Can Hong Kong export its higher education services to the Asian markets?

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Abstract   Internationalization becomes increasingly important in higher education in a globalized world. Exporting higher education services by recruiting overseas students is an integral facet of internationalization of higher education. It not only helps develop the place as an education hub but also facilitate internationalized environment of higher education. Alongside this global trend, Singapore, Malaysia, and Hong Kong are of no exception and have embarked on the process of internationalizing their higher education campuses by recruiting more international students, striving for achieving the policy goal of developing themselves into regional education hubs. Hong Kong has no doubt had some comparative advantages over other Asian competitors in the region but there are several major hurdles it needs to overcome before it can successfully export its higher education services. This paper reports part of a territory wide study in order to highlight the strengths and weaknesses of exporting Hong Kong's higher education to the Asian markets. In addition, to counteract the economic driven imperatives in restructuring higher education, the author would like to caution the importance of going beyond income generation and put forward a question of what the real aim and mission of internationalization of higher education are in the Asian region.

Keywords   Higher education · Internationalization · Education hub · Promotion strategies · Marketization

1 Introduction

According to the Organization for Economic Co-operation and Development (OECD 2009), Asian students will dominate the global demand for higher education in the next decades. Bohm et al. (2002) have found that the global demand for international higher education is

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set to grow enormously. Within Asia, China, and India will represent the key growth drivers, generating over half of the global demand in international higher education by 2025 due to their blooming economies. As indicated in the database of OECD (2009), number of students from sending countries of China, Korea, and Japan studying in the OECD countries are in first, second, and third places, respectively, whereas Indian students are in seventh. In the United States, India, China, South Korea, Japan, and Taiwan are among the top six sending countries whereas students from Hong Kong and Indonesia are in fifteenth and sixteenth places (Institute of International Education 2009).

Since there is a great demand for higher education among Asian countries, it is strategically important for Hong Kong to embark on the road of recruiting students from the region. Hong Kong is totally well-prepared to become a regional education hub in the wake of the emergence of Asia, particularly China and India as great powers in terms of their economic growth in the 21st century (Cheung 2009).

2 Background of the study

While it is believed that internationalization of Hong Kong's higher education is a catalyst to prepare local institutions for the next wave of Hong Kong's economic growth, the University Grant Committee (UGC) of Hong Kong published the 'Report on Hong Kong Higher Education' in 2002, proposing that Hong Kong possesses the capability to export higher education services and eventually become an education hub in the region. In 2004, the former Chief Executive of Hong Kong Special Administrative Region (HKSAR), Mr. Tung (2004, p. 5) said, "We are promoting Hong Kong as Asia's world city, on par with the role that New York plays in North America and London in Europe". The UGC then shared the Chief Executive's view and the vision of the Secretary for the Education Bureau (EDB) that Hong Kong can be developed as the education hub of the region in the higher education services sector (University Grant Committee 2004). Due to Hong Kong's strong link with the Chinese Mainland, its cosmopolitan outlook, its internationalized higher education, and its geographical location, the UGC believed that Asia will have a key presence on the world map of higher education, and thus internationally competitive centers of excellence with critical mass can be established in Hong Kong.

In the 2006–2007 Policy Agenda, the Education and Manpower Bureau (2006) elaborated on the new and on-going initiatives in education that a high-level inter-bureau steering committee chaired by the Chief Secretary for Administration was set up to examine the strategic issues relating to promoting Hong Kong as the regional hub of education such as positioning and prioritizing the education hub policy including immigration control, boarding facilities, financial assistance, support local institutions to offer services outside Hong Kong and promotion strategies. In his 2009–2010 policy address, Mr. Donald Tsang, Chief Executive of Hong Kong stressed that education would become one of Hong Kong's six big industries (Tsang 2009).

As of 2009–2010, there are 9,333 non-local students studying in Hong Kong's higher education institutions (University Grant Committee 2010). The proportion of these students enrolled in publicly funded programmes and self financed programmes are 6:4. More than 90% of them are from Mainland China and very few (6%) from other Asian markets. Since there is a great demand for higher education among Asian countries, Hong Kong needs to take into account the General Agreement on Trade in Services to explore the possibility of internationalizing and promoting Hong Kong's higher education services in the region of Asia apart from the market of the Chinese Mainland. Given the multi-facetedness of the

intention of exporting Hong Kong's higher education and its far-reaching implications, the project team was commissioned by a public organization to conduct a research study in 2008 on exploring the challenges of promoting Hong Kong's higher education in the region.

As part of the commissioned study, this paper presents the findings on the facilitating factors and impediments to exporting and internationalizing Hong Kong's higher education services through analyzing relevant policy documents, interviews with non-local students in Hong Kong and survey study in four Asian cities, namely Mumbai, New Delhi, Jakarta, and Kuala Lumpur. What are identified in this study have implications that can help provide insights for the HKSAR government and higher education stakeholders to establish appropriate strategies at system and institutional levels for exporting Hong Kong's higher education.

3 Strategies of promoting higher education

To capture this increasingly growing market in the Asian region, major hosting countries are stepping up their marketing efforts and promotional strategies to ensure continued increase of international students to their countries. In fact, overseas students generated billions of dollars yearly for the economy of the exporting countries and have become their important income source. Other than the economic benefit generated from exporting higher education services, the quest for people with special and talented skills in these countries is very keen (Duhamel 2004; Harman 2004). Kehm and Teichler (2007) noted that there has been an increasing body of research on marketization and internationalization of higher education in recent years. In the case of Singapore, the Education Services Division under the Singapore Tourism Board works on competitive analysis and research. In a similar vein, the British Council of the United Kingdom (UK) and the Australian Education International of Australia also study market trends on behalf of their countries. These efforts in return support the developing of appropriate marketing strategies to penetrate the markets in the Asian regions (Cheng et al. 2009). As a result of an examination of the literature relating to marketing international education services, the following strategies critical to the success of education institutions operating in international markets have been identified.

Mazzarol (1998) reiterates that the focus on developing an image of quality of the curriculum and a reputation for quality of the institution in the target market is an essential starting point for elaborating strategies for marketing international education. It can help develop good level of recognition leading to comparative advantage in the market. To manage quality, the government can play a role in assisting higher education providers to obtain sufficient funding to undertake research programmes of an international standard (Mazzarol and Hosie 1996). Griggs (1993) highlights that "twinning arrangement" where two institutions become alliances and collaborate in the provision of degrees can also help enhance quality and comparative competitiveness in the target market. In addition, offshore enrolments of international students could actually help generate funds for universities (Nelson 2002). Many foreign universities have established offshore programme and campus in Singapore since 2000 (Olds 2007). Moreover, effective use of technology is an important way from which competitive advantage can be achieved in marketing higher education. Technologically mediated learning can help reduce education time compared with traditional teaching methods (De Bloois 1988). Government promotion agencies are of critical importance in helping promote higher education overseas. For example, the governments of Australia, Canada, the UK, and the USA have made considerable investment in setting up and maintaining professionally run, well-resourced education information and promotion centers in target market countries which

are found useful and effective in recruiting prospective students (Mazzarol 1998). To promote higher education overseas, the four 'Ps' strategies defined by Gibbs and Knapp (2002) as products, price, promotion, and place could be adopted so as to overcome the barriers and help assess the marketing process in order to adjust future plans.

4 The rationale of exporting and internationalizing higher education services

Transnational higher educational services have offered many new opportunities of increased access to higher education, strategic alliances between universities and the expansion of human resources and institutional capacities (Chan and Ng 2008). The mobility of students, university faculties, knowledge, and even values has become portion of internationalization of higher education. To meet the global demand for higher education services, many Asian universities such as those in Hong Kong, Singapore, and Malaysia have started integrated them into the higher education community of the world. However, in the process of internationalization of higher education, the nature of competitiveness and income generation is being particularly highlighted. While indulging in the exercise of marketing and exporting higher education to other regions, the higher education stakeholders must ask themselves authentically whether internationalization of higher education has really improved and enriched teaching and learning experiences and ensured education quality (Mok 2008a; Ng 2010). Internationalization of higher education, in fact, has often appeared in the discourse of various levels over its meanings and rationales (Fok 2007). Yang (2002) argues that internationalization lies in an understanding of the universal nature of the advancement of knowledge that is based on the common bonds of humanity. Yang further highlights that internationalization means the awareness and operation of interactions within and between cultures through its research and curriculum, with the crucial aim of achieving mutual understanding across cultural borders. Knight (2004) also depicts that internationalization of higher education should help enhance students' competencies and create a climate on campus that promotes and supports international/intercultural understanding. This conception echoes de Wit (2002) refined definition of internationalization of higher education as a process integrating an international/cultural dimension into the teaching, research, and service functions of higher education institutions. Knight (2006) adds that internationalization of higher education needs to aim at preparing future leaders and citizens to address global issues and challenges like shaping sustainable development, international solidarity, and global peace in a highly interdependent globalized world. Chan (2008) asserts that building up cross-cultural understanding, tolerance, and the creation of democratic communities and citizenships which transcend national boundaries are the tasks of governments as well as universities to make it happen in the process of internationalization of higher education. These reiterations of what internationalization of higher education should emphasize are actually based on the profound belief that the cultural heritage of people is universal and humankind shares the bond of humanity and global citizenship in the process of advancement of knowledge.

5 Impact of globalization on internationalization of higher education

In recent decades, what is really prevalent today is the intensity and the extent of internationalization activities occurring in higher education institutions in the Asian region. Shin and Harman (2009) point out that internationalization of higher education has been influenced by two mega trends—globalization and massification. Globalization is a market-induced process

that has promoted a new imperative for education, with focus on cross-border competences in terms of mastery of an international language, critical thinking skills, information processing skills, etc. (Chan and Tan 2008). It is fueled by a neo-liberal ideology emphasizing entrepreneurship, cost-effectiveness, and customer orientation. The economic driven imperatives in the name of globalization emphasizing the importance of productivity have created huge pressures to the state for restructuring higher education in the process of its internationalization. Some scholars (e.g., Scott 2003; Yang 2002) argue that globalization in nature is, to a great extent, incompatible with the rationale of internationalization of higher education in which academic values are being challenged. For example, marketization and massification of universities have paved the way to serious competition for funds as well as students and faculty (Chan 2004; Mok 2007). Massification exerts tremendous impacts on governance, finance, quality, curriculum, faculty, and student enrolment (Ngok 2008). As reviewed in a recent study conducted by the author and his colleague, higher education in Hong Kong, Singapore, Malaysia, Australia, and Japan have embarked on the road of internationalization along the global trend of marketization, corporatization, and commercialization with the inclination of advancing their governance and management (Ng and Tang 2008). In order to make their university systems more globally competitive, both the Singapore and Malaysia governments have introduced corporatization and incorporation strategies to reform their national universities (Mok 2008a). It is noted that incorporation of public universities was implemented in Japan in 2004, in Singapore in 2006 and in Malaysia in 1998 (Shin and Harman 2009). As the logic of the market place and efficiency dictates Australian higher education policy, it then encourages competition and customer orientation in the running of educational services. Curie and Thiele (2001) have pointed out that the motive for the Australian universities to be more export-oriented is indeed an interactive response to a decrease in government funding for higher education and the need for universities to develop entrepreneurship in gaining income. Educators and academics in Australia feel very demoralized and substantially deprofessionalized in the era of measuring performance in terms of research output (Chan 2008). On the other hand, utilitarian and pragmatic values can be reflected in the impact of globalization on internationalization of higher education. Making every effort to compete for a top ranking in the 'world class' league tables has affected how universities in the Asian countries are governed (Chan 2008; Mok 2007; Yang 2003). My interview with an administrator of the University of Malaysia in 2008 demonstrated that the institution has also embarked on the road towards internationalization with the aim of achieving a position in the top 200 of the world rankings. The tendency of emphasizing pragmatic values is likely to cause various tensions among faculty members in the higher education institutions (Yang 2003). In addition, a great number of Asian universities have worked in line with the higher education policy of the Anglo-Saxon paradigm. The copying of the western paradigm will create a dependency culture which constitutes internationalization in the Asian region (Chan 2008; Mok 2008a; Yang 2002).

6 Research methods

This study is informed by the complexities of internationalization that lie in its varied underpinning rationales, strategies, benefits, and risks to higher education institutions and societies (de Wit 2002; Knight 2006). The study reported here employed both quantitative and qualitative methods. The data were collected by the following three major methods: (1) questionnaire survey; (2) in-depth focus group interviews; and (3) document review and analysis. Relevant documents regarding higher education provision and regulations were collected from

government officials in Hong Kong and from the website of those specified policy concerned bodies and higher education providers. These documents yielded insights into the current practices and situation of higher education provision and policies in Hong Kong and also served the purpose of triangulation of data collected. Data to be collected through the survey study and focus group interviews were driven by two key research questions: (1) What are the facilitating factors and impediments to exporting Hong Kong's higher education services to the Asian market? (2) What are the policy implications for internationalization of Hong Kong's higher education? The major source of data for the survey questionnaires was from prospective students in four target cities as required by the commissioning body. All closed ended questions in the survey were coded and entered into SPSS for analysis. The other source of data was collected though focus group interviews with non-local students in Hong Kong coming mainly from Malaysia, Indonesia, and India. They were attending undergraduate and graduate programmes in the eight government funded universities in Hong Kong at the time of the research study undertaken. The project team designed an interview schedule in which the open-ended questions regarding issues, challenges, attractions, and strategies of internationalizing Hong Kong's Higher Education were included. Both convenience and snowball sampling methods were employed for survey questionnaires and interviews, respectively.

The survey questionnaire consisted of four major sections: (1) needs for pursuing higher education overseas; (2) types of educational services; (3) factors facilitating or hindering students to study in Hong Kong; and (4) promotional activities of Hong Kong's higher education. The project team conducted questionnaire surveys in four studied cities—Mumbai, New Delhi, Jakarta, and Kuala Lumpur. There were a total of 1,370 questionnaires being collected in this study. Nine hundred questionnaires were collected from students attending the education expos and 470 from students of the government and international schools in the target cities. In Hong Kong, a total of 30 non-local students from selected Asian countries other than the Chinese Mainland, including India, Indonesia, and Malaysia plus a few from other Asian places, volunteered to participate in the focus group interviews. Seven focus group interviews with non-local students were undertaken locally in Hong Kong. The audio-recorded interviews were transcribed and analyzed using both open and axial coding (Strauss and Corbin 1998). Recurring themes and relevant information were grouped into categories. The term "non-local students" is used instead of "international/overseas students" because students from the Chinese Mainland are not treated as "international students" in Hong Kong.

7 Facilitating factors for exporting Hong Kong's higher education

Based on the findings from interviews and survey questionnaires, the following strengths of exporting Hong Kong's higher education are summed up and conceptualized.

One of the greatest strengths of Hong Kong's higher education is that it has the niche and uniqueness of possessing three major components simultaneously. First, it is reflected in the international component of Hong Kong. Hong Kong has long exposure to international cultures, which has brought forth its international dimensions in rich possession of Western knowledge, and good interface with the Western systems. As an international city, Hong Kong has acquired high concentration of international information, and internationalized educational vision and management. Second, Hong Kong is a renowned world-class city as the world's major financial and economic center. This cosmopolitan city enjoys advanced technology, excellent law and order, and a high degree of freedom of speech. Third, Hong Kong possesses an important aspect that is unique to elsewhere—the Hong Kong factor. It is a place in Asia where East meets West that comprises both Chinese and English language

environment, and a key city in China which serves as a gateway and springboard to China. It is a platform for China studies owing to its close social, economic, geographical, and cultural connections between people in Hong Kong and the mainland, and its rich knowledge and understanding of Chinese cultures and customs. Two students from Malaysia and India said:

> Hong Kong is an international and financial city. It also attracts a lot of tourists. It is not only a safe city but also provides people with different types of freedom such as demonstrations and petitions. You can't find such a scene in the street in Malaysia and Singapore. (Student informant 2)

> China is a big market. Hong Kong is a place where we can learn a lot about China trade. That is why I come here to study. (Student informant 5)

Taking into consideration of all these significant elements, Hong Kong has a great potentiality of attracting students from the Asia Pacific Rim to study. Another type of strength of Hong Kong's higher education is its marketing infrastructure. Hong Kong possesses an extensive global networking in the world. Governmental agencies' support is of critical importance. Currently, the Hong Kong Trade Development Council, working on behalf of the HKSAR government, has established about 40 regional offices in world's major cities in every continent for its industrial and service promotion. Its already existing network could provide useful support and resources for the promotion of Hong Kong's higher education overseas. As a matter of fact, Hong Kong has some of the world-renowned higher education institutions in the world. According to the respected *Times Higher Education Supplement*, three out of the eight universities in Hong Kong were ranked in the world's top 100 from 2007 to 2009 (Times Higher Education 2010). For the first time, the University of Hong Kong was awarded with its highest ranking as the 18th best university in the world in 2007 and 24th in 2009. It was made the second highest ranked university in Asia after the University of Tokyo. A student from New Delhi had the following remark:

> One of the reasons attracting me to study in Hong Kong is the high ranking of Hong Kong's universities. With this international benchmarking, it ensures Hong Kong's higher education is of high quality and of international standard. (Student Informant, 13)

Hong Kong's higher education has also excelled in many areas of studies, such as the Master of Business Administration (MBA) and Executive Master of Business Administration (EMBA) programmes that are especially popular among Asian students. The full time MBA programme has been in partnership with other outstanding universities in Europe, America, and /or China as to obtain international exposure and more management knowledge and skills in the rest of world. Many of these programmes have received regional and international recognition. In September 2007, 'The Economist', one of the famous magazines published in the United Kingdom, has ranked the MBA programme offered by one of the Hong Kong higher education institutions the '20th' among 100 MBA programmes. The EMBA programme ranked top 15 worldwide in 2005 and the Number 1 in the Asia-Pacific region from 2003 to 2005, and in Asia from 2001 to 2005 by London-based *Financial Times*. The EMBA programme was granted 'The Best EMBA Educational Organization Award' by *Smart Fortune Magazine*, a leading professional magazine in human resources in the Asia-Pacific region, in 2004. In October 2007, after assessing all the EMBA programmes in terms of graduates' annual income, growth rate of their income, participants' working experiences, programme quality, institutions' quality, international backgrounds

Table 1 Main reasons when choosing higher education overseas

	Mumbai N = 277 (%)	New Delhi N = 311 (%)	Jakarta N = 303 (%)	Kuala Lumpur* N = 479 (%)
Job placement	44.2	40.7	35.6	57
Recognition of degrees	33.7	26.1	32.7	67
Areas of excellence	28.6	34.5	32.1	61.4
Admission requirements	29.3	25.1	29.1	53.2
Tuition	16.7	14.3	43.0	18.4

Note: multiple responses allowed

of both the professors and students, professors' publications, etc., the "Financial Times" ranked the abovementioned EMBA programme the "first" position in the world, which was assessed the "third" in the previous year (Financial Times 2010). An MBA student from India expressed in such a way:

> Business in India and China is growing rapidly. Both countries need an international country which is deeply hooked up with China; that is Hong Kong. Thus sponsored by my company, I choose to study MBA here. (Student informant 23)

In fact, programme quality and areas of excellence were considered to be the major concern of the students in the four target cities. As indicated in Table 1 of our survey study, the factors concerning importance of areas of excellence and recognition of degrees ranked No. 2 and 3 as the main reasons when choosing higher education overseas by prospective students in these four target cities.

In Mumbai and New Delhi, about 40–45% of respondents rated job placement as the most important reason when considering higher education abroad. About 30% of respondents chose recognition of degrees, areas of excellence, and admission requirement as the main reasons when choosing higher education overseas. In Jakarta, 43% of the respondents chose tuition as the most important reason. About 30% of respondents chose job placement, recognition of degrees, areas of excellence, and admission requirement as the main reasons when choosing higher education overseas. In Kuala Lumpur, recognition of degrees (67%) was rated as the most important reason when they considered studying abroad.

Besides its academic excellence, Hong Kong's higher education provides a wide range of choices in various disciplines of study to its students with fairly affordable tuition fees. Some non-local students found that the tuition fee of higher education in Hong Kong was lower than that in the Western countries. Besides, financial support in the form of scholarship, studentship, etc. also attracts them to pursue studies in Hong Kong. A postgraduate student from India responded in such a way:

> The tuition fee for a degree here is just one third of that in Australia or in the States. What is important is they provide me with scholarship that is sufficient enough for my accommodation expenses as well as my studying expenses. (Student informant 19)

Some of the curricula are uniquely structured with China modules. Hong Kong's geographic proximity, business, and cultural ties with the Chinese Mainland are a major attraction to non-local students. With its proximity to and business ties with the Chinese Mainland, Hong Kong is seen as a springboard to business opportunities in the Chinese Mainland.

The future career opportunities in business fields in the Chinese Mainland make programmes related to Business and Management attractive to them. Exchange programmes are well-established in each institution. They enable students to broaden their horizon and introduce them to the international academia. Moreover, the use of English as a medium of instruction is commonly accepted as important in every institution and has proved to be a drawing point to non-local students as expressed by many students being interviewed. A student from Indonesia remarked:

> Though it was difficult for me to get used to communicating in English in the campus, I still feel appreciated as it is now actually a means for me to get to know each other. It is an international language. (Student informant, 27)

Last but not least, there are Quality Assurance mechanisms in Hong Kong that will make the exporting of higher education sustainable. International benchmarking ensures that the Hong Kong Council for Accreditation of Academic and Vocational Qualifications has been responsible for accrediting non-university tertiary institutions and the programmes of study run by them at degree and sub-degree levels.

8 Impediments to exporting Hong Kong's higher education

Despite its tremendous strengths, the exporting of Hong Kong's higher education is subjected to an equal number of inadequacies identified.

8.1 Inadequate policy infrastructure

The disconcerting population policy and education policy on international students also impede the progress of promoting Hong Kong's higher education overseas and may position Hong Kong on the competitive periphery. Knight (2002) argues that immigration requirement may be one of the barriers in the process of internationalization. At the time the study was conducted, the immigration laws were unable to allow overseas students to work in Hong Kong to support their education, even though some of them would like to stay for internship afterward. Other exporting countries that do well in attracting international students, for instance, the USA, the UK, and Australia, allow part-time work up to 20 h during school semesters in various forms. To facilitate the attraction and retention of non-local students, the Chief Executive's 2007 policy has addressed the problems with work restrictions. Non-local students will be allowed to take up part-time on campus jobs for up to 20 h per week and off-campus summer jobs during the summer breaks (Tsang 2007). However, a Malaysian student still felt dissatisfied with this proposal:

> There is no flexibility at all. I can't take up part-time job off campus during my study period. I can't work more than 20 hours. It is really very restrictive. I need to earn part of my living during my study in Hong Kong. (Student informant, 16)

In addition, a number of students viewed that there is a lack of scholarship and financial subsidy for overseas students' tuition fees. Financial support like scholarship is important in face of the high cost of living in Hong Kong. Specific groups of students, like those from less favorable backgrounds in the Asian countries, students with families, etc. are in need of financial support. Our survey in the target markets also disclosed that about 20% of the respondents needed part-time job while studying overseas. In addition, lack of scholarship, financial aids,

Table 2 Financial assistantship preferred

	Mumbai N = 277 (%)	New Delhi N = 311 (%)	Jakarta N = 303 (%)	Kuala Lumpur N = 479 (%)
Scholarships	52.9	56	76.6	85.4
Low-interest loan	29.7	10.4	5.0	16.7
Assistantship/part-time job	26.4	23.5	14.5	20.9
Do not need assistantship	6.5	10.1	2.0	2.9

Note: multiple responses allowed

and local bank loans creates another yet barrier to students from these four target markets because the majorities of them are from less favorable background and lower living standards. To address this issue, the Hong Kong government has established an endowment fund of $ 1 billion as scholarships to local and non-local students since 2008 (Tsang 2007). These factors are proved to be critical elements in our survey findings when considering studying abroad in all four cities as illustrated in Table 2.

Another great challenge to the expansion of higher education in Hong Kong is the issue of land scarcity and shortage of accommodation for non-local students, especially for those research postgraduate students studying in Hong Kong with their spouses or family members. Many current Asian students interviewed complained that it was difficult to have the institution arrange low-cost student hostels and or marriage housings/accommodations near the campus for them. The lack of affordable student hostels coupled with a high living cost have weakened the attractiveness of the exporting of Hong Kong's higher education to these target Asian markets. An Indonesian student said:

> I can't afford to rent a flat in Hong Kong. It costs $4000 to $6000 per month. (Student informant, 7)

The inadequate expenditure on research and development (R&D) can have a significantly negative impact on the technological advancement of Hong Kong and also on the higher education sector. Hong Kong government has not further extended the comparative expenditure on higher education and spending on R&D similar to what other competitors have. The percentage of government expenditure invested on higher education for the UK, Australia, and Singapore ranged around 2.16–5.25% of their Gross Domestic Product (GDP). Besides, the OECD figures revealed that these three competitors have invested a higher percentage (ranging from 1.76 to 2.93%) share of their GDP on R&D than Hong Kong in 2005–2006, whilst Hong Kong spent about 0.79% (Table 3). Note that the OECD standard for research and development is 2.25% of the total GDP (OECD 2010).

Barriers within the local higher education sector expressed in the quality of university programmes and the medium of instruction are the next issues that may weaken the exporting services. In terms of language environment in Hong Kong's higher education institutions, Cantonese serves as the main language used on campus and in some of courses and programmes for many universities in Hong Kong, though the curriculum and assessment are stipulated in English. According to our interview data with non-local students in Hong Kong, there is a concern over the quality of some university lecturers' English and the language ability of the Hong Kong college students. They have not reached to a desirable level as to

Table 3 Level of research funding as a share of GDP

Countries	Research and expenditure expenses as % of GDP (year)
Japan	3.33 (2005)
USA	2.62 (2006)
Korea	2.98 (2005)
Taiwan	2.58 (2006)
Singapore	2.93 (2006)
Australia	1.76 (2005)
United Kingdom	1.78 (2005)
Chinese Mainland	1.43 (2006)
New Zealand	1.17 (2005)
Hong Kong	0.79 (2005)

Sources: OECD, Science and technology, Research, and Development (R&D) retrieved from http://masetto.sourceoecd.org/pdf/factbook2008/302008011e-07-01-01.pdf

supplement the institutions admitting more international students and becoming internationalized. As an Malaysian student said:

> It takes me a lot of time to get accustomed to the way two of my lecturers speaking their English. Their assent is completely different from that in my country. They are coming from China. (Students informant, 20)

This situation may create problems for non-local students, as they would encounter several language difficulties and inconvenience in their campus life as well as study. This undesirable language environment may create a barrier of attracting overseas students to study in Hong Kong.

8.2 Lack of visibility of Hong Kong's higher education

Another major weakness of Hong Kong's higher education is its inadequate promotion infrastructure. Visibility of a country's higher education is regarded as a key promotion strategy (Mazzarol and Hosie 1996). However, as expressed by some non-local students in Hong Kong, Hong Kong's higher education is not widely known to Asian markets. The following comment is more typical of the views of those students from Malaysia and India:

> It is difficult for me to get access to the information on Hong Kong's universities in my country. Usually, I could obtain information on Australian and Singaporean higher education in the education expos. I rarely find any consultants or representatives from Hong Kong. (Student informant 26)

It is also reflected in a lack of visibility of the promotion of Hong Kong's higher education in these target markets. The Hong Kong government has not made general information about fields of study, courses and programmes offered, modes and units of study, fees charged, and history and vision of each of the UGC-funded universities in Hong Kong readily accessible to other countries. More sophisticated information such as international recognition and status of academic standard, areas of excellence, employment prospects, overseas further studies, exchange opportunities, campus facilities, and support services to overseas students, student culture, and learning atmosphere, etc. are also not well known to those interested in pursuing study in Hong Kong. Our data suggested that the majority of people surveyed in India, Malaysia, and Indonesia know little about higher education in Hong Kong (Table 4).

Table 4 Visibility of Hong Kong higher education

	Mumbai N = 277 (%)	New Delhi N = 311 (%)	Jakarta N = 303 (%)	Kuala Lumpur N = 479 (%)
Visible	9.0	32.4	29.8	17.2
Not visible	34.9	22.1	32.2	42.1
Do not know	56.1	45.5	38.1	40.8

Table 5 Top three reasons for not pursuing higher education in Hong Kong

	Mumbai N = 277 (%)	New Delhi N = 311 (%)	Jakarta N = 303 (%)	Kuala Lumpur N = 479 (%)
Have no idea or information about higher education in HK	**76.1**	**60.0**	**80.8**	**83.7**
Total cost is too expensive	12.3	**22.7**	12.3	**40.9**
Academic credentials may not be recognized in their country	**20.0**	7.6	2.0	**33.5**
Language is a barrier	**18.7**	**21.1**	**28.6**	31.0

Note: multiple responses allowed
The bold values indicate the top three reasons among four given in the table

Table 6 Countries preferred

	Mumbai N = 277 (%)	New Delhi N = 311 (%)	Jakarta N = 303 (%)	Kuala Lumpur N = 479 (%)
UK	32.6	18.7	22.4	30.3
USA	34.1	35.9	28.7	11.3
Australia	29.7	24.8	23.1	37
Singapore	18.1	11.1	11.9	25.9
Hong Kong	9.1	12.7	7.3	17.5

Note: multiple responses allowed

The issue of inadequate visibility also reflects in another finding of the survey questionnaire (Table 5). While being asked the top three reasons of not studying in Hong Kong, a great proportion (60–84%) of the respondents remarked that they had no idea or information about Hong Kong's higher education. Cost of living, language barriers, and academic credentials were put at second, third, and fourth ranks. Therefore, the Hong Kong government needs to pay special attention to developing constructive strategies to make Hong Kong's higher education services visible in the target markets.

Inadequate visibility of Hong Kong's higher education will affect respondents' preference of countries for their study. A great majority of students surveyed in all four cities preferred Western countries like UK, USA, and Australia (74–96%). Only 11–26% preferred Singapore and 7–17% preferred Hong Kong (Table 6). However, more respondents in Kuala Lumpur than other cities indicated their preference on Singapore and Hong Kong. It might be due to a

sizeable Chinese population in the city that is more likely attracted to a place like Singapore and Hong Kong that share similar cultural heritages.

8.3 Social and cultural barriers

Many student respondents expressed that they met nice people, including their fellow local students. Yet a few indicated problems with social integration between local and non-local students.

The study of Harman (2005) revealed that being difficult to adapt to the local culture was a major source of frustration for international students. Social and cultural barriers such as intercultural insensitivity and concern over ethnic diets also create hindrance to attract more Asian students to Hong Kong. Though Hong Kong has possessed international dimensions of cultural integration, people who are from these target markets have encountered various forms of cultural insensitivity from the local Chinese mainstream. From our interviews with a number of non-local students in Hong Kong, we learned that some of them found it extremely difficult to integrate into the local community. An Indonesian student had this remark:

> Hong Kong students always speak Cantonese among themselves. Some of my course-mates have never approached me. (Student informant, 28)

Specific ethnic diets, for instances, Muslim diet, are rare in Hong Kong. International students that are from particular ethnic and religious backgrounds would have difficulties finding appropriate diets.

9 Discussion: challenges ahead

To enhance their global competitiveness in the world market place, governments in Hong Kong, Japan, Singapore, Taiwan, South Korea, and Mainland China have introduced new measures to improve the education quality (Mok 2008b). Today, to enjoy a share of the fast expanding and lucrative education market, the Singaporean government has embarked on the ambitious plan to make Singapore a 'Global Schoolhouse' (Ng and Tan 2008). Similar to Singapore, Hong Kong has also attempted to embark on the road towards internationalizing its higher education services and positioning itself as a regional education hub. However, Knight (2006) argues that internationalization is a complex and dynamic process that is embedded with strategies, benefits, and risks to higher education institutions and the country as a whole. The findings depicted above demonstrate that to promote its higher education services to overseas students, Hong Kong will face a lot of challenges. Considering its strengths and impediments found in the study, there would be huge opportunities as well as threats emerged for exporting Hong Kong's higher education services. As for its opportunities, the rising of China's economy has helped attract a great number of people to Hong Kong to visit, work, and study due to its physical proximity to China. When this factor is more established and stable, Hong Kong could serve as an excellent place to bridge into the China market. The increase of trade activities between China and the target studied countries would specially seem more appealing for students from these countries to study in Hong Kong.

On the other hand, our critical examination of current practice of internationalization of Hong Kong's higher education services has revealed the immediate need for formulating corresponding measures to address the subtleties of the issues and challenges inherent in exporting Hong Kong's higher education. These challenges are of fourfolds. First, Hong Kong as a new entrant to the market faces keen competition from several key education

exporting countries such as Australia and Singapore. Other than Australia, and Singapore, there are new players emerging in several Asian countries, such as Malaysia, Taiwan, South Korea, and Mainland China, who are building stronger brands of their local institutions. They have also working hard to promote their programmes to these Asian markets. Second, it is obvious that the findings stated above are of the intention to make Hong Kong's higher education systems more globally competitive. Chan (2008) argue that the policy of Hong Kong's transnational education is more of a neo-liberalist approach. The pursuit of competitiveness carries the implication of economic orientation in the process of internationalization (Knight 2006; Mok 2007; Yang 2003). In this connection, the development of creating Hong Kong as an education hub is affected by the strong tide of marketization and mainly driven by concerns of 'brain gain' and 'income generation'. While these strategies help serve the end of attracting overseas students, the author cautions the importance of going beyond exporting higher education services and put forward a question of what the aim of internationalization of higher education should be. As revealed from the literature, to counter the over-riding aim of market-orientation in internationalization, many scholars (e.g., Knight 2004; Yang 2002) argue that it is of paramount importance to integrate an intercultural dimension into teaching, research, and community service in the internationalized curriculum. It is worth bearing in mind that linking a commercial revenue-generating approach with internationalist rhetoric may frustrate the development of an international orientation in a higher education institution (Turner 2007). There is a deep belief that internationalization of higher education will be undergoing a 'humanizing process' that issues facing all of mankind in the globe are addressed. Bottery (2005) argues that internationalization of education is concerned with more than the pursuit of economic interests, but also with the development of human flourishing and with the need to forge communities conducive to moral and spiritual growth. Third, global trends in higher education policies are greatly shaped by the institutes and practices of Western countries, especially the USA and the UK, but also pacific countries, notably Australia. Duplicating Western educational policies seems to be one of the characteristics of internationalizing higher education in the Asian region. While indulging in the game of internationalization and questing for the world class university status, there is a need for Hong Kong's higher education to guard against the growing impact of globalization by avoiding copying higher education policies from the Western countries and developing constructive polices matching the local needs and context (Mok 2008a; Ng 2010). Fourth, at present, education from the West is viewed as more prestigious than the East. Perception of Western education being better than Asian education needs to be changed. In addition to promotions and advertisements banking on Hong Kong's position in the region in terms of its English education, a safe and advanced city and a gateway to China, Hong Kong's higher education institutions should put more emphasis on the vision of preparing future leaders and citizens to address global issues so as to counteract the tide of excessive market-centered values and commercialization of higher education. There is also a need to strive to enhance their engagement with and contribution to the wider community through restructuring their curricula and visions of education futures.

10 Conclusion

Globalization intensifies the interaction between East and West (Mok 2007). It merits political, economical, and cultural convergence. Ten years ago, Hong Kong was in lack of capacities to provide additional higher education opportunities by increasing university enrolments. Nowadays, like Singapore, Hong Kong has participated in the competition exercise of

developing as an education hub in the region. The analysis above has important policy implications for the future of exporting Hong Kong's higher education. It is clear from the findings that Hong Kong has several competitive advantages in exporting its higher education services over other countries in the region, yet at the same time, it also has several areas which are lagging behind. In the past 2 years, the Hong Kong government has actively been seeking ways to address some of the aforementioned impediments, including raising the admission ceiling for non-local students, establishment of funds to provide more scholarship to both local and non-local students, provision of a research endowment fund to support the research work undertaken at universities and relaxing existing restrictive immigration regulations (Tsang 2007). These newly introduced initiatives discussed above will no doubt make Hong Kong a more attractive and competitive place for non-local students. Based on the findings of the current study, there are still many issues that need to be resolved. Indeed the formation of a successful regional education hub in Hong Kong is dependent upon the ability of the Hong Kong government and higher education stakeholders to attend to these weaknesses and threats in a timely and proactive manner. In conclusion, in consideration of the history, culture, and economic development, Hong Kong is now on the verge of developing a 'unique' hub of international education which will challenge traditional Western models that are market driven and profit-oriented. The issue whether internationalization of higher education has really enhanced students' learning experiences and improved education quality is worth exploring. We need to create positive futures by defining the real aims and missions of higher education in the internationalization process. In this regard, there is a need to initiate negotiations between governments and between higher education institutions at the international level so as to define clearly the missions of internationalization where democratic values, and inter and multi-cultural respect and understanding should be embedded in the higher education curriculum.

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