Managing Human Capital in World Cities
The University of Hong Kong
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Regional Hub of Education: Hong Kong and Singapore in Comparison
Mok Ka Ho

Regional Hub of Education: Hong Kong and Singapore in Comparison
• Managing World Cities Research in 2008
• Brand Hong Kong Review Follow Up Studies in April 2009
• Regional Hub of Education Research in 2009
• Comparative Study of Hong Kong, Singapore and Malaysia Experiences
• Managing Human Capital and Regional Hub of Education

WORLD CITIES SURVEY DATA
OCTOBER 2008

Hong Kong

- Population: 6,994,500
- Under 35 years: 42%
- Median Household Income (HK$): 207,000

Source: 2006 Census

Why “Managing” World Cities?
- Research to date focused on defining, characterising, and ranking world or global cities
- Research is driven by geography, regional studies, urban planning: has a strong focus on understanding and interpreting processes of globalization
- We propose a shift in attention to processes of policy, management and governance:
  - How do we manage world cities?
  - What policy challenges do they bring?
  - What governance arrangements work?
- We are interested in these questions within and between cities:
  - Are the challenges similar in different cities?
  - Do the challenges vary by city?
- The study seeks to build upon an “evidence-based approach” or on “what works”
Survey

Data
- Web survey of key informants in Hong Kong, London, New York
- Posed 8 questions: 3 closed (1-7 Likert and ranking) and 5 open

Measures
- Q1: The below items have been identified in various research reports as key characteristics of world cities. Can you please indicate if you consider:
  a) These items to be as general characteristics of world cities in general
  b) That your city (Hong Kong/London/New York) displays these characteristics
- Characteristics: 30 items drawn from studies on World or Global Cities research e.g.: Globalization and World Cities Research Network at Loughborough University

Survey

Q3 Managing world cities is a complex and demanding task. The governance framework for world city management is coordinated by government (at the city level). Below is a list of policy issues likely to be faced by world cities. We would like to know:

a) If these are current policy challenges facing your city today
b) If they are a priority in your city in 2008

The top challenges/priorities were sub-divided in the following categories (with sub-categories):
- Human Capital
- Policy Processes
- Quality of Life
- Sustainable Development
- World City
- City Governance

Survey

Q4 asked respondents to rank the main five challenges over the next three to five years

The final questions were open ended:
- Within each of the five broad managing world city policy areas you have ranked above, are there specific sub-sector challenges that you face? If so could you briefly outline what these are?
- What do you consider to be the main enablers to meeting these managing world cities challenges in your city?
- What do you consider to be the main obstacles to meeting these managing world cities challenges in your city?
- Finally, are there other issues you would like to bring to our attention? Are they key characteristics of world cities that you think we have overlooked? Are they priorities we have not highlighted or challenges we have not alluded to?

Survey

Characteristics of a World City: Top 5 Items

<table>
<thead>
<tr>
<th>Hong Kong</th>
<th>London</th>
<th>New York</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Major Int'l Airport</td>
<td>1. World Renowned Cultural Facilities</td>
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Characteristics of a World City: Bottom 5 Items

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<th>Hong Kong</th>
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<tr>
<td>27. World Class Sport Facilities</td>
<td>27. Stock Exchange</td>
<td>27. Site of Int'l Sporting Events</td>
</tr>
<tr>
<td>29. Large Number of US$ Billionaires</td>
<td>29. Manufacturing</td>
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</tr>
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Characteristics: Hong Kong

- Differences between ‘characteristics of a world city’ and ‘your city’: significant differences for 20 of the 30 items
- For 18 items Hong Konger’s rated characteristics below those of a world city in general
- Hong Kong was above the average world city for:
  - Large Population
  - Quality of Food
- Based on the differences between ‘characteristics of a world city’ and ‘your city’ Hong Kong displays Business, Infrastructure and Logistics world city characteristics
Differences Within Perceptions of World Cities

- Clear city differences:
  - London and New York respondents believe their city is significantly above the notion of a world city.
  - Hong Kong respondents believe their city is far below the world city standard.
- In many instances, the people in Hong Kong have higher standards for what a world city ought to be than the people in London and to a lesser extent New York. For example:
  - Large population
  - Stock exchange
  - Technological infrastructure
  - Quality of life
  - Mobile workforce

Future Directions: Questions

- The above analysis is based on a questionnaire:
  - How many of the listed items depend on others, e.g., does a large population require strong transport to exist?
  - Are there underlying constructs that span multiple survey items?
- Survey data ultimately depends on perceptions of status. How important is the perception of status as a world city compared to observable characteristics?
- What other cities are world cities?
- How long does it take to evolve into a world city?
- Can a world city lose its international status?

Challenges/Priorities: Hong Kong

- Biggest challenges: Human Capital with other items such as Environment and Economic Stability
- Current main priorities: Education, Financial Centre, Regional Hub, Economic and Governance Stability
- Challenges outstrip priorities on 21 of 26 items (all except crime, Financial Centre, Regional Hub, Political and Economic Stability)
- Is the city meeting its policy priorities?
  - Sub-sector issues include:
    - Employment, particularly of the younger generation
    - Environment, air pollution, and waste management
    - Access to Education

Enablers and Blocks: Hong Kong

- Facilitator and enablers of meeting world city governance challenges in Hong Kong were many and varied:
  - "The government shall demonstrate strong management capacity after obtaining public consent in bringing out policies in the aspects of economic stability, regional hub, financial centre and education."
  - "The strong fiscal structure as well as the legal system that enable Hong Kong to meet these challenges."
- Obstacles to meeting world city governance challenges in Hong Kong were typically located within government:
  - "...lack of governmental will, too much lobbying from the largest and richest HK companies..."
  - "...Weak government - lack of a strong mandate from the people..."
  - "A political leadership which is too short sighted, only looking for immediate popularity without listening to feedback and professional advice."
- Though the environmental shocks were also seen as important:
  - "Unknown external forces, e.g., US financial stability..."

Top Challenges Next 3-5 years

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<td>1. Health</td>
</tr>
<tr>
<td>4. Regional Hub</td>
<td>4. Inequality</td>
<td>4. Environment</td>
</tr>
<tr>
<td>5. Financial Centre</td>
<td>5. Transport</td>
<td>5. Transport</td>
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Breaking New Ground Together: Developing Education Services as New Economic Pillar

- Policy Address of 2009
- Setting New Directions for New Economic Drives
- Education Services
- Enhancing / Responding to the Knowledge-based Economy
- Higher Education in Hong Kong: Top Global Ranking
- The Pressing Demand for Quality Education locally and across the border
Rise of transnational education: Policy contexts of Singapore and Hong Kong

- **Singapore**: From deregulating public universities to the “global schoolhouse initiative” (inviting world-class universities to set up Asian campuses in Singapore)

- **Hong Kong**: From the quest for quality education to an exporter of higher education services

### Changing governance & regulatory regimes: A comparative framework (1)

<table>
<thead>
<tr>
<th>Civil regulation (strong/organized)</th>
<th>Civil regulation (weak/spontaneous)</th>
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</thead>
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<td>State regulation (weak/decentralized)</td>
</tr>
<tr>
<td>- Authoritarian liberalism</td>
<td>- Economic liberalism</td>
</tr>
<tr>
<td>- Market-accelerationist state</td>
<td>- Market-facilitating state</td>
</tr>
<tr>
<td>- State-corporatist regulatory state</td>
<td>- Civil society regulatory regime</td>
</tr>
<tr>
<td>- Interventionist state</td>
<td>- Market-coordinating state</td>
</tr>
<tr>
<td>- Command-and-control regulatory regime</td>
<td>- (Coordinated) Market regulatory regime</td>
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### Singapore: Market-accelerationist state with a highly proactive and systematic regulation (1)

- The government maintains the developmental path of public universities through “decentralized centralism”
- The government handpicks prestigious foreign universities to invite them to set up campuses in Singapore
- The government can also decide which foreign partner to cooperate with and which program to launch for advancing nation-building agenda, e.g., the closure of the Division of Biomedical Sciences of Johns Hopkins University in Singapore in July 2006

### Singapore: Market-accelerationist state with a highly proactive and systematic regulation (2)

- Foreign programs offered by a local partner institution must obtain permission from the Ministry of Education (MOE)
- The MOE only allows local partners to offer administrative support but not teaching support
- The MOE does not have a list of accredited overseas universities, leaving responsibilities for employers to recognize the qualifications
- Professional overseas degrees, e.g., engineering, medicine, law and accountancy, will be judged by local professional bodies

### Hong Kong: Market-facilitating state with a comparatively much liberal regulation (1)

- The government conceives transnational higher education as supplement to local universities, allowing it to generate own revenues in a free-market mechanism:
  - Provides sufficient market information for educational services “consumers”
  - Defend consumers’ interests through quality assurance of “education services and products”
- Establishing the Hong Kong Council for Accreditation of Academic & Vocational Qualifications, yet it only assesses non-self-accrediting institutions but not self-accrediting institutions (e.g., eight universities in Hong Kong)

### Hong Kong: Market-facilitating state with a comparatively much liberal regulation (2)

- For transnational higher education programmes in particular, the registration criteria are loose:
  - non-local courses in collaboration with all eight UGC-funded institutions will be exempted
  - The Non-local Higher and Professional Education (Regulation) Ordinance states that, its objective is “to protect Hong Kong consumers by guarding against the marketing of substandard non-local higher and professional education courses conducted in Hong Kong”
- e.g., Advertisements of all registered and exempted courses contain the statement “it is a matter of discretion for individual employers to recognize any qualification to which this course may lead”
The Comparison: Dialectical conflicts between market efficiency and state capacity (1)

- Kooiman (1993): governance shifting to an interactionist focus (government and society)
- After the 1997/98 Asian Financial Crisis, public universities started to diversify funding sources apart from government funding
- The rise of transnational higher education and privateness in higher education suggest a shift from centralized regulatory model
- Yet varieties of regulatory regimes epitomize dialectical conflicts between market efficiency and state capacity

The Comparison: Dialectical conflicts between market efficiency and state capacity (2)

- Singapore and Malaysia: “market-accelerationist” states
  - Simultaneous centralization and decentralization of the regulatory regime
  - “regulation-for-competition” rather than “regulation-of-competition”
- Hong Kong: “market-facilitating” state
  - The most liberal state among three societies
  - Yet recent reforms point to a stronger state regulation

Discussion & Conclusion

- The quest for becoming regional hub of education has diversified educational programmes, changed the state-market relationship in educational provision and financing
- Should pay particular attention to the change of regulatory regimes governing and assuring the academic quality of the newly emerging transnational education programmes
- The proliferation of higher education providers, increasing mobility of students, and the diversification of educational services has made conventional public-private distinction inappropriate

In the Quest for Regional Hub of Education: Challenges for Hong Kong

- Political Will of the Government
- Policy Mindset of Civil Servants
- Strategic Directions and Proactive Approaches
- Collaborations from the Academic Community
- Revisions / Liberalization of Existing Policies and Laws
- Incentives for the Private Sector and International Players
- Collaborations with Mainland Government(s)