

Regulating Power through Market (In)Segmentation: Inequality and Equivocal Diversification of Tertiary Education in Hong Kong

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While the participation rate of post-secondary education in Hong Kong has more than doubled in 10 years' time from 2002 to more than 70% in 2012, number of students enrolled in self-financed post-secondary programmes has increased more than seven-fold. Nevertheless, self-financed tertiary education institutions are facing stringent competition both among themselves and with publicly-funded institutions. This paper argues that it is a result of the exercise of regulating power by the government through a strategy of incongruent juxtaposition of private sector with state-enterprises through blurring of market segmentation, or market (in)segmentation. This discussion concludes by advocating for a re-examination of the legitimacy and limits of scope of regulating power on the private tertiary education sector and a re-definition of education as a hierarchical good rather than a pure public good. The implication is a re-shuffling of the respective roles and functions of private and public sector of tertiary education institutions through clearer market segmentation, fairer environment of competition and the subsequent power and freedom the private sector should enjoy.