreover, the Qualifications Framework (QF), a statutory body was introduced by the HKSAR Government in May 2008. It is believed that QF will “provide a common platform for benchmarking quality-assured non-local and local courses, as non-local programmes offered in Hong Kong, irrespective whether they are registered or exempted under Cap. 493, will have to undergo accreditation by the HKCAAVQ in order that they can be uploaded onto the Qualifications Register and be recognized under the QF” (EDB, 2008).

Based on the above described, it is obvious that quality assurance has topped the agenda of future development of sub-degree sector in HKSAR and an overarching framework of quality assurance has been developed to tighten quality control of programmes offered by both local and non-local non-self-accrediting providers. The same is happening to the self-accrediting UGC-funded institutions.

4.2 Quality Assurance Initiatives for UGC-funded Institutions

In April 2007, the HKSAR Government established a semi-autonomous non-statutory body, the Quality Assurance Council (QAC), under the aegis of UGC to “assist the UGC in

providing third-party oversight of the quality of the institutions' educational provision” and “assist the UGC in assuring the quality of programmes (however funded) at first-degree level and above offered by UGC-funded institutions”. The Council was established “in view of institutional expansion of their activities and a growing public interest in quality issues” (QAC, 2009a) and seeks to fulfill the task primarily by undertaking periodic quality audits of the institutions.

HKSAR “is the first among East Asian societies to impose quality measures to monitoring the higher education sector” (Mok, 2002). UGC-funded higher education institutions have been subject to ad hoc quality assurance reviews overseen by the UGC since 1990s, even though higher education institutions in HKSAR are largely self-regulating and self-accrediting. The Research Assessment Exercises (RAEs) conducted in 1994, 1996, 1999 and 2006 were to enhance the quality and productivity of research. The Teaching and Learning Quality Process Review conducted in 1997 and 2003 were to assist institutions to maintain accountability for the quality of teaching and learning and UGC’s consideration of the triennial funding, on the basis of the review outcomes (UGC, 2009a). The Management Reviews (MRs) conducted in 1999 and 2000 were to examine the management processes of individual institutions (UGC, 2009a).

There are also various funding schemes to steer institutions towards targeted areas for quality improvement and innovation. These are: Performance and Role-related Funding Scheme, the Common English Proficiency Assessment Scheme, The Teaching Development Grants and Language Enhancement Grants (UGC, 2009b). In 2007, an inter-institutional task force was set up. It provided additional funds to UGC-funded institutions to encourage them to adopt “outcome-based approaches” to judge whether the processes and deployment of resources are effective in enabling students to achieve the intended student learning outcomes (UGC, 2009c).

As shown above, the establishment of QAC is not the first step of the HKSAR to ensure quality of its publicly-funded higher education institutions, but a signal of the HKSAR's attempt to introduce a high-level quality assurance framework in order to push its quality assurance standard to an internationally recognized level. It is not a mere answer to internal social concern of the accountability of publicly-funded institutions which have expanded their offering of self-financing sub-degree and Master's programmes, but it also responds to the international trend in introducing a national quality assurance system "to improve the quality of their (its) educational services so that they can be more competitive in order to cater for the demands in the international markets" (Chan & Mok, 2001). This is reflected in appointments of Mr. Philip CHEN Nan-lok, Chairman, John Swire & Sons (China) Limited, one of the most well-known figures in the business sector of the city and foreign QAC auditors from countries which are active in exporting education services, namely, the United Kingdom, United States, Australia and New Zealand (Annex 2).

The force of marketization could be said to be the reason behind new initiatives of quality assurance as the HKSAR Government is proactively preparing its higher education institutions to compete internationally in education services. It is clearly stated in the UGC Policy that UGC 'sees the Hong Kong higher education sector serving as "the education hub of the region" driving forward the economic and social development of Hong Kong, in the context of our unique relationship with Mainland China and the region" (UGC, 2009d).

HKSAR, a World Trade Organization (WTO) member, has not made any specific commitment on Education Services under the General Agreement on Trade Services (GATS) and is hardly visible in this service area internationally. But China, which is a separate member WTO, has committed to liberalize "Commercial Presence" of foreign service suppliers to establish, operate or expand a physical operation in the Member's territory, such as a branch, agency, or wholly-owned subsidiary (EI, 2006). Given the special political and cultural relations between China and HKSAR, whose biggest trading partner is China, one

may predict that HKSAR will likely have an edge in exporting education services to China. However, China's open door to other WTO members implies that HKSAR's institutions will have to compete internationally on its motherland with foreign service-providers. Internationally recognized quality, ranking or branding therefore appear to serve well the marketing and recruitment purposes either in China or other regions of the world.

4.3 Problems and Possibilities

The massification of higher education through the introduction of self-financing associate degree programmes, the prospect of introducing more private universities into the higher education sector and the potential of developing Hong Kong into an "education hub" have together called for more stringent and comprehensive quality assurance mechanisms to ensure the quality of academic programmes and institutions in HKSAR.

After the rapid expansion of associate degree programmes between 2000-06, there is a general consensus that quality should come first in the further development of the associate degree sector. More rigorous quality assurance efforts by the government and the institutions are seen as necessary to improve the employment and continuing education prospects of associate degree graduates. It is believed that "without assurance of quality, bosses and universities are, understandably, wary of taking on these (associate degree) graduates" (SCMP, 2008a). And, on the basis improved quality, the government could then "consider offering financial assistance to AD (associate degree) graduates who are up to standards so that they can earn their bachelor's degrees" (MP, 2006). The HKSAR government's announced intention to allow more private universities in the sector also encourages community colleges and associate degree programme providers aiming to become private universities to take a more stringent approach in assessing the entry and exit standards of their associate degree students. Since after the establishment of Shue Yan University, the first private university in Hong Kong, in 2006, there is a general consensus that private universities could be introduced to

provide more university places to students who are up to standard to earn a bachelor's degree and to offer students more choices of institutions, since it is unlikely that the HKSAR government will invest further to establish more publicly-funded institutions. In that connection, quality of private universities has been highlighted in the discussions of such possibility in diversifying the higher education sector. Prof. Gerard Postiglione, Professor of Education at HKU, has warned that introducing private universities must be handled with care, as he says, “[we] need to avoid the establishment of pseudo-universities because, internationally, there are a number of these institutions running around. By that I mean universities which are largely established for profit ... they could take Hong Kong down in terms of its reputation for providing quality higher education”, he said. (SCMP, 2008b). The Standard, another Hong Kong newspaper, also pointed out that “it would be important to bear in mind that quality is vital and we must safeguard it” (The Standard, 2008).

In other words, quality assurance reforms in the sub-degree sector are seen both as the response to increased social and academic recognitions of associate degrees as well as a pre-condition for establishing more private universities in HKSAR. Therefore, it does not only require efforts at institutional level, but the issue of quality is also elevated to a system level which government involvement has been sought. Apart from introducing the Qualifications Framework in May 2008, a Tripartite Liaison Committee comprising Education Bureau, the Joint Quality Review Committee and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications was established “to provide a forum for discussing quality-related issues concerning the sub-degree sector and to enhance comparability of the quality assurance mechanisms and the programmes offered by institutions with or without self-accrediting status” (LegCo, 2008b).

To conclude, even though the sub-degree sector in HKSAR is composed largely of private institutions or self-financing arms of publicly-funded institutions, HKSAR government has been increasingly involved in the consolidation of quality and quality assurance mechanisms

in the sector. More centralized and high-level monitoring of quality by the government is seen as positive intervention to regulate the chaotic self-financing sub-degree markets so as to enhance the quality and recognition of sub-degrees, especially associate degrees. Little resistance to the government's intervention is reported.

In the UGC-funded institutions, one could however expect more sensitivity in the government's attempts to introduce more rigorous and centralized quality assurance system. By and large, UGC-funded institutions are self-accrediting and self-regulating and that the tradition of "academic freedom" has been guaranteed and protected by Article 137 of the Basic Law, which reads "Educational institutions of all kinds may retain their autonomy and enjoy academic freedom" (BL, 1997). Therefore, when establishing the Quality Assurance Council (QAC) in April 2007 as an agency to provide third-party oversight over higher education institutions, the government consciously justified that it is an "international practice and part of a global trend" to do so. References were made to practices in Australia (i.e. the Australian Universities Quality Agency (AUQA)), New Zealand (i.e. the New Zealand Universities Academic Audit Unit (NZUAAU)), and the UK (Quality Assurance Agency for Higher Education (QAA)). It was made clear that that quality audit is vital in boosting global competitiveness of UGC-funded institutions and their graduates.

"The QAC, through its audit process, aims to give confidence, in general, to students and their parents, employers and sponsors, that our institutions provide a quality and internationally recognised student learning experience. The process helps assure that degrees awarded by our institutions are comparable to those offered in overseas jurisdictions. Our audits signal to our international peers that UGC-funded institutions are internationally competitive in higher education, and help attract students and faculty from outside Hong Kong to study and work at our institutions." (QAC, 2009b)

The international orientation of setting up the QAC echoes HKSAR government's plan to establish the territory as the "education hub" that attracts international students and faculty. It could be viewed as the groundwork of international marketization of higher education in HKSAR. Indeed, there is a "global model of quality policy in higher education (has) emerged through professional mechanisms, such as annual conferences and the international circulation of professionals, as well as through the influence of international organizations, such as the Organisation for Economic Cooperation and Development (OECD) and the International Network of Quality Assurance Agencies in Higher Education (INQAAHE) (Henry et al. in Huisman, J. and Currie, J. (2004)). But the establishment of a separate national quality assurance agency signaled more HKSAR's direction in developing its higher education sector towards the "marketized corporate university" model following the footsteps of Australia, New Zealand and the UK.

Educational practitioners and academics, especially those in the older generation, are wary of such a trend. They "have found themselves caught up in the processes of marketization and academic capitalization" "working in a policy context in which the quest for quality, efficiency and effectiveness is emphasized" (Mok, 2002). They have also felt the same "sense of demoralization and deprofessionalization" as their counterparts in Australia since "quality" is usually quantified by simple performance indicators of research output and teaching performance (Mok, 2000).

Moreover, because of the international orientation of quality measurements, publications in internationally recognized journals weigh more than those in local, Chinese language journals. As a result, academics publishing in Chinese or conducting research of local context may find themselves disadvantaged in the quality measurements. This has indirectly tilted the academics' choice of research areas and venues for publication, especially those in the humanities and social sciences. The number of research projects in the context of Greater China instead of the HKSAR alone has been on the increase, not so much a result of the

reunification of HKSAR and China, but the fact that international journals generally have greater interest about China than Hong Kong itself. Such a shift of emphases in academic research in response to the quality measurement criteria has a positive outcome of increased international exposure and recognition of HKSAR academics' research. Nevertheless, it also hinders the development of Chinese language academic journals and research with local context which is important in shaping the identity of the territory under the "One Country Two Systems" principle.

As for impacts at institutional level, quality assurance exercises have instilled internal competitions among institutions. This is especially so in the case of research funding allocated on competitive basis such as the General Research Fund. "University management emphasizes the amount of funding it wins per year" (Postiglione, 2007) and encourages collaborations with counterparts overseas instead of local higher education institutions. Again, that helps to broaden the international network of HKSAR academics but hinders the creation of synergy among local academics.

In relation to research with local context and over competition among higher education institutions, the HKSAR government has introduced through the Research Grant Council the "Restructuring and Collaboration Fund (RCF)" in 2004, aiming "to encourage deep collaborative relationships among the UGC-funded institutions, which can help build greater synergy, create greater critical mass, lift academic and research performance, enhance management support and generate cost savings which could in turn be used for enhancing quality in the higher education sector." During the 2005-08 triennium, HK\$414.9 million was allocated for this purpose. The Public Policy Research Funding (PPRF), with an annual budget of HK\$20 million, was also introduced first in 2005 to support Public Policy Research that will have explicit policy implications on public policy development in Hong Kong (CityU, 2009).

While the PPRF has entered its 7th round in 2008, the RCF does not call for a second round of applications. With this in view, funding allocations may help in balancing the emphases tilted by quality assurance measurements. In other words, through reforms in quality assurance and funding allocation at system level, the UGC has been exerting increasing influences through QAC's audits and RGC's competitive funds on university management and research emphases. These are indirect influences on "academic freedom" and "institutional autonomy" which are conveniently justified as international and global trends. Therefore, even though the academics are not in favor of the reforms in the direction of marketization and quantitative measurement of quality, they have been cooperating with the university management to meet the government's goals to improve and internationalize HKSAR's higher education institutions, unless they opt out of the system.

5. Conclusion

Since after the handover of Hong Kong's sovereignty from Great Britain to the People's Republic of China, a series of education reforms at all levels have been introduced under the principle of "One Country, Two Systems". The most significant reform at system level in the higher education sector was the massification of higher education through the introduction of associate degree programmes that boosted the higher education participation rate of the 17-20 age cohort from 16% in 2000 to 66% in 2006. Community colleges and private institutions were introduced and encouraged to offer associate degree programmes in the sub-degree sector on self-financing basis.

On the other hand, publicly-funded FYFD bachelor's degree enrollment rate has been capped at around 18% of the relevant age cohort since 1994-95. The diversification of higher education institution types to allow private universities in the higher education sector is thus seen as a way forward to absorb students who are eligible to earn a bachelor's degree but denied university entries. The first private university therefore appeared in HKSAR in 2006

through upgrading Shue Yan College, and it is expected that some community colleges and private institutions will soon enter the sector following Shue Yan.

In connection to the massification of higher education, expected increase in private universities, and the HKSAR's announced goal to develop the territory as the "education hub" in the Asia-Pacific region, reforms on quality assurance become imminent in the recent years. The HKSAR government was urged to introduce more stringent quality assurance mechanisms at higher level to regulate the private sub-degree sector in view of the public's lack of confidence and recognition of associate degree graduates. The prospect of having more private institutions and private universities competing in the higher education sector has also aroused public discussions on how entry and exist standards to private educational programmes should be assessed in a standardized manner that will be recognized by employers and peer institutions.

Quality assurance of UGC-funded higher education institutions has also been a focus of higher education reforms affecting university management style and often research funding allocations. Unlike the self-financing sub-degree sector, UGC-funded higher education institutions have been self-accrediting and self-regulating. Institutional autonomy and academic freedom have been the core values in university management and the academia. Academics do not expect to be intervened by the government or management on academic matters. In spite of such sensitivity, a centralized Quality Assurance Council was established in 2007 to give a third party oversight of all UGC-funded institutions conveniently justified an "international practice and part of a global trend". One can expect that academics at UGC-funded institutions may not welcome the existence of such a centralized quality control mechanism as much as that in the sub-degree sector since a centralized quality assurance system either through quantitative measurements or funding allocations will have indirect impacts on the research emphases and publication options of the academics.

However, HKSAR academics, well aware of top down approach in education reforms and the

importance of Hong Kong's perceived competitiveness have been cooperating with the university management to meet the government's goals despite not buying in the idea of marketization of higher education and the quantitative measurement of the quality of their output.

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Appendix

Annex 1

Basic Law of the Hong Kong Special Administrative Region of People's Republic of China

Source: http://www.basiclaw.gov.hk/en/basiclawtext/chapter_6.html

Article 136

On the basis of the previous educational system, the Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on the development and improvement of education, including policies regarding the educational system and its administration, the language of instruction, the allocation of funds, the examination system, the system of academic awards and the recognition of educational qualifications.

Community organizations and individuals may, in accordance with law, run educational undertakings of various kinds in the Hong Kong Special Administrative Region.

Article 137

Educational institutions of all kinds may retain their autonomy and enjoy academic freedom. They may continue to recruit staff and use teaching materials from outside the Hong Kong Special Administrative Region. Schools run by religious organizations may continue to provide religious education, including courses in religion.

Students shall enjoy freedom of choice of educational institutions and freedom to pursue their education outside the Hong Kong Special Administrative Region.

Article 139

The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on science and technology and protect by law achievements in scientific and technological research, patents, discoveries and inventions.

The Government of the Hong Kong Special Administrative Region shall, on its own, decide on the scientific and technological standards and specifications applicable in Hong Kong.

Article 148

The relationship between non-governmental organizations in fields such as education, science, technology, culture, art, sports, the professions, medicine and health, labour, social welfare

and social work as well as religious organizations in the Hong Kong Special Administrative Region and their counterparts on the mainland shall be based on the principles of non-subordination, non-interference and mutual respect.

Article 149

Non-governmental organizations in fields such as education, science, technology, culture, art, sports, the professions, medicine and health, labour, social welfare and social work as well as religious organizations in the Hong Kong Special Administrative Region may maintain and develop relations with their counterparts in foreign countries and regions and with relevant international organizations. They may, as required, use the name "'Hong Kong, China'" in the relevant activities.

Article 151

The Hong Kong Special Administrative Region may on its own, using the name "'Hong Kong, China'", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.

Annex 2

Quality Assurance Council - Register of Auditors

Source: <http://www.ugc.edu.hk/eng/qac/auditors/auditors.htm>

Name	Position	Organisation
<u>ADAMSON,</u> Dr Bob	Head, Department of Curriculum and Instruction	The Hong Kong Institute of Education
<u>BASSNETT,</u> Professor Susan	Pro-Vice-Chancellor and Professor of Comparative Literature	University of Warwick
<u>BRENNAN,</u> Professor John	Director of the Centre and Professor of Higher Education Research	The Open University (UK)
<u>CHAN,</u> Professor T S	Associate Vice-President (Administration and Planning) and Shun Hing Chair Professor of Marketing	Lingnan University
<u>CHAN WONG,</u> Dr Anissa Lai-kuen, MH, JP	Principal	St Paul's Co-educational College
<u>CHENG,</u> Professor Joseph Yu-shek	Chair Professor of Political Science	City University of Hong Kong
<u>CHIANG,</u> Dr Lily	Industrialist and Entrepreneur	Eco-Tek Holdings Ltd
<u>CUE,</u> Professor Nelson	Emeritus Professor	The Hong Kong University of Science and Technology
<u>DEMOKAN,</u> Professor Suleyman	Vice-President (Academic Development)	The Hong Kong Polytechnic University
<u>DILL,</u> Professor David	Professor of Public Policy	University of North Carolina at Chapel Hill
<u>FU,</u> Professor Frank Hoo-kin	Associate Vice-President and Dean of Social Sciences	Hong Kong Baptist University
<u>GOEDEGEBUURE,</u> Dr Leo	Associate Professor, School for Business, Economics and Public Policy (BEPP)	University of New England, New South Wales
<u>HARRIS,</u> Professor Robert	QAA Assistant Director and Emeritus Professor	University of Hull

<u>HOLLAND,</u> Professor Susan	Adjunct Professor (Learning and Professional Practice), School of Education	Edith Cowan University (ECU), Western Australia
<u>JAMIESON,</u> Professor Ian	Pro-Vice-Chancellor (Learning and Teaching)	University of Bath
<u>KENNEDY,</u> Professor Kerry	Acting Vice-President (Academic)	The Hong Kong Institute of Education
<u>LAM,</u> Professor Paul	Acting Vice-President for Undergraduate Education	City University of Hong Kong
<u>LEE,</u> Professor John Chi-kin, JP	Dean of the Faculty of Education	The Chinese University of Hong Kong
<u>LEE,</u> Professor William Keng-mun	Associate Vice-President (Academic Affairs) and Professor of Sociology	Lingnan University
<u>LEUNG,</u> Ir Edmund K H	Executive Director	Hsin Chong Construction Group Limited
<u>LI,</u> Mr Laurence L	Barrister-at-law	Temple Chambers
<u>LISTER,</u> Professor Andrew	Consultant and Emeritus Professor	University of Queensland
<u>LO,</u> Mr Wing-hung	Chief Executive Officer	Sing Tao News Corporation Limited
<u>MAK,</u> Professor Arthur F T	Associate Vice-President (Academic Development)	The Hong Kong Polytechnic University
<u>MAK,</u> Professor Diana Ping-see	Consultant and Honorary Professor	The Hong Kong Polytechnic University
<u>McNAUGHT,</u> Professor Carmel	Director of the Centre for Learning Enhancement And Research (CLEAR)	The Chinese University of Hong Kong
<u>McVICAR,</u> Dr Malcolm	Vice-Chancellor	University of Central Lancashire, UK
<u>MOORE,</u> Dr Phillip John	Former Associate Vice-President (Curriculum and Quality Assurance)	The Hong Kong Institute of Education
<u>PONG,</u> Professor T C	Associate Vice-President for Academic Affairs, and Professor of Computer Science and Engineering	The Hong Kong University of Science and Technology
<u>ROBERTS,</u> Professor Gareth	Emeritus Professor	University of Wales, Bangor
<u>ROBINSON,</u> Professor Brian	Emeritus Research Professor	University of Otago, New Zealand
<u>WALDER,</u> Professor Andrew	Professor of Sociology and Senior Fellow	Stanford University

<u>WEBB,</u> <u>Professor Graham</u>	Deputy Vice-Chancellor	University of New England
<u>WINCHESTER,</u> <u>Professor Hilary</u>	Pro-Vice-Chancellor and Vice-President	University of South Australia
<u>YIP,</u> <u>Professor Terry Siu-han</u>	Head, Department of English Language and Literature	Hong Kong Baptist University
<u>YOUNG,</u> <u>Professor Enoch C M</u>	Director Emeritus, Special Advisor to the Director, and Chief Advisor	HKU SPACE

Abbreviation Key

AD - Associate Degree

AUQA - Australian Universities Quality Agency, Australia

CityU - City University of Hong Kong

FYFD - First year, first degree

GATS - General Agreement on Trade Services

HKBU - Hong Kong Baptist University

HKCAAVQ - Hong Kong Council for Accreditation of Academic and Vocational Qualifications

HKIE - Hong Kong Institute of Education

SYU - Hong Kong Shue Yan University

HKSAR - Hong Kong Special Administrative Region

HKUST - Hong Kong University of Science and Technology

IPASS - Information Portal for Accredited Self-financing Post-secondary Programmes

INQAAHE - International Network of Quality Assurance Agencies in Higher Education

JQRC - Joint Quality Review Committee

LU - Lingnan University

MRs - Management Reviews

NZUAAU- New Zealand Universities Academic Audit Unit

OpenU - Open University of Hong Kong

OECD - Organisation for Economic Cooperation and Development

PPRF - Public Policy Research Funding

QF - Qualifications Framework

QAA - Quality Assurance Agency for Higher Education, UK

QAC - Quality Assurance Council

RAEs - Research Assessment Exercises

RCF - Restructuring and Collaboration Fund

CUHK - The Chinese University of Hong Kong

PolyU - The Hong Kong Polytechnic University

UGC - University Grants Committee

HKU - University of Hong Kong

WTO - World Trade Organization