

INTERNATIONAL STUDENT MOBILITY IN HONG KONG: A GATS FRAMEWORK OF ANALYSIS



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Outline



- ✓ Internationalization and Mobility
- ✓ GATS Framework of Analysis
- ✓ International Student Mobility in Hong Kong
- ✓ Concluding Remarks



Internationalization & Mobility

Definitions and Concepts



- ✓ Internationalization as systemic, institutional and individual change toward integration of cross-cultural perspectives, but increasingly a revenue generating strategy
- ✓ International student mobility as an inseparable part of internationalization
- ✓ The emphasis on private benefits reinforced by the rise of credentialism and its impact on the employment strategies.
- ✓ Mobility as trade with the dominant influence of economic imperatives and decline of cultural ones
- ✓ Semantic challenges (including physical or virtual mobility)
- ✓ Measurement challenges: inbound and outbound ratios; costs and benefits
- ✓ Do we need to discuss public and private goods, and fair balances in trade?

Costs and Benefits

Costs	Benefits
Systemic	Systemic
<ul style="list-style-type: none">✓ Public investment in education (including primary and secondary)✓ Brain drain	<ul style="list-style-type: none">✓ Economic innovation, productivity✓ Brain gain
Institutional	Institutional
<ul style="list-style-type: none">✓ Capital investment✓ Administrative costs✓ Opportunity costs	<ul style="list-style-type: none">✓ Cross-cultural learning environments✓ Institutional revenue sources
Individual	Individual
<ul style="list-style-type: none">✓ Household expenses✓ Cultural shock/emotional stress✓ Psychological strain/separation/isolation✓ Opportunity costs	<ul style="list-style-type: none">✓ New knowledge and experiences✓ Foreign language proficiency✓ Employment opportunities✓ Global networks



GATS

Framework of Analysis

Trade in Services



- ✓ Capital mobility and trade and its influence on the national human capital
- ✓ Scarce resources
- ✓ Brain drain/brain gain dilemma
- ✓ Competition for talents and trade in services liberalization (including immigration liberalization)
- ✓ Not only students sent/ students received
- ✓ Market concepts and fair trade balances
- ✓ What does it mean for national higher education policies and institutional planning including resource generation?

GATS Framework



- ✓ The General Agreement of Trade in Services (GATS) has outlined 4 major modes for global exchange services:
- ✓ Mode 1: Cross-border supply
- ✓ Mode 2: Consumption abroad
- ✓ Mode 3: Commercial presence
- ✓ Mode 4: Presence of natural persons

GATS' modes in higher education

Source: WTO (2010)

Mode	Title	GATS Definition	Application in Higher Education
Mode 1	Cross-border supply	Services supplied from one country to another	Virtual universities; supply of electronic products; specifically designed courses
Mode 2	Consumption abroad	Consumers or firms making use of a service in another country	Studies abroad; scholarships and fellowships in other countries
Mode 3	Commercial presence	A foreign company setting up subsidiaries or branch to provide services in another country	Satellite campuses; joint revenue-generating programs
Mode 4	Presence of natural persons	Individual travelling from their own country to supply services in another country	Recruitment of foreign teachers and doctoral students



International Student Mobility in Hong Kong

The Case of Hong Kong



- ✓ 7M people; GDP per capita US40K
- ✓ 33,000 citizens “consume” university programs abroad annually (16th place in the world, Guruz 2008)
- ✓ The change of inbound-outbound students balances with the rise of the “world-class university” movement
- ✓ Changing from a knowledge consumer to a knowledge provider
- ✓ Internationalization redefined

Mode 1: Cross-Border Supply



- ✓ The competition in higher education sector in East Asia is becoming more intense (e.g. the proliferation of “education hubs”).
- ✓ Universities in Hong Kong would like to attract more international students in order to enhance their competitiveness
- ✓ E.g. Climbing up for higher positions in university ranking tables
- ✓ International mix in student population is one of the criteria in university ranking tables.

Inbound Student Mobility in Hong Kong

Source: UNESCO Institute of Statistics (2010)

	2004	2005	2006	2007	2008
Total International students in HK	3,270	3,817	4,905	6,274	7,362
From North America, Central America and Caribbean	51	59	-	-	-
From Africa	12	10	14	11	15
From Asia	3,079	3,608	4,664	6,102	7,164
From Mainland China	2,886	3,407	4,437	5,824	6,826
From Malaysia	30	41	50	62	90
From Macao	13	25	42	69	85
From Singapore	19	18	17	20	24
From Europe	74	71	69	87	94

MC Students' perceptions of HK comparative advantages

Source: Li and Bray (2007)

Advantage	%
<i>Geographic proximity</i>	43.0
<i>Social and cultural identity</i>	39.0
<i>Merger of eastern and western culture</i>	37.8
<i>Bridge between China and outside</i>	28.2
<i>Financial support, scholarship</i>	58.8
<i>Research/ teaching related to China's reality</i>	9.6
<i>More exchange with mainland</i>	26.0
<i>No advantage</i>	5.1
<i>Others</i>	1.7

Mode 2: Consumption Abroad



- ✓ The imbalance of demand and supply at home universities
- ✓ In 2006/2007, Hong Kong universities were able to provide only 14,500 places to the 93,300 children born in 1988 (Olsen and Burges, 2007).
- ✓ Other reasons: to improve English proficiency, to learn to be independent, better job prospects, dissatisfied with the education system in Hong Kong, etc
- ✓ Given that the living standard is better than few decades ago, many parents can afford to send their children studying abroad.

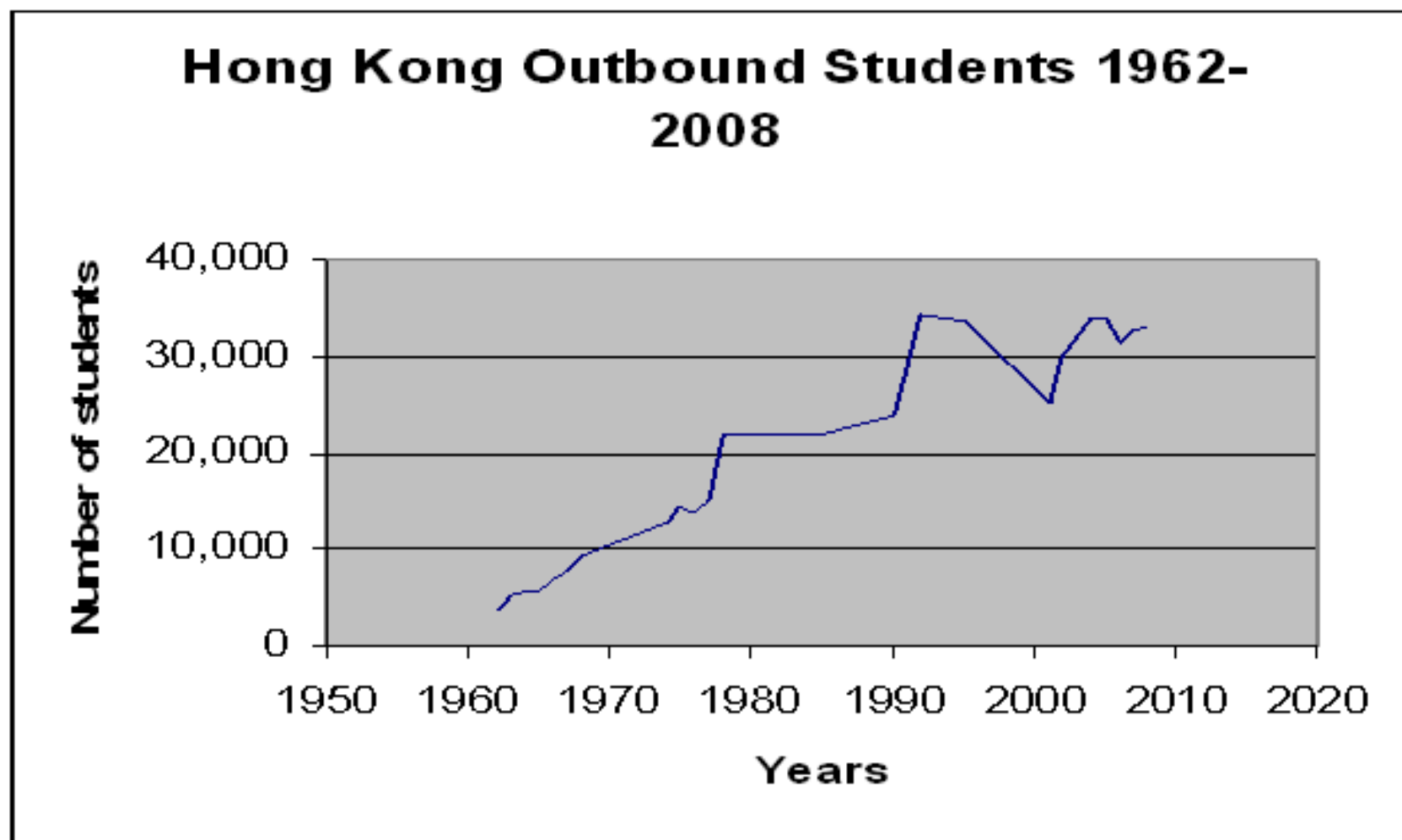
The Growth of Outbound Student Flows in Hong Kong

Source: HKUST database; Guruz (2008); Davis (2003); UNESCO (2010), World Bank (2010); Nationmaster.com (2010)

Year	Outbound Students	Total Population (million Approx.)	Local enrolment, secondary	Local Enrolment, tertiary	GDP per capita, Current \$US	Total GDP, \$US (bln.)
2008	33,107	6.98	507.3	-	30,863	215.3
2007	32,739	-	502.6	157.8	29,898	207.0
2006	31,475	-	491.9	155.3	27,699	189.9
2005	33,948	-	488.0	152.3	26,092	177.8
2004	33,899	6.8	481.0	147.7	24,454	165.8
1965	5,814	-	-	-	714	2.7
1962	3,875	3	-	-	521	1.7

Outbound Students

Table 3. *The Growth of Outbound Students in Hong Kong*



Source: Guruz (2008); UNESCO (2010).

The Hong Kong Students Abroad: by Major Country-Recipients

Source: Bray and Koo 2005; HK CSD 2002, 2005

Country	1975	1986	1990	1994	2000	2005
Australia	572	1,687	3,864	11,932	20,739	19,000
Canada	6,644	6,730	6,372	6,589	5,000	11,000
Taiwan	2,626	3,854	3,633	2,663	1,171	-
UK	4,434	6,953	7,700	7,400	5,200	17,800
USA	11,930	9,720	12,630	12,940	7,545	13,400
Mainland China	-	-	-	-	3,000	5,500

HK Major Motives for Study Abroad

Source: HKCSD 2002; 2005

Major Motives	2002	2005
English proficiency	28,800	25,600
Better learning atmosphere outside HK	18,800	13,000
To learn to be independent	10,600	10,200
Unable to get into a good school in HK	10,300	9,200
Dissatisfied with education system in HK	2,200	8,200
Lower school fees outside HK	1,800	2,200

HK Preferred Study Areas

Source: HKCSD 2005

Study Areas	Number of students	%
Business and Management	29,800	41
Engineering and Technology	13,700	18.9
Sciences	9,700	13.3
Social Sciences	8,300	11.4
Arts and Humanities	7,400	10.1
Medicine and Health Related	3,100	4.2
Education	800	1.1

Mode 3: Commercial Presence



- ✓ Satellite campuses abroad are still an experimental effort in HK.
- ✓ Pearl River Delta region is a strategic region for Hong Kong universities (e.g. Shenzhen and Zhuhai).
- ✓ The new campuses increase cross-border mobility of Hong Kongers to Mainland with the help of governmental fellowships

Mode 3: Commercial Presence



- ✓ Foreign institutions also developed commercial presence on Hong Kong campuses.
- ✓ These foreign institutions cooperate with local providers to deliver a number of distance learning programmes.
- ✓ This has generated a number of top-up degree schemes, allowing Hong Kongers to continue their studies abroad for an additional degree after completing a significant part of their studies at home

Mode 4:

The Presence of Natural Persons



- ✓ On one hand, Hong Kong is making effort to attract more international student for studying.
- ✓ On the other hand, it encourages global talents to stay in the city for long term development.
- ✓ E.g. Recruitment of foreign teachers and doctoral students
- ✓ HK Government's PhD Fellowship Scheme
- ✓ UGC recruitment of professors from abroad (2,000 new positions for overseas teachers planned in the course of the higher education reform in HK)

HK within the GATS framework

Table 10. International Student Mobility and the GATS Service Modes in Hong Kong

Mode	Title	Examples in Hong Kong	Degree
Mode 1	Cross-border supply	Hong Kong universities recruiting students from abroad and providing them with degree programs in Hong Kong; foreign universities sending their students for exchange and training in Hong Kong (short-term or long-term)	Low
Mode 2	Consumption abroad	Hong Kong households making financial provisions and sending their members for a degree program abroad; the arrangement of training schemes abroad linked to undergraduate or graduate programs in Hong Kong	High
Mode 3	Commercial presence	Foreign commercial providers creating joint degree programs in HK and engaging exchange components that allow HK students to complete part of the program abroad; HK universities and colleges reaching out with satellite campuses to the mainland and encouraging HK students to travel to the mainland	Low
Mode 4	Presence of natural persons	Mainland Chinese and Western students residing on Hong Kong campuses and serving as a source of culture, language, and “other” knowledge for local students; Hong Kong students becoming a source of culture, language and local knowledge on campuses abroad	Medium

Source: Authors.



CONCLUDING REMARKS

Concluding Remarks



- ✓ International student mobility is dependent on market forces such as demand and supply.
- ✓ Studies abroad increasingly rely on savings and investment of their households rather than on government or institutional sponsorship.
- ✓ Governments can shape the country's inbound-outbound by competing for talents globally
- ✓ “Fair trade in services” should not become a regulatory obsession of the governments but a culturally sensitive issue promoted by universities while giving, for example, more attention to the integration of local and international student bodies on campuses
- ✓ For institutional development, the issue of tracking talent development locally and globally, and maintaining relations with alumni in the process of their employment and career progress becomes more and more important



THANK YOU!