Background

In 2013 President Xi Jinping of the People’s Republic of China proposed establishing a modern equivalent of the Silk Road to create a network of railways, roads, pipelines, and utility grids that would link China and Central Asia, West Asia, and parts of South Asia. This initiative—called One Belt and One Road (OBOR)—aims to create the world’s largest platform for economic cooperation, including policy coordination, trade and financing collaboration, and social and cultural cooperation.

OBOR aims to combine the interests and competitive advantages of different countries to generate synergies and mutual benefits on the economy, trade, environmental management, and cultural exchanges. Connecting and enhancing the productivity of countries along the new Silk Road, China hopes the benefits of cooperation can be shared and that the circle of friendship will be strengthened and expanded. In the long run, it will also help spur the growth of China, and cement its role and status in the international arena. This Beijing-led initiative is designed to strengthen cooperation between countries along the ancient silk road and also to form a new “Maritime Silk Road.”

In 2015 the State Council authorized an OBOR action plan, consisting of two main components: the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Silk Road Economic Belt is envisioned as three routes connecting China to Europe (via Central Asia), the Persian Gulf and the Mediterranean (via West Asia), and the Indian Ocean (via South Asia). The 21st Century Maritime Silk Road plans to create connections among regional waterways. Right after the announcement, more than 60 countries with a combined GDP of $21 trillion expressed interest in participating in the OBOR action plan. Bilateral cooperation agreements were signed with Hungary, Mongolia, Russia, Tajikistan, and Turkey. More than 200 enterprises signed cooperation agreements for projects along OBOR’s
routes. In 2014, China established the US$40 billion Silk Road Fund and relevant investments were made to implement the OBOR action plan.\(^2\)

Soon after the announcements of OBOR, the Hong Kong government proposed various plans to align with the national policy of China and to fund the OBOR initiative. One of these plans is the “Belt and Road” (B&R) Scholarship Scheme that funds student exchanges to foster links with OBOR countries. The swift passage of legislation to support the scholarship programme elicited criticism from lawmakers from both pro-democracy and pro-establishment parties.

**“Belt and Road” Scholarship**

In 2016 former Chief Executive of Hong Kong Leung Chun Ying unveiled in his policy address that the government would align with China’s OBOR Initiative and launch the HK$1 billion B&R Scholarship Scheme for local students to study in OBOR countries. Many concerns were voiced by different constituencies and media on the aim of the scholarship programme and its implementation. Some viewed it with scepticism, seeing it as a pro-Beijing policy that Leung used to demonstrate his loyalty. Most wondered how it would actually benefit Hong Kong. Yet others criticised the method of implementation and the pooling of funds.

Subsequently, the government’s Committee on the Promotion of Civic Education issued guidelines on how the scholarship program will be implemented. Each qualifying project will be given a grant capped at two-thirds of its total expenditure, up to a maximum of HK$300,000. Students participating in the program will be given a daily allowance of up to HK$476 for those going to mainland China and up to HK$1,360 for countries in the Middle East and Western Asia, including Afghanistan, Iran, and Mongolia. The government will also sponsor trips to conflict zones such as Iraq, Lebanon, Jordan, Palestine, and Israel at HK$680 a day for each student. Non-profit organizations and statutory bodies are encouraged to organize trips to OBOR countries.

To qualify for funding under this scholarship program, projects had to:\(^3\)

1. Promote understanding of the OBOR initiative—a significant pillar of our Hong Kong’s future development—among the youth;
2. Enable young people to think about the roles that individuals, and Hong Kong as a whole, can play to help in the country’s development; and
3. Help them grasp the opportunities and challenges arising from the OBOR initiative.
Controversies Over OBOR Scholarships

General reactions

According to the guidelines issued by the government’s Committee on the Promotion of Civic Education, the purpose for the scholarship program is to “[help] our young people understand better that the issues ranging from their academic studies, career and personal development to the future development of Hong Kong are all closely related to our country’s ‘Belt and Road’ Initiative.” Under the program, participants are required to promote the OBOR initiative as well as think about how they can personally advance the policy in their individual capacities.

The objectives of the scholarship program are controversial. Some think that the program focuses more on political outcomes than participants’ careers or professional development. Others say that both objectives are tied, that the program cultivates participants who are expected to be the future advocates of the OBOR initiative in Hong Kong. The academic and professional development of these students will be inextricably linked to the fulfilment of the goals of the OBOR initiative.

On the other hand, there are also those who agree that Hong Kong students need to be enriched with knowledge and equipped with a broad horizon for the future of the country’s development. This is because Hong Kong is an international financial centre and a platform for international investors to tap into the Chinese market. Nevertheless, there are concerns that some OBOR countries may not be major trading partners of Hong Kong, and it remains doubtful as to how far students can benefit themselves and Hong Kong by taking advantage of the scholarship program.

On the legislative agenda, the government promptly scheduled the HK$1-billion B&R Scholarship Scheme for a debate and vote. When queried on the large sum needed, the Education Bureau responded that the sum is meant to be an endowment from which only investment returns will be spent. This will fund around 100 scholarships per year for students from OBOR countries to pursue their undergraduate study in Hong Kong or vice versa. Furthermore, each scholarship recipient will receive a maximum of HK$120,000 a year.

Franco Wong Chak-hang, President of the student union of the Hong Kong Polytechnic University said, “This looks simply like propaganda for China’s policy to please Chinese leaders,” and “[even if] internationalization is not a bad thing,… why must we go to ‘One Belt, One Road’ countries?” Similarly, other leaders called into question whether the scholarships really serve the needs of local students. In this regard, union leaders responded that money can be better spent on increasing
number of government-subsidized degree places in Hong Kong or sending students to more ‘mature’ countries, rather than those less developed countries in the Belt and Road areas.

Furthermore, in its submission to the debate in the Legislative Council the Education Bureau revealed that it had set aside HK$60 million for separate local scholarships. Eligible students can apply for means-tested grants of up to HK$53,000 during their sub-degree or undergraduate studies. This program had started in July 2016, with 37 out of the 40 post-secondary institutions already enrolled.

The huge difference between what students can get under the B&R Scholarship Scheme and what they can get to study locally (HK$120,000 vs HK$53,000) further contributes to the controversy.

On 29 June 2016 Legislative Council member Lam Tai-fai raised a number of questions on the government’s proposal, as detailed in LCQ15: "Belt and Road" Scholarship Scheme. His concerns were, broadly:

- Whether the programme will set a ratio for inbound to outbound scholarships;
- Whether Hong Kong students will be provided with information on admission criteria and program details of the universities in the Belt and Road countries;
- Whether the scholarships will be given outright in a lump sum;
- Whether drop-out students will continue to receive the scholarships;
- Whether the study will be accredited by the framework under Hong Kong’s educational and accreditation system;
- Whether the administrator has considered a short-term outbound study option for Hong Kong students; and
- Whether there are partnerships administered by the Hong Kong education authority with universities in those countries; etc.

Lam also pointed out that some members of the Legislative Council were suspicious that the actual purpose of the scholarship program was to “flatter Central Authorities” (i.e., China), and asked how the government had assessed it to be justifiable to submit the funding proposal to the Financial Committee (FC) for scrutiny—and what the urgency was in doing so—given that there were still a number of funding proposals pending discussion by the FC with only two weeks remaining until prorogation of the current term of the Legislative Council.
The government’s response to LCQ15

In response to the above queries, then-Acting Secretary for Education Kevin Yeung said that the scholarship program aims to encourage outstanding students from OBOR economies to pursue undergraduate studies in Hong Kong and vice versa, so as to further strengthen the ties and educational exchanges between Hong Kong and these economies. In the long run, this will help establish a platform for educational, cultural and youth exchanges, and bring benefits to students and overall development of Hong Kong.\(^7\)

On the urgency of submission, Yeung replied the Education Bureau (EDB) needed the funding proposal approved before initiating discussions with the education authorities of various economies on the feasibility and details of the two-way scholarships to be provided by Hong Kong. This would also enable the government to extend both the inbound and outbound scholarships in phases to cover the remaining OBOR economies as early as possible. Furthermore, earlier confirmation of the scholarship program would allow students to make preparations for studying within the OBOR region faster.

On the actual number of offers, Yeung responded that the B&R Scholarships will begin with 10 to 20 per annum, to be eventually be expanded to about 100 in phases. As for the distribution of offers, it may vary across different countries. Decisions will be left to the Steering Committee of the program, taking into consideration students’ responses and the actual investment returns generated from the proposed endowment. “We believe that the scheme will attract more applications when our students, parents and the entire education sector have a better understanding of the scheme,” Yeung said.\(^8\)

On the implementation details, Yeung confirmed that the scholarship will be disbursed to the awardees in annual instalments according to the schedule of tuition fees of individual institutions, which will be renewable annually subject to satisfactory academic performance of the awardees. If an awardee drops out in the middle of an academic year, the remaining portion of the scholarship for that academic year will be forfeited. As to whether the disbursed scholarships shall be recovered from students who fail to complete the entire program, the government will consider this on a case-by-case basis.

On the scale, Yeung confirmed that the OBOR region covers over 60 economies spanning Asia, Eastern Europe, Middle East, and Africa, with a total population of 4.4 billion. EDB will collaborate with the governments of these countries to provide university choices to Hong Kong
students to ensure quality of the program. For inbound study, respective admission offices of Hong Kong’s institutions will be in charge of the admission criteria and the programs offered.

Yeung said the EDB has been gathering information on education in the relevant economies so as to prepare for the launch of the scholarship program. In response to views of the community that the government should also support Hong Kong students to capture opportunities arising from the OBOR Initiative, EDB recently introduced the Scheme for Subsidy on Exchange to “Belt and Road” Region for Post-secondary Students (SSEBR). In 2016-17, the Government has earmarked $120 million for disbursement to participating institutions through SSEBR, alongside the Scheme for Subsidy on Exchange for Post-secondary Students (SSE).

Public responses

Despite the government’s optimism, the public is concerned about the B&R Scholarships. Some wonder why most of the budget will be spent on subsidizing students from the participating Belt and Road countries to study in Hong Kong. They doubt that the incoming students, having enjoyed the benefits of the scholarships, will be able and willing to contribute to Hong Kong’s development. Others are concerned about how Hong Kong students will be able to adjust unfamiliar countries, the criteria for graduation, and whether the government has any plans to help students who face difficulties. On the other hand, while some people welcome the scholarship program on patriotic and national grounds, others are sceptical about why Hong Kong taxpayers’ money has to be spent on supporting Beijing’s international strategies within the OBOR region.

Others question why the whole proposal had to be passed quickly, even while acknowledging its potential advantages. An article in Hong Kong Free Press reported on these criticisms, including that:

- Local media had reported that the scholarship program proposal might be prioritized in the Legislative Council’s Financial Committee’s agenda so that it could be passed within the legislative session in the same year.

- Ip Kin-yuen, a pro-democracy lawmaker representing the education constituency said, “But where it would be placed has not yet been decided. There is a rumor that they want to place it before the bill to increase wages for civil employees… if this is done, we think that this would be very ridiculous.”
Another lawmaker, Michael Tien, said, “I think maybe his intention is to [do more], to get something. Like as many people say, it seems like the Chief Executive [Leung Chun-ying] might be trying to get re-elected, because otherwise I really can’t see where the urgency is coming from.” Similarly, other legislators also doubted whether the scholarship program was a move for Leung to get re-elected in the upcoming Chief Executive election.

A separate article by *South China Moring Post* reported government officials saying that “[t]he government has been promoting the OBOR initiative to equip students with an international outlook and develop their ability to thrive in a multicultural environment”, to which critics responded that the money would be better spent on local education, such as funding local subsidized degree programs.

**Conclusion**

The OBOR Initiative, proposed by China in 2013, is a trade and infrastructure network that includes the Silk Road Economic Belt and the 21st Century Maritime Silk Road to connect Asia, Europe, and Africa. It has been said that Hong Kong should strengthen its connectivity in the areas of transportation, knowledge and telecommunication, and the like; and should shift its focus of engagement from developed countries to emerging markets. The education system of Hong Kong should also be reorganized to improve its access to the OBOR region including Central Asia and Western Asia instead of limiting itself to Mainland China, US, and the EU. However, the B&R Scholarships have provoked much controversy. It remains to be seen if the OBOR initiative and the scholarship program will bring economic and strategic international benefits for Hong Kong.
Endnotes


2 There will be six major economic corridors, including the New Eurasian Land Bridge, China-Mongolia-Russia, China-Central Asia-Western Asia, Indo-China Peninsula, China-Pakistan, and Bangladesh-China-India-Myanmar. These corridors will be the sites of energy and industrial clusters and will be created through the use of rail, roads, waterways, air, pipelines, and information highways. In details, a number of projects are on proposal and in progress. For example, there will be a train connection between eastern China and Iran that may be expanded to Europe. There will also be new rail links with Laos and Thailand and high-speed-rail projects in Indonesia. China’s Ningbo Shipping Exchange is collaborating with the Baltic Exchange on a container index of rates between China and the Middle East, the Mediterranean, and Europe. For details, see [https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/one-belt-and-one-road-connecting-china-and-the-world](https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/one-belt-and-one-road-connecting-china-and-the-world) (Retrieved on 18 February 2018).


7 Ibid. Yeung provided past experience in similar schemes. He said they had launched the Scheme for Subsidy on Exchange for Post-secondary Students (SSE) in January 2015 to subsidize the participation of needy local post-secondary students in experience learning and exchange activities outside Hong Kong. As at the end of April 2016, the scheme has benefited nearly 1,800 local post-secondary students and the amount of subsidy involved is nearly $21 million.

8 Ibid.
