

The recalibration of neoliberalisation: repoliticising higher education policy in Hong Kong

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Abstract This article analyses a recent policy change in higher education in Hong Kong to determine the significance of politics in the conceptual understanding of higher education governance. To achieve this objective, the article examines the tension between the global agenda, which is characterised by neoliberal ideology and practices, and local needs, which explain the political interests of governments in higher education policy and justify government intervention in higher education. The article initially delineates neoliberal reforms in the 2000s and subsequently reviews the ideology of governance and the regulatory regime in the Hong Kong higher education system. Then, it analyses the recent policy change. Based on this analysis, the article argues that higher education governance in the city is undergoing a paradigm shift, with which the essence of governance has shifted from managing globalisation to managing the tension embedded in the global-local dynamics of agenda setting in higher education policy.

Keywords Higher education governance · Regulatory regime · De-/re-politicisation · Policy agenda · Neoliberalism

Introduction

The Hong Kong higher education system underwent a round of rapid expansion activities characterised by privatisation and internationalisation in the last 2 decades. Such an expansion involves a series of policy initiatives, which aim to rapidly and significantly increase the university admission rate and develop the city into a regional education hub. Despite a wide range of policy objectives, the rationales for these policies can be captioned

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by the idea of managing globalisation. However, this policy agenda for globalisation met significant challenges generated from public sentiments against commercialisation and delocalisation of higher education. Under the political circumstances of post-colonial Hong Kong, these sentiments exert a force that accelerates the (re)politicisation process of higher education policy and eventually resulting in a recalibration of neoliberalisation in higher education, which indicates a shift in how the Hong Kong government finds a political balance between the ongoing and contending ideological poles behind these policy processes.

This article articulates this policy change with an emphasis on its implication for the conceptual understanding of higher education governance in the globalisation era. To achieve this objective, the article highlights the tension between the global agenda, which is allied with neoliberal ideology and practices, and local needs, which explain the political interests of governments in higher education policy and thus rationalise government intervention in the arena of higher education; it also argues that higher education governance in the global era comprises the handling of the dynamics of several diverse or even conflicting agendas. Figure 1 diagrammatically illustrates the dynamics.

The diagram presents a dichotomy between globally oriented/market-driven agendas and locally oriented/state-centric agendas, in which neoliberalisation/depoliticisation and repoliticisation appear to be two opposing forces. To illustrate this dichotomous framework, the present article initially delineates neoliberalisation in the Hong Kong higher education system, with a focus on reforms under the former administrations during the 2000s. It subsequently lays out the regulatory regime that Hong Kong adopts in its higher education governance and the connection of the ideology of governance and regulatory architecture with the concept of depoliticisation. The article uses the multiple-stream model to analyse the policy formulation and policy change in higher education under the current administration. Finally, it explores how the recent policy change sheds light on the conceptualisation of higher education governance in the global era. Specifically, the article argues that political agendas play an important role in the constitution of higher education governance in the globalisation context. This argument legitimates the emergence of the repoliticisation of the Hong Kong higher education governance and exemplifies the complex dynamics of agenda setting in higher education policy.

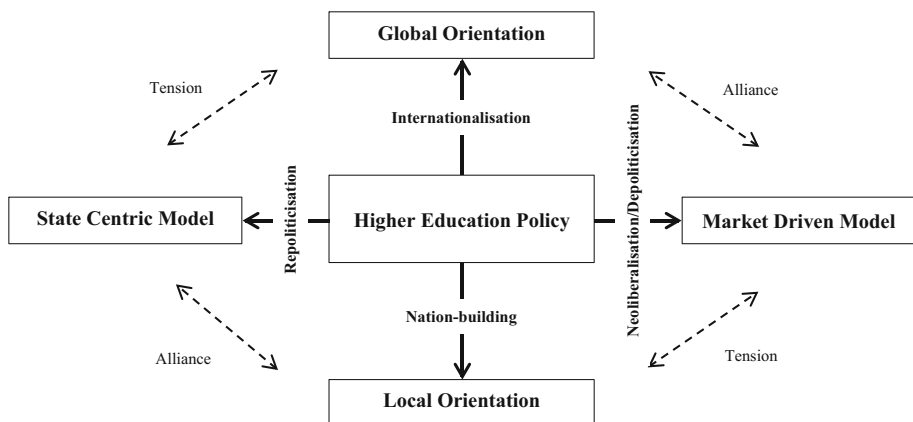


Fig. 1 Dynamics of agenda setting in higher education policy. *Source:* Drawn by the author

Neoliberalisation in higher education

Neoliberalism presents a form of governmentality that legitimatises the state to act in its positive role through the use of auditing, accounting and management techniques, thereby achieving the end goals of freedom, choice, competition and individual sovereignty. In this sense, the market is considered to be the ultimate solutions to issues of social distribution and regulation (Olssen and Peters 2005). Within higher education, neoliberal discourse is often materialised through a combination of two institutional practices, namely, economic commercialisation, with which market elements can be used in the education domain, and managerialism, which stresses the importance of accountability and transparency and the role of bureaucratic control in upholding these notions (Marginson 2013).

Neoliberalism has prevailed in the higher education sector of Hong Kong in the last 2 decades. The emergence and use of neoliberal ideology in education can be traced back to the late colonial era. Neoliberal reforms appeared in the form of managerialism during the period (Mok and Wilding 2003), given the fact that the user-pay principle has already been adopted in the funding model of higher education, which required publicly funded institutions to recover 18 % of costs through increases in tuition (UGC 1996). This policy was accompanied by a revision of government grants and loans schemes. Following the user-pay principle, a stringent approach was applied to the approval of grants; moreover, the Non-means Tested Loan Scheme, which operated on a full-cost recovery basis, was established to provide interest-bearing loans to eligible students to cover their tuition fees (Chan and Lo 2007).

The neoliberalisation process had become more prominent since the Tung administration (1997–2005) decided to further expand the higher education sector in 2000. In the same year, a target of increasing the participation rate of tertiary education to 60 % by 2010 was set (Tung 2000). This expansion of higher education is justified by an assumption that higher education plays an essential role in facilitating the move towards a knowledge-based economy and a learning society. Indeed, as the Hong Kong economy was undergoing a structural transformation, adding values to human capital through higher education expansion was the key motive for the government to impose the massification of higher education during the period (Wan 2011). Nevertheless, owing to the financial crisis of 1997–1998, economic hardship occurred and the government budget was in deficit. Consequently, instead of expanding the provision of publicly funded degree programmes, the government relied on the sub-degree sector, which operates 2-year associate degrees to achieve this ambitious goal. The sub-degree sector primarily consists of community colleges, including existing post-secondary colleges and those established by local universities and their continuing education arms. Some community colleges were established in the form of collaboration between higher education institutions funded by the University Grants Committee (UGC) and charity organisations. Given that these community colleges are operated under a self-financing mode, financial incentives are available for higher education institutions to join this new tertiary education market. More importantly, this diversified ownership model indicates a new public-private mix, revealing the neoliberalisation process and a move towards academic capitalism, in higher education (Slaughter and Leslie 2001). This expansion policy has exponentially increased the number of self-financing post-secondary places, particularly at the sub-degree level. In the 2001–2002 academic year, 38 accredited self-financing sub-degree programmes enrolled 8895 students. The figure increased to 348 programmes with 52,046 students in 2013–2014, and

with this rapid expansion, the university admission rate reached 70 % in the same year (iPASS 2014).

The neoliberalisation process was accelerated by the policy of developing Hong Kong as a regional education hub and turning education into a service industry. The policy, which was announced in 2004, primarily aimed to recruit more non-local students, thereby promoting the internationalisation of higher education (Tung 2004). However, in addition to diversifying the student population, the policy also implemented the mission of driving forward the economic and social development of Hong Kong (UGC 2004) because the education hub strategy generates income (from tuition fees and other expenses of foreign students) and attracts overseas talent (Lo 2015; Knight 2013). The economic imperative of the education hub strategy was further emphasised in the context of the financial crisis of 2007–2008. In 2009, the Tsang administration (2005–2012) decided to take educational services as one of the six new economic engines that could complement the traditional economic pillars, thereby creating new business opportunities and enhancing Hong Kong's competitiveness (Tsang 2009). This 'industrialisation' policy phenomenally increased the number and types of non-local providers and consumers of education services. With regard to non-local provision, running tertiary education programmes and branch campuses on a self-financed basis in Hong Kong has become increasingly common for overseas institutions. Importantly, these non-local programmes, which principally lead to foreign qualifications, have become an important source of supply in response to the growing local demand for undergraduate education, especially from associate degree graduates. The top-up degree sector consequently emerged, reflecting the growth in the importance of transnational education in the territory. As for non-local consumption, since the UGC showed an intent to expand the non-local student population in 2004 (UGC 2004), the number of non-local students in the tertiary education sector has continuously increased. In 2010, the UGC raised the allowed proportion of non-local students from 10 to 20 % in the undergraduate programmes of its subsidised institutions (UGC 2010). Meanwhile, the government has attempted to attract more non-local students by relaxing the regulations on immigration and employment and boosting scholarship opportunities. As a result, the ratio of non-local enrolments in UGC-funded programmes has significantly increased from 2.86 to 15.33 % between 2001–2002 and 2013–2014 (UGC 2014), and self-financing non-local students have become a growing source of revenue for higher education institutions in Hong Kong. Nevertheless, the introduction of non-local consumption has failed to significantly boost the ethnic and cultural diversity of the student population. As of 2013–2014, students from mainland China account for 78 % of the non-local student population in Hong Kong (UGC 2014). Thus, the overreliance on a single source of non-local students has spurred criticisms; at the same time, concerns over the intensified competition between local and non-local young people for educational resources and employment opportunities have surfaced.

Regulatory regime and depoliticisation

In the literature on public governance and social policy, Hong Kong is constantly viewed as a regulatory state in which minimal government intervention and laissez-faire economic orientation are used to characterise public administration and welfare governance. Indeed, economic non-interventionism and financial conservation were emphasised in the historical construction of the welfare state during the colonial period. Thus, the non-interventionist

approach to social welfare forms a foundation for understanding the regulatory regime in higher education, especially the self-financing sector, in Hong Kong, although all the eight major universities in Hong Kong are public institutions and are funded by the government through the UGC, whose primary role is to channel government funding in order to ensure that these institutions hold their accountability for effective use of public resources while maintaining their autonomy. In fact, the expansion policy mentioned above reveals a differentiation strategy. Under this strategy, the higher education system in Hong Kong is divided into two parts: the core sector, which refers to the UGC-funded undergraduate programs, and the supplementary sector, which consists of the self-financing programs operated by both local and non-local providers at various levels (Lo in press). Although the Hong Kong government plays a relatively active role in finance and provision in the UGC-funded sector, the non-interventionist approach is still relevant to understanding the fast-growing self-financing sector in Hong Kong.

Following Hong Kong's historical non-interventionist approach to social policy, Mok's (2008) work on regulatory regimes and higher education exemplifies that the government continued to embrace the ideology of non-interventionism in the governance of higher education as it had heavily relied on market principles and mechanisms to govern the growing self-financing sector. Although the government played a certain role in monitoring the quality of self-financing programmes offered by local and overseas providers through the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, a market-driven model was adopted to control the content, level and cost of self-financing programmes. Such an approach demonstrates the minimal state of Hong Kong in the massification process of higher education and the development of transnational education. Mok (2008) concludes that the Hong Kong government performs the role of a market facilitator, which operates under the mode of economic liberalism and avoids intervening in the higher education market.

The non-interventionist approach to higher education can be further illustrated by examining the education hub strategy. Although the government clearly indicated its desire to develop Hong Kong into a regional education hub, recent studies report that the development has been slow because the government was uninterested in providing direct public investment and strong coordination (e.g., Cheng et al. 2011). This point is reiterated in Knight's (2013) comparative analysis, which reveals that Hong Kong has adopted a non-interventionist approach to its education hub initiatives; by contrast, Hong Kong's regional competitors, such as Singapore and Malaysia, have been placing substantial investments, in terms of planning, policy preparation, funding and infrastructure, to attract foreign education providers and consumers. Ironically, the relatively prevalent role of the government in higher education funding became a restricting factor inhibiting universities in Hong Kong from competing for a larger share in the global higher education market. As Yang (2012) explains, given that the major universities in Hong Kong are publicly funded, they lack financial incentives to explore overseas markets. As a result, Hong Kong universities remained relatively unknown outside of the region (Cheng et al. 2011) and were less active in the Chinese market compared with other higher education-exporting countries (Yang 2012). This finding indicated that the Hong Kong government had no strategic role in promoting its higher education to overseas markets. Overall, the practice of non-interventionism was adopted in the education hub strategy despite the provision of some government incentives, such as scholarships and employment, and residency permits.

Despite the residual nature of the colonial welfare state, the trends towards neoliberalism and the regulatory regime in higher education after 1997 need to be located within the context of globalisation characterised by economic restructuring. Faced with the

pressure of economic globalisation, Hong Kong underwent the restructuring of the economy to the service industry, which required a larger investment in education, especially higher education. However, in the face of economic downturn and financial austerity in the early 2000s, the government had to adopt the policy option of privatisation and marketisation of higher education. Following the conceptualisation by Jayasuriya (2015), the present article considers the participation of the private sector and application of market principles and mechanisms as a process of depoliticising higher education governance, through which ‘policymaking appears to be the application of a set of technical rules rather than decisions about the allocation of values’ (p. 974). As he puts it, ‘depoliticisation is a political strategy that employs rules and agencies that seemingly separate public policy and decision-making from the political context and has the effect of narrowing the boundaries of democratic contestation of policies’ (p. 974). This situation is attributed to the fact that neoliberal reforms constantly emerge as a combination of economic commercialisation and managerialism (Marginson 2013). Although the adoption of market elements distances the state from direct funding for education, managerial values and practices shift the public nature of higher education to an emphasis on the notion of accountability, which requires the state to strengthen its role in monitoring and supervising quality in higher education systems. According to Jayasuriya (2015), this transformation involves a reconstitution of the publicness of higher education because market-driven initiatives reconstitute the nature and character of public universities. In his view, market-oriented reforms are a form of disciplining regulatory tools, which would constantly reshape the regulatory regime and reinforce the depoliticisation of higher education governance.

In Hong Kong, this theory on the significance of accountability architectures (e.g., quality assurance mechanism) in the changing patterns of higher education governance is empirically supported by the fact that neoliberal reforms emerged along with the spread of New Public Management. In the particular context of neoliberal globalisation, the doctrine and practice of managerialism were widely adopted in educational reforms, which highlighted the importance of quality assurance and its association with the notion of accountability in the early 2000s (see Mok and Wilding 2003). This managerial logic was reaffirmed to respond to the criticism of the policy of developing self-financing sub-degree programmes in the late 2000s (see analysis below). However, the notion of reconstituting the publicness of higher education and the resulting depoliticised governance are based on Marginson’s (2011) understanding of the publicness of higher education, which views the public character of higher education as a result of contemporary social and political practices rather than a universal nature of universities. Given the recent changes in the social and political practices in Hong Kong, this article argues that higher education policymaking in Hong Kong has been repoliticised. The subsequent analysis is focused on revealing the changes, thereby articulating the argument.

Problem, policy and political streams in higher education

Using Kingdon’s (2003) multiple-stream model as an analytical framework, this section explores how emblematic events in the higher education sector and in the society induced a strategic change in the higher education policy of Hong Kong. According to Kingdon, three distinct streams (i.e., problem, policy and political streams) influence the public agenda. The problem stream addresses how problems arise, who defines them and how they are confirmed to be existing problems. The policy stream explains how policy

proposals are developed, debated, revised and adopted. The political stream is concerned with the political environment, in which actors interact and push agendas forward. These three streams often operate independently. When the three streams become joined together at a critical time, windows may open for policy changes.

This article argues that discontent among young people in Hong Kong generates a political window that couples policy alternatives with the problems. Consequently, the government issued a call for averting deepening and extending neoliberalism's influence in higher education.

Problem stream

Problems in the self-financing sector arise with the rapid expansion of higher education, as the expansion policy was undertaken within a short period and with little financial support from the government. During the early years of the operation of the programmes, the lack of articulation and employment opportunities was the most pressing issue regarding associate degrees, despite the reiteration of government that the associate degree is an independent qualification that is capable of meeting employer expectations. According to the report of the Steering Committee for the Review of the Post-secondary Education Sector (Committee 2008), numerous students are dissatisfied with the completion of an associate degree and view the qualification as a stepping stone to undergraduate education. In the meantime, insufficient recognition by employers became prevalent because the qualification of associate degree was a new concept in Hong Kong. Some employers viewed an associate degree as a bridging qualification and considered that graduates of the programmes were unprepared for immediate employment. Consequently, demand for articulation opportunities increased.

In addition, the marketised provision engendered concerns over the quality of education in the self-financing higher education sector. In fact, the Steering Committee (2008) acknowledged that the over-supply of post-secondary places in Hong Kong has intensified the competition and diminished the quality of higher education. For example, over-enrolment at the Community College at Lingnan University (CCLU) and the Lingnan Institute of Further Education (LIFE) operated by Lingnan University, a UGC-funded institution, occurred in 2012. In the incident, students complained that the two colleges over-enrolled students and that the quality of teaching was affected. In their paper submitted to the Legislative Council, CCLU and LIFE denied that the total number of student intakes exceeded the capacity of the two colleges (CCLU and LIFE 2012). However, the incident has drawn public attention to the quality of self-financing sub-degree programmes and how the market-oriented approach may have jeopardised higher education in Hong Kong. Concerns over the quality also surfaced in the self-financing traditional education sector. For example, in their study on the learning experience of a group of students enrolling in UK-Hong Kong partnership degree programmes at both undergraduate and postgraduate levels, Leung and Waters (2013) reported that the students were not highly satisfied with the quality of the programmes. Thus, they questioned the values of these programmes in terms of accumulating cultural and social capital. They also considered the differences between the UGC-funded sector and the self-financing sector as an aggravation of inequality between students enrolling in the two sectors.

Another issue of concern is student loan debt owing to the privatised funding model. According to a study on the financial pressures of young people with government loans (HKFYG 2013), although students enrolled in self-financing programmes could obtain financial assistance through the Non-means Tested Loan Scheme, the high tuition, more

stringent repayment terms of the loan scheme and tortuous path to pursue further study ran up debts and put students under considerable financial pressure. The students, especially those from non-professional disciplines, felt pessimistic about their future. As revealed by the study, the salary range of non-professional associate degree graduates was HK\$ 10,000 to HK\$ 20,000. In some cases, the respondents took 10 years to repay their loans. Furthermore, some respondents revealed that the loan burden significantly affected their lives and career plans. Consequently and importantly, discontent accumulated.

The discontent among young people towards higher education policy can be connected with the education hub strategy, which opens up the Hong Kong higher education system for non-local students. Indeed, commentaries criticise that expanding the recruitment of non-local students, who are principally from mainland China, undermines educational opportunities and resources for local students. Discontent appears in other related spheres. For example, a survey indicated that a large ratio of local student respondents believed that mainland Chinese students staying and working in the city would bring different degrees of competition in terms of employment opportunity and salary level (for details, see CMCR 2011).

In sum, the problem stream shows that the growing higher education sector in Hong Kong since the 1990s has induced the phenomenon of social congestion, in which young people need to confront heavy debts, low-wage work and dead-end jobs in the context of the open-up policy (Brown et al. 2011; Lui 2014).

Policy stream

The problems were addressed by policy entrepreneurs in and around the government. As previously mentioned, the government appointed a Steering Committee to review the post-secondary education sector. The phase one report of the review was released in 2006. The report provides recommendations, focussing on providing government support measures for service providers, improving quality assurance mechanisms, increasing market transparency and providing articulation places through the provision of additional senior year places and top-up degree programmes (Steering Committee 2006). Released in 2008, the phase two report of the review consolidates these recommendations and explains how the targets set would be achieved (Steering Committee 2008). For example, the committee proposes that the government can provide a comprehensive information portal on sub-degree programmes to enhance market transparency. The portal was launched in 2007 (iPASS 2014). To enhance the quality of the self-financing sector, the committee recommends that a set of good practices should be developed by the sector. The recommendation was accepted by the Joint Quality Review Committee, an independent quality assurance body initiated by the eight UGC-funded institutions. Hence, a handbook on good practices in quality assurance was published in 2009 (JQRC 2009).

To relieve the financial burden of self-financing students, the Steering Committee suggests that the government's Financial Assistance Scheme for Post-secondary Students should cover students enrolled in locally accredited, self-financing programmes at both the sub-degree and undergraduate levels. The government accepted the recommendation. Moreover, in his 2010–2011 Policy Address, former Chief Executive Tsang Yam-kuen announced the establishment of a HK\$2.5 billion Self-financing Post-secondary Education Fund, providing scholarships to self-financing students and funding the sector to execute projects that aim to promote the quality enhancement of the self-financing sector (Tsang 2010).

An important aspect of the review is the introduction of self-financing top-up degree programmes to respond to the demands for articulation opportunities. Providing associate degree graduates with the opportunities of undergraduate education was not part of the government's original plan of massification; thus, only 590 unoccupied UGC-funded places were assigned for admitting associate degree graduates in 1999–2000 (Wan 2011, p. 123). The government subsequently became aware of the lack of articulation and decided to gradually increase publicly funded, senior year intake places to 4000 each year, from the 2012–2013 academic year (Tsang 2010). Nevertheless, self-financing top-up programmes operated by both local and overseas higher education institutions remain to be the major channel for associate degree graduates to pursue undergraduate education. Consequently, the top-up degree sector has emerged and has been growing rapidly in recent years. Although the emergence of top-up programmes has somewhat responded to the demands for articulation, their self-financing mode of operation accelerates the accumulation of student loan debts (HKFYG 2013).

Policy proposals and initiatives responding to the criticism of the neoliberal reforms emerged in the 2000s and early 2010s. Nevertheless, these initiatives, which focus on measures to avoid market failure and provide infrastructure for the emerging higher education market, do not exceed the neoliberal agenda, except for the increase in publicly funded senior year intake places.

Political stream

The changes in mood generally around public policy in Hong Kong refer to the negative public perception of the structure of political and economic power in the post-colonial era. Concerning these mood shifts, considerable attention of the general public and policy communities has been paid to the political attitudes and participation of students because they actively participated and even played a leading role in numerous political and social movements in the post-1997 era. The emergence of student political activism is connected with several aspects of the changing Hong Kong society, such as democratisation, integration between Hong Kong and mainland China, economic restructuring and cultural and ideological transformation (see Hung 2014; Zheng et al. 2014). Student political activism generally represents a newly emerged political force in the process of policy agenda setting.

With regard to higher education policy, student political activism pressures the government to consider the discontent of young people over the policy initiatives of expanding the university sector and building an education hub. As Lui (2014) explains, discontent emerged because massification undermines the function of higher education as a channel of upward social mobility; at the same time, the open-door policy coupled with the education hub strategy induces concern over the delocalisation of higher education. The former is articulated by the problems of student loan debt and employability, whereas the latter is demonstrated by anxieties over competition with students from mainland China. With an account of student engagement with political incidents on and off university campus, Tang (2014) further argues that the critical view of students towards the authorities and the politicalised university campus life represent an idealism, which imposes an ideological challenge to the policy regime characterised by academic capitalism in the Hong Kong higher education system. Tang views student political activism as a form of civil philanthropy, which strikes an alliance between the state and market forces and defends the autonomy of Hong Kong academia.

These analyses illustrate the relevance of the political awareness and participation of students in higher education policymaking. In other words, mood swings are perceived in the upsurge of student participation in political and social movements in Hong Kong (Hung 2014; Zheng et al. 2014). Given the current political situation, student voice should be considered a political force for the policy change.

Policy window and policy change

The governmental agenda for higher education has been changed under the Leung administration (2012–present). This situation is indicated by the fact that the ideas of building a regional education hub and developing the education industry were not incorporated in the three policy addresses (2013–2015) of Leung Chun-ying, the current Chief Executive. As for the development of mass higher education, the government cancelled a long-discussed plan for developing a private university and decided to use the site for public housing in January 2014 (HKISD 2014). The Society of Jesus consequently dropped its project to establish a self-financing, liberal arts university in Hong Kong in May 2015.

A few other initiatives are considered indications of policy change. First, the government decided to further increase its subsidies to students enrolled in the self-financing sector. In his 2014 Policy Address, Leung announced that the number of senior-year undergraduate intakes would gradually increase by 1000 places from 4000 places in the 2014–2015 academic year to 5000 in 2018–2019. These new quotas allow the UGC to increase the number of senior intakes by 264–4265 in the 2014–2015 academic year. This initiative affects the structure of the higher education system. As noted in its document to the Legislative Council, the government expects that this progressive increase would help ‘foster a flexible, diversified and multiple-entry multiple-exit education framework with greater inter-flow between the self-financing and publicly-funded sectors, and between the sub-degree and degree sectors’ (Education Bureau 2015, p. 2).

In the same policy address, Leung (2014) also announced the review of the feasibility to subsidise up to 1000 students per academic year in pursuit of self-financing undergraduate courses in selected disciplines. Consequently, the Study Subsidy Scheme for Designated Professions was introduced in January 2015. The scheme offers a total of 1000 subsidised places, covering 14 courses in the fields of health care, architecture and engineering, testing and certification, creative industry, logistics, and tourism and hospitality, from five local higher education institutions (i.e., Open University of Hong Kong, Technological and Higher Education Institute of Hong Kong, Tung Wah College, Hang Seng Management College and Chu Hai College of Higher Education) (SSSDP 2015).

The opening-up policy has also been reviewed. As previously mentioned, in attempts to build a regional education hub, the government has allowed publicly funded institutions to admit non-local students to their UGC-funded programmes at up to 20 % of the approved UGC-funded student number. This 20 % comprises a maximum of 4 % of UGC-funded places and 16 % additional places. Known as the 4 %-in-16 %-out policy, this arrangement creates popular disquiet among local residents. Indeed, in December 2014, the government submitted a financial document to the Legislative Council, noting that the government has been aware of ‘concerns that non-local students are taking up precious public resources at the expense of local students’ (Education Bureau 2014, p. 5). Particularly, critics pointed out that the 4 %-in policy would displace the educational opportunities for local students and that ‘all approved UGC-funded places should be fully utilised to admit local students, so as to maximise the use of public resources for the benefit of local students’ (ibid.). In response to the criticism, the government decided to adopt a 20 %-out

policy, ensuring that 100 % of the approved places are fully used for the admission of local students from 2016–2017 onwards.

Why did the policy window open? In general, the window was opened by the change of administration and shift in mood among the mass public. As has been discussed, the higher education policy of the Leung administration is different from those in the Tung and Tsang eras and has been moving away from the neoliberal agenda. As pressing problems, student loan debt and issues about articulation and employment are regarded as the causes of discontent of young people over the lack of upward social mobility. In the particular context of student political activism, the Umbrella Movement in 2014, a large-scale protest led by student organisations, can be viewed as the focal event that opened the political window and accelerated policy change.¹

In a recent manifesto, Chief Executive Leung indicated a direction in the higher education policy of Hong Kong. As reported by the government in its reply to legislator questions, UGC-funded institutions have accumulated a large number of surpluses from running self-financing programmes (HKISD 2015). In this context, Leung (2015) announced in his 2015 Policy Address that the government ‘will ask the institutions to critically review their financial position and consider ways to use their surpluses to benefit their students, such as lowering tuition fees and offering scholarships or bursaries for underprivileged students’ (para. 155). At the time of writing, no further action has been undertaken to follow up the statement; hence, the declaration can be viewed as a political signal, recalibrating the deepening neoliberalisation tendencies in the higher education system of Hong Kong.

Repoliticisation of higher education policy

One approach to understanding the agenda setting of higher education policy in the context of global-local dynamics is through the lens of politicisation, as evident in the theory of blurred boundaries between science, economy and politics by Münch (2014) or in a recent work on the changing higher education landscape in Singapore by Lo (2014). This approach exemplifies the political interests of governments in higher education policy and the associated political constraints that governments would encounter in the implementation of neoliberal ideology and policies in higher education. According to Marginson (2013), governments are inevitably restricted by local political constraints in the process of commercialising higher education and embracing transnational academic capitalism because the governments ‘cannot abstain on public goods’ and they need to ‘use higher education policy to build their own political capital’ (p. 366). In other words, this argument highlights the significance of political interests and limitations in understanding government intervention in higher education.

This article follows this argument to explain the recent policy change in the higher education system of Hong Kong, as the changing political culture and the rise of student political activism underpin the distinctive formations of local priorities and political agendas. More importantly, emphasising local politics provides a conceptually stimulating contrast to the notion of managing neoliberal globalisation, which is extensively adopted in

¹ Beginning in September 2014, the Umbrella Movement is a political movement that developed from a boycott of classes in secondary schools and universities into massive protests. Student activists and student organisations, including the Hong Kong Federation of Students and Scholarship, played a leading role in the movement (for details, see Ortmann 2015).

the existing literature on higher education governance in East Asia. Indeed, in light of this notion, the focus of research is on how and the extent to which individual higher education systems have incorporated global agendas, such as internationalisation, marketisation and corporatisation, in their policymaking. Hence, considerable attention has been paid to the manner in which the state responds to globalisation and interacts with other players in the emerging global higher education market. However, local politics is almost, if not completely, omitted in the discussion.

Inserting local politics also helps articulate the idea that there are radically different and diverse perspectives on the globalisation process, in which higher education is assigned to provide multiple adhesive functions, including the development of human capital, generation of national income, promotion of innovation and technological development, and provision of upward social mobility. The first three functions are closely connected with the rise of a knowledge-based economy, which drives higher education to be more globally oriented and market-like (Olssen and Peters 2005). However, the fourth function is associated with the notion of higher education as a public good that emphasises the importance of collective benefits in higher education policy and the relevance of higher education to nation-building missions, such as democratisation and human development (Marginson 2011). These competing visions of higher education reveal that the cause of the strain is the tension between public rights and private rights; thus, the nature of the root problems is political (Labaree 1997). In this regard, although the dichotomous framework presented in this article illustrates that neoliberalisation/depoliticisation and repoliticisation function as two competing forces in the global-local dynamics (Fig. 1), an essential aspect of the conceptual framework is that political interests and agendas exist in the entire agenda setting of higher education policy.

Jayasuriya's (2015) argument about depoliticisation can articulate this point. As he explains, although neoliberal reform is promoted as a strategy for building a new regulatory architecture and depoliticising the governance of higher education, all of the ideological and institutional changes are to link market elements and social democratic objectives together. In particular, the market-oriented reforms in Australia constitute a political project of market citizenship, which aims to construct an accommodation between market elements and social democratic values that would increase allocative efficiency and simultaneously pursue a variety of social objectives. In other words, although the neoliberal practices may separate higher education policy from the political context and therefore lead to a depoliticisation process, their nature is political. In Hong Kong, the neoliberal policies can be considered a political project that sustains the regulatory state in a knowledge-based economy (Mok 2008). This argument demonstrates an actual meaning of political interests in the global-local dynamics in higher education, indicating that governments have political interests in both global/private and local/public domains of higher education. In light of this conception, the repoliticisation process refers to a shift in core political interests from globalisation to nation building in the context of a swing of public mood. The case of Hong Kong is an illustrative example of this idea.

Conclusion

As has been demonstrated in the case of Hong Kong, this article has brought politics to the on-going discussion on changing higher education governance in East Asia. Stating that this aspect is a new insight into higher education policy would be an exaggeration. Indeed,

whilst the concepts of exchange and overlap among science, economy and politics outlined by Münch (2014) conceptually reveal the significance of political agendas in shaping the governance of knowledge production and dissemination, the recent literature provides an empirical account of the interplay between political factors, especially public opinion, and policy changes in higher education in Hong Kong and its neighbouring city, Singapore (Lui 2014; Lo 2014). Despite the awareness of the relevance of politics to agenda setting, the existing work seems to have overlooked the need for absorbing this point as a conceptual element into the established understanding of higher education governance in East Asia, which focuses on how East Asian welfare states have responded to the challenges of globalisation and transnational academic capitalism. Thus, this article has attempted to develop a conceptual framework for understanding the global-local dynamics of agenda setting in higher education policy. A crucial dimension of this framework is the tension between these diverse agendas. Thus, the future challenge for higher education governance in the region, and possibly other regions as well, has shifted from managing globalisation to managing such tension. This paradigm shift represents a call for a new state capacity to simultaneously govern the global agenda and local needs and therefore indicates a crucial area for future research.

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